

STATE OF TENNESSEE



DAVID H. LILLARD, JR.
STATE TREASURER

TREASURY DEPARTMENT

615.741.2956
David.Lillard@tn.gov

STATE CAPITOL
NASHVILLE, TENNESSEE 37243-0225

Sender's telephone: 615.770.1754
Sender's email: heather.iverson@tn.gov

April 8, 2019

Fiscal Review Committee
The Honorable Ron Travis, Chair
The Honorable Todd Gardenhire, Vice-Chair
8th Floor, Rachel Jackson Building
425 5th Avenue North
Nashville, Tennessee 37243

To the Distinguished Members of the Fiscal Review Committee,

The Department of Treasury respectfully requests to amend its contract with Conduent State & Local Solutions, Inc. (formerly known as Xerox State & Local Solutions, Inc.) for the provision of claims processing and call center services to the State's unclaimed property program. Currently, the contractor processes only "fast-track" claims for the program. The amendment would authorize the contractor to process additional claims for the program. The amendment also reflects a change in the contractor's name (to Avenu Unclaimed Property Systems, LLC), resulting from a corporate acquisition.

Thank you for your consideration of this request. If you need additional information, please contact me.

Sincerely,

A handwritten signature in cursive script that reads "Heather Iverson".

Heather Iverson,
Legal Services Director

Supplemental Documentation Required for
Fiscal Review Committee

*Contact Name:	Heather Iverson	*Contact Phone:	615-770-1754		
*Presenter's name(s):	Steve Summerall				
Edison Contract Number: <i>(if applicable)</i>	51779	RFS Number: <i>(if applicable)</i>			
*Original or Proposed Contract Begin Date:	September 15, 2016	*Current or Proposed End Date:	September 14, 2021		
Current Request Amendment Number: <i>(if applicable)</i>	One				
Proposed Amendment Effective Date: <i>(if applicable)</i>	June 15, 2019				
*Department Submitting:	Department of Treasury				
*Division:	Unclaimed Property				
*Date Submitted:	April 8, 2019				
*Submitted Within Sixty (60) days:	Yes				
<i>If not, explain:</i>					
*Contract Vendor Name:	Xerox State & Local Solutions, Inc.				
*Current or Proposed Maximum Liability:	\$3,572,991.41				
*Estimated Total Spend for Commodities:					
*Current or Proposed Contract Allocation by Fiscal Year: (as Shown on Most Current Fully Executed Contract Summary Sheet)					
FY: 2017	FY: 2018	FY: 2019	FY: 2020	FY: 2021	FY: 2022
\$484,966.05	\$670,869.70	\$704,413.19	\$739,633.85	\$776,615.53	\$196,493.09
*Current Total Expenditures by Fiscal Year of Contract: (attach backup documentation from Edison)					
FY: 2017	FY: 2018	FY: 2019	FY:	FY:	FY:
\$148,258.00	\$464,831.49	\$168,269.11	\$	\$	\$
IF Contract Allocation has been greater than Contract Expenditures, please give the reasons and explain where surplus funds were spent:			Surplus funds across the allocation timeframe have remained with the program.		
IF surplus funds have been carried forward, please give the reasons and provide the authority for the carry forward provision:			While there is no carry forward provision for the program, there is recurring spending authority for administrative expenses, such as paying for holder audit services. Under T.C.A. §§ 66-29-146 and 66-29-148, all funds received by the program are deposited in the general fund, except that the treasurer may deduct		

Supplemental Documentation Required for
Fiscal Review Committee

		administrative costs.	
IF Contract Expenditures exceeded Contract Allocation, please give the reasons and explain how funding was acquired to pay the overage:		N/A	
*Contract Funding Source/Amount:			
State:		Federal:	
<i>Interdepartmental:</i>		<i>Other:</i>	100%
If “ <i>other</i> ” please define:		All program funds come from unclaimed property located by the program and its vendors. Under T.C.A. §§ 66-29-146 and 66-29-148, the Department may withhold sufficient funds from its transfer to the general fund each year to pay for administrative expenses.	
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>	
Method of Original Award: <i>(if applicable)</i>		RFP	
*What were the projected costs of the service for the entire term of the contract prior to contract award? How was this cost determined?		The State based its projections on historical spending on similar services, and this contractor’s proposed cost was in line with those projections.	
*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.			

Payments against a Contract

Unit	Sum Merchandise Amt	Edison Contract ID	Vendor ID
30901	\$27,377.35	000000000000000000051779	0000005757
30901	\$35,347.95	000000000000000000051779	0000005757
31320	\$8,844.00	000000000000000000051779	0000005757
31320	\$12,958.00	000000000000000000051779	0000005757
31320	\$18,933.75	000000000000000000051779	0000005757
31320	\$21,357.05	000000000000000000051779	0000005757
31320	\$23,439.90	000000000000000000051779	0000005757

Total FY 2017 \$148,258.00

Unit	Sum Merchandise Amt	Edison Contract ID	Vendor ID
31320	\$18,964.25	000000000000000000051779	0000005757
31320	\$31,160.59	000000000000000000051779	0000005757
31320	\$32,102.59	000000000000000000051779	0000005757
31320	\$36,247.18	000000000000000000051779	0000005757
31320	\$36,942.04	000000000000000000051779	0000005757
31320	\$37,463.13	000000000000000000051779	0000005757
31320	\$46,632.85	000000000000000000051779	0000005757
31320	\$46,889.29	000000000000000000051779	0000005757
31320	\$57,211.52	000000000000000000051779	0000005757
31320	\$59,036.60	000000000000000000051779	0000005757
31320	\$62,181.45	000000000000000000051779	0000005757

Total FY 2018 \$464,831.49

Unit	Sum Merchandise Amt	Edison Contract ID	Vendor ID
31320	\$34,443.24	000000000000000000051779	0000005757
31320	\$39,455.40	000000000000000000051779	0000005757
31320	\$40,315.33	000000000000000000051779	0000005757
31320	\$54,055.14	000000000000000000051779	0000005757

Total* FY 2019 \$168,269.11

*We are currently in FY 2019

Vendor Name	Type	PO ID	Voucher ID	Invoice	Date
Xerox State & Local Solutions	DFA	0000007444	00066713	CL 10660	4/28/2017
Xerox State & Local Solutions	DFA	0000007491	00067042	CL 10670	5/31/2017
Xerox State & Local Solutions Inc	DFA	0000007186	00212617	CL 10634	2/10/2017
Xerox State & Local Solutions	DFA	0000007545	00225757	CL 10675	6/21/2017
Xerox State & Local Solutions Inc	DFA	0000007187	00212618	CL 10641	2/9/2017
Conduent State & Local Solutions Inc	DFA	0000007651	00229869	CL 10678	7/7/2017
Xerox State & Local Solutions Inc	DFA	0000007197	00212621	CL 10650	2/10/2017

Vendor Name	Type	PO ID	Voucher ID	Invoice	Date
Conduent State & Local Solutions Inc	DFA	0000008473	00271397	1449535	4/10/2018
Conduent State & Local Solutions Inc	DFA	0000008652	00274696	1438571	5/25/2018
Conduent State & Local Solutions Inc	DFA	0000008736	00275907	1459569	5/30/2018
Conduent State & Local Solutions Inc	DFA	0000008854	00280445	1470808	7/24/2018
Conduent State & Local Solutions Inc	DFA	0000008654	00274694	1457465	5/25/2018
Conduent State & Local Solutions Inc	DFA	0000008653	00274697	1447829	6/11/2018
Conduent State & Local Solutions Inc	DFA	0000008651	00274695	1456885	5/23/2018
Conduent State & Local Solutions Inc	DFA	0000008647	00274693	1457218	5/18/2018
Conduent State & Local Solutions Inc	DFA	0000008650	00274937	1457468	5/29/2018
Conduent State & Local Solutions Inc	DFA	0000008649	00274936	1457206	5/18/2018
Conduent State & Local Solutions Inc	DFA	0000008648	00274935	1456880	5/25/2018

Vendor Name	Type	PO ID	Voucher ID	Invoice	Date
Conduent State & Local Solutions Inc	DFA	0000009223	00296782	1492387	11/19/2018
Conduent State & Local Solutions Inc	DFA	0000009074	00290438	1482086	9/25/2018
Conduent State & Local Solutions Inc	DFA	0000008884	00282585	1472703	8/3/2018
Conduent State & Local Solutions Inc	DFA	0000009147	00293148	1487009	10/22/2018

Fiscal Year

2017
2017
2017
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2017

Fiscal Year

2018
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2018

Fiscal Year

2019
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2019

cy19-13142

Amendment Request

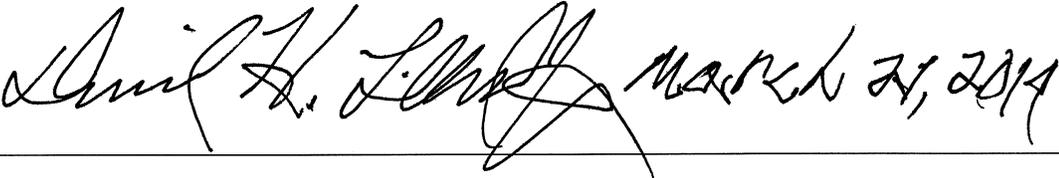
This request form is not required for amendments to grant contracts. Route a completed request, as one file in PDF format, via e-mail attachment sent to: Agsprs.Agsprs@tn.gov

APPROVED

CHIEF PROCUREMENT OFFICER

DATE

Agency request tracking #	30901-43219	
1. Procuring Agency	Treasury Department	
2. Contractor	Conduent State & Local Solutions, Inc.	
3. Edison contract ID #	51779	
4. Proposed amendment #	2	
5. Contract's Original Effective Date	September 15, 2016	
6. Current end date	September 14, 2021	
7. Proposed end date	September 14, 2021	
8. Current Maximum Liability or Estimated Liability	\$ 3,572,991.41	
9. Proposed Maximum Liability or Estimated Liability	\$ 3,572,991.41	
10. Strategic Technology Solutions Pre-Approval Endorsement Request <i>- information technology service (N/A to THDA)</i>	<input checked="" type="checkbox"/> Not Applicable <input type="checkbox"/> Attached	
11. eHealth Pre-Approval Endorsement Request <i>- health-related professional, pharmaceutical, laboratory, or imaging</i>	<input checked="" type="checkbox"/> Not Applicable <input type="checkbox"/> Attached	
12. Human Resources Pre-Approval Endorsement Request <i>- state employee training service</i>	<input checked="" type="checkbox"/> Not Applicable <input type="checkbox"/> Attached	
13. Explain why the proposed amendment is needed	<p>The proposed amendment makes two principal changes: First, it authorizes the Contractor to process additional claims for the program. Currently, the Contractor processes "Fast Track Claims" for the Unclaimed Property Program, which are more straightforward claims. The amendment will permit the Contractor to process other claims as well, upon the request of the State. This will permit claims to be processed more expeditiously even if claim volume increases. Second, the amendment changes the name of the Contractor to Avenu Unclaimed Property Systems, LLC as a result of the contractor's acquisition by another company.</p>	
14. If the amendment involves a change in Scope, describe efforts to identify reasonable, competitive,		

Agency request tracking #	30901-43219
<p>procurement alternatives to amending the contract.</p> <p>In order to process claims, State personnel and vendors must use the State's unclaimed property computer system. The State's system is licensed by the Contractor and is proprietary. Therefore, the Contractor is the only vendor that can provide the services using the State's existing unclaimed property computer system.</p>	
<p>Signature of Agency head or authorized designee, title of signatory, and date (the authorized designee may sign his or her own name if indicated on the Signature Certification and Authorization document)</p> <p></p>	

Approved for signature by ac 3/21/14



CONTRACT AMENDMENT COVER SHEET

Agency Tracking # 30901-43319	Edison ID 69997	Contract # 51779	Amendment # 1		
Contractor Legal Entity Name Xerox State & Local Solutions, Inc.			Edison Vendor ID 69997		
Amendment Purpose & Effect(s) Adds services for regular claims and changes contractor name					
Amendment Changes Contract End Date: <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO		End Date: September 14, 2021			
TOTAL Contract Amount INCREASE or DECREASE <u>per this Amendment</u> (zero if N/A):			\$ 0		
Funding —					
FY	State	Federal	Interdepartmental	Other	TOTAL Contract Amount
2017				\$484,966.05	\$484,966.05
2018				\$670,869.70	\$670,869.70
2019				\$704,413.19	\$704,413.19
2020				\$739,633.85	\$739,633.85
2021				\$776,615.53	\$776,615.53
2022				\$196,493.09	\$196,493.09
TOTAL:				\$3,572,991.41	\$3,572,991.41
American Recovery and Reinvestment Act (ARRA) Funding: <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO					
Budget Officer Confirmation: There is a balance in the appropriation from which obligations hereunder are required to be paid that is not already encumbered to pay other obligations.				<i>CPO USE</i>	
Speed Chart (optional)		Account Code (optional)			

**AMENDMENT TWO
OF CONTRACT 51779**

This Amendment is made and entered by and between the State of Tennessee, Department of Treasury, hereinafter referred to as the "State" and Xerox State & Local Solutions, Inc., 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 (the "Contract") is hereby amended as follows:

1. Section A.2.a. of the Contract is amended by deleting the first sentence in its entirety and substituting it with the following language, so that, as amended, it shall read:

The Contractor shall review and process all unclaimed property claims, including, but not limited to, Fast-Track claims, assigned by the State to the Contractor hereunder and in accordance with such guidelines and procedures as shall be mutually agreed to by the parties. Claims that do not meet the definition of Fast-Track claims below are referred to herein as "Regular" claims. The State shall designate a claim as Fast-Track or Regular at the time the State assigns the claim to the Contractor.

2. Section A.2.b. of the Contract is amended by deleting the first sentence in its entirety and substituting it with the following language, so that, as amended, it shall read:

The Contractor shall utilize the State's database (the UPS2000 system) and the State's imaging system (Perceptive Content) to view claim-related documents. All documents will be imaged by the State and uploaded into Perceptive Content for the Contractor to view. All work of the Contractor will be documented in the UPS2000 system.

3. Section A.2.c. of the Contract is amended by deleting the first sentence of subdivision (2) and replacing it with the following, so that, as amended, the sentence shall read:

The Contractor shall have its claims processors access the property within the UPS2000 system and Perceptive Content to verify that the claimant information in the UPS2000 system matches the information on the claim.

4. Section A.2.c.3. of the Contract is amended by deleting the last two sentences in their entirety and replacing them with the following:

The Contractor shall then add the correct corresponding claim status (either Approval Level 1, Request More Information, Denied or Returned to the State).

5. Section A.2.c. of the Contract is amended by adding the following new subdivision (4):

(4) If the Contractor is unable to validate the claimant is entitled to the property via the 3rd Party Database then the Contractor shall request additional information from the claimant. The Contractor shall update UPS2000 to indicate the missing information needed and to generate an "Evidence Follow-up" letter out of UPS2000. The Contractor will add the appropriate status in UPS2000 and the Contractor will move the claim to the next appropriate queue in Perceptive Content. If after reviewing the claim the Contractor determines that the claimant is not entitled to receive any of the funds, the Contractor shall update UPS2000 to indicate the claim is denied and to generate a denial letter in the "Mail" function in UPS2000. The Contractor shall save all letters generated out of UPS2000 as a PDF in an agreed upon location for the State to print and mail. The Contractor will add the appropriate status in UPS2000 and the Contractor will move the claim to the next appropriate queue in Perceptive Content. The State may agree or request a claim to be returned to the State for further processing.

6. Section A.2.d. of the Contract is amended by deleting the language in the section in its entirety and substituting it with the following language, so that, as amended, it shall read:

Payments made by the state of Tennessee to the wrong person shall be the responsibility of the Contractor if, based on the information provided in the UPSS2000 system, Perceptive Content and the information obtained from the 3rd Party Database, the Contractor clearly approved the claim of a person

who is not entitled to the payment. The Contractor shall repay the State the amount of any such erroneous payment within thirty (30) calendar days of the earlier of its discovery by the Contractor or notification by the State to the Contractor.

7. Section A.4.a.1. of the Contract is amended by deleting the language in the section in its entirety and substituting it with the following language, so that, as amended, it shall read:

Each Fast-Track claim assigned to the Contractor under Section A.2. above shall be processed (either Approved, Request More Information, Denied or Returned to the State) within two (2) weeks of being assigned to the Contractor. Each Regular claim assigned to the Contractor under Section A.2. above shall be processed (either Approved, Request More Information, Denied or Returned to the State) within twenty-one (21) days of being assigned to the Contractor. If the Contractor requests additional information from the claimant, the Contractor shall have an additional two (2) weeks from the date the information is received to either approve the claim, request more information, deny the claim or return the claim to the State.

8. Section C.3.b.1 of the Contract is amended by deleting the table therein in its entirety and substituting it with the following, so that, as amended, it shall read:

Service Description	Amount (Per Compensable Increment)
Supplemental Unclaimed Property Claims Processing Services for Fast-Track claims that are Approved, Denied or that are Returned to the State as described in Section A.2.	\$11.00 per claim
Regular claims that are Approved, Denied or that are Returned to the State as described in Section A.2.	\$15.00 per claim
Optional Call Center Services as described in Section A.3.	\$1.75 per call minute

9. The Contract is amended by deleting the phrase "Conduent State & Local Solutions, Inc." wherever it may be found and substituting instead the phrase "Avenu Unclaimed Property Systems, LLC."
10. 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).
11. Amendment Effective Date. The revisions set forth herein shall be effective June 15, 2019. All other terms and conditions of the Contract not expressly amended herein shall remain in full force and effect.

Signature page follows

IN WITNESS WHEREOF,

XEROX STATE & LOCAL SOLUTIONS, INC.:

SIGNATURE

DATE

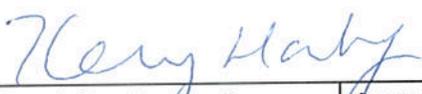
STATE OF TENNESSEE DEPARTMENT OF TREASURY:

DAVID H. LILLARD, JR., STATE TREASURER

DATE

**CONTRACT**

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

Begin Date September 15, 2016	End Date September 14, 2021	Agency Tracking # 30901-32817	Edison Record ID 51779		
Contractor Legal Entity Name Xerox State & Local Solutions, Inc.			Edison Vendor ID 5757		
Goods or Services Caption (one line only) Supplemental claims processing and call center services for the State's Division of Unclaimed Property					
Contractor <input checked="" type="checkbox"/> Contractor		CFDA #			
Funding —					
FY	State	Federal	Interdepartmental	Other	TOTAL Contract Amount
2017				\$484,966.05	\$484,966.05
2018				\$670,869.70	\$670,869.70
2019				\$704,413.19	\$704,413.19
2020				\$739,633.85	\$739,633.85
2021				\$776,615.53	\$776,615.53
2022				\$196,493.09	\$196,493.09
TOTAL:				\$3,572,991.41	\$3,572,991.41
Contractor Ownership Characteristics:					
<input type="checkbox"/> Minority Business Enterprise (MBE): African American, Asian American, Hispanic American, Native American					
<input type="checkbox"/> Woman Business Enterprise (WBE)					
<input type="checkbox"/> Tennessee Service Disabled Veteran Enterprise (SDVBE)					
<input type="checkbox"/> Tennessee Small Business Enterprise (SBE): \$10,000,000.00 averaged over a three (3) year period or employs no more than ninety-nine (99) employees.					
<input checked="" type="checkbox"/> Other:					
Selection Method & Process Summary (mark the correct response to confirm the associated summary)					
<input checked="" type="checkbox"/> Competitive Selection		The contract was procured through a Request for Proposals ("RFP"). The RFP was issued to eight (8) companies identified in the industry and was also posted on the Central Procurement Office's web site. The State received four (4) proposals in response to the RFP. All four (4) companies met the mandatory requirements for further evaluation of their responses. Technical evaluations were completed and cost proposals were opened and scores were calculated. Xerox State and Local Solutions was identified as being the apparent best-evaluated Proposer, receiving the highest total evaluation score.			
<input type="checkbox"/> Other					
Budget Officer Confirmation: There is a balance in the appropriation from which obligations hereunder are required to be paid that is not already encumbered to pay other obligations.					
					
Speed Chart (optional)		Account Code (optional)			

**CONTRACT
BETWEEN THE STATE OF TENNESSEE,
DEPARTMENT OF TREASURY
AND
XEROX STATE & LOCAL SOLUTIONS, INC.**

This Contract, by and between the State of Tennessee, Department of Treasury ("State") and Xerox State & Local Solutions, Inc. ("Contractor"), is for the provision of supplemental claims processing and call center services for the State's Division of Unclaimed Property, as further defined in the "SCOPE." The State and the Contractor may be referred to individually as a "Party" or collectively as the "Parties" to this Contract.

The Contractor is a for profit corporation
Contractor Place of Incorporation or Organization: State of New York
Contractor Edison Registration ID # 5757

A. SCOPE:

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

A.2. Supplemental Unclaimed Property Claims Processing.

a. In General. The Contractor shall review and process all Fast-Track unclaimed property claims assigned by the State to the Contractor hereunder and in accordance with such guidelines and procedures as shall be mutually agreed to by the Parties. For purposes of this Contract, a claim shall be considered a Fast-Track claim (i) if the claim was set up by the claimant through the State's unclaimed property website and (ii) if the following parameters are met:

- (1) The claimant is listed as the property owner in the State's unclaimed property management system, which is the UPS2000 System;
- (2) The claimant is alive (not deceased or a business/organization);
- (3) The claimant resides in the State of Tennessee;
- (4) The social security number entered by the claimant matches the social security number in the Tennessee Department of Safety's database;
- (5) The date of birth entered by the claimant matches the date of birth in the Tennessee Department of Safety's database;
- (6) The driver's license number entered by the claimant matches the Tennessee driver's license number in the Tennessee Department of Safety's database;
- (7) The property's cash value is \$5,000 or less;
- (8) The property does not include the proceeds from a safe deposit box; and
- (9) The unclaimed property holder was not the Tennessee Consolidated Retirement System or an agency that administers Tennessee child support.

The above parameters may be modified as mutually agreed to in writing by the Parties.

b. Claim and Property Data. All claim and property data shall be obtained by the Contractor from the State's database, which is the UPS2000 system, so that all activity can be tracked and recorded in the State's database. The State will establish a secure Business

to Business VPN tunnel with the Contractor. The Contractor shall then access the State's application via the secure VPN tunnel. The Contractor shall provide internal routing and DNS to this VPN tunnel for all users of the Contractor. The State will provide and manage user accounts for access to the application. The Contractor shall provide all user account details as requested by the State and participate in a quarterly audit of the user accounts. To safeguard the State's data, the Contractor shall maintain the controls described in pages 64 and 65 of the Contractor's proposal or such other controls as shall be agreed to in writing by the Parties

c. Claim Processing.

- (1) Claims shall be assigned by the State to the Contractor by adding a specific claim status in the UPS2000 system. The Contractor shall then run an existing report in the UPS2000 system to view all claims that have been assigned to the Contractor and the dates they were assigned. The Contractor shall then distribute the claims to each of the Contractor's claims processors who are assigned to this Contract. Unless otherwise agreed to in writing by the State, the Contractor shall process all claims in the order in which they are received so that the oldest claims are processed first. The Contractor shall use the process described in pages 66 and 67 of the Contractor's proposal or such other process as shall be agreed to in writing by the Parties to manage and track all the claims that have been assigned by the Contractor to its various claims processors.
- (2) The Contractor shall have its claims processors access the property within the UPS 2000 system to verify that the claimant information in the UPS2000 system matches the information on the claim. The Contractor shall then direct its claims processors to access Lexis Nexis - Accurant (or such other third party database as approved by the State in writing), hereinafter referred to as the "3rd Party Database", in order to verify the claimant information and ensure that the claim is being paid to the correct individual. It shall be the Contractor's responsibility to obtain and pay for the requisite licenses to use the 3rd Party Database.
- (3) The information obtained from the 3rd Party Database shall be documented by the Contractor in the UPS2000 system work history based upon the State's requirements. The Contractor shall document in the UPS2000 system that (i) the claimant is the rightful owner and (ii) the address to which the payment is to be mailed. The Contractor shall then add the correct corresponding claim status (approval level 1 or returned to the State). Each claim assigned to the Contractor hereunder shall be processed (either approved or returned to the State as provided above) within the timeframe described in Section A.4.a(1) below.

d. Erroneous Payments. Payments made by the state of Tennessee to the wrong person shall be the responsibility of the Contractor if, based on the information provided in the UPS2000 system and the information obtained from the 3rd Party Database, the Contractor clearly approved the claim of a person who is not entitled to the payment. The Contractor shall repay the State the amount of any such erroneous payment within thirty (30) calendar days of its discovery.

e. Errors in Claims Processing. The Contractor acknowledges and agrees that it is critical that the Contractor accurately process all claims. In order to ensure accuracy is maintained, the State, at its sole discretion, may pull a sample of claims each billable period. If in any given month, more than five percent (5%) of the claims which the Contractor approves or denies contain errors, the State may reduce the number of claims assigned to that particular claims processor or to the Contractor in total. Examples of the type errors covered by this Section A.2.e include, but are not limited to, incorrect claimant information or mailing address entered into the UPS2000 system by the Contractor,

paying incorrect owner, and incomplete claim because not all properties owed to the claimant were included and processed with the claim.

- A.3. Call Center Services. During the term of this Contract, the State may elect, at its sole discretion, to have the Contractor perform the following call center services. The State agrees to give the Contractor at least sixty (60) calendar days' advance notice prior to the commencement of the services.
- a. Acquisition and Maintenance of Toll Free Telephone Call Center. The Contractor shall acquire and maintain a toll free telephone call center that is dedicated to the State for the purpose of answering on behalf of the State all incoming initial unclaimed property claimant inquiries. The call center shall be staffed with personnel who are trained to answer the initial claimant inquiries as described in Section A.3.b below. The Contractor shall transfer said number to the State at no cost to the State such that the State or its designee can maintain the same number for continuous, uninterrupted use after the termination of this Contract. The call center shall be operable each day except Saturdays, Sundays and legal holidays as defined in Tennessee Code Annotated, Section 15-1-101, as amended, during the hours of 7:00 A.M. to 4:30 P.M. Central Time.
 - b. Call Scripts. The Contractor shall develop for the State's approval the scripts to be used for answering each type of call. The scripts shall also provide guidance on when a call is to be transferred to a Contractor supervisor or to the State. The Contractor acknowledges and understands that the type initial claimant inquiries may include, but are not limited to, (i) whether the State is holding unclaimed property for the claimant, (ii) what is the value of the unclaimed property the State is holding for the claimant, (iii) what is the status of the claimant's claim, (iv) when should the claimant receive the property, and (v) such other inquiries as may be contained in the State-approved scripts.
 - c. Answering Calls. The Contractor's personnel assigned to answer initial claimant call inquiries shall access the UPS2000 system in order to provide accurate information that the caller is seeking, if appropriate. The Parties shall establish written procedures that the Contractor's personnel must adhere to in sharing and confirming information to a caller. If the Contractor cannot satisfactorily answer the claimant's question, the call shall be referred to the State. The Contractor's personnel shall record within the notes field in the UPS2000 system a summary of each call so that there is a permanent record of the conversation which can be used by a claims processor or if the claimant calls at a different time. All claim calls received through the call center shall be answered by the Contractor's personnel within the time frame described in Section A.4.a(2) below.
 - d. Recording of Calls. All calls shall be recorded by the Contractor and made available upon request to the State for at least six (6) months from the date of the call. The date and general time of the call shall be preserved as a part of the recording. The Contractor shall ensure that the recordings can be accessed by the claimant's phone number, unless the number is blocked. The Parties shall mutually develop written procedures on the manner by which recordings can be accessed for phone numbers that are blocked.
 - e. Customer Care and Sample Call Reviews. To ensure that call center personnel are managing calls appropriately, providing accurate responses, being polite, using the required script and providing a positive overall experience to the caller, the Contractor shall pull and listen to an agreed upon number of sample calls each billable period. The Contractor's management shall score the call based upon agreed criteria and shall discuss any deficiencies noted with the appropriate personnel who answered and otherwise handled the call. The Contractor shall provide the State with the score results from the previous month. The results shall be submitted at the same time the Contractor submits its invoice for services rendered during that previous month. If in any given month, more than five percent (5%) of the calls are not being managed appropriately, the State may reduce the number of calls that may be answered by that particular call center operator or to the Contractor in total.

- f. Call Management Report. The Contractor shall provide to the State a call management report with each invoice it submits to the State under Section C.5 below. The report shall contain summary and detailed information for each call received during the previous billable period. The report shall include the types of information described on page 74 of the Contractor's proposal, and such other information that is agreed to in writing by the Parties.

A.4. Performance Standards Guarantee.

- a. Standards. The Contractor agrees the following performance standards shall be met or exceeded and that if such standards are not met, the Contractor's compensation shall be reduced pursuant to Section A.4.b below:
 - (1) Each claim assigned to the Contractor under Section A.2 above shall be processed (either approved or returned to the State as provided in Section A.2) within two (2) weeks of being assigned to the Contractor.
 - (2) Each call made to the call center as provided in Section A.3 above shall be answered by the Contractor's personnel within sixty (60) seconds.
- b. Guarantee. If the Contractor does not meet or exceed the performance standard in Section A.4.a(1) above for a given claim, the amount of compensation payable to the Contractor for such claim shall be reduced by five percent (5%) for each day the standard was not met. If the Contractor does not meet or exceed the performance standard in Section A.4.a(2) above for a given call that is not abandoned (as defined below), the amount of compensation payable to the Contractor for such call shall be reduced by five percent (5%) for each thirty (30) seconds the standard is not met. For each call that is abandoned after sixty (60) seconds, the amount of compensation payable to the Contractor for the month in which the call was abandoned shall be reduced by five (5) times the per call minute rate in Section C.3.b below. For purposes of this paragraph, an abandoned call is a call in which the call originator abandons, disconnects, or cancels the call after a connection has been made, but before any conversation occurs between the Contractor's personnel and the caller.
- c. Waiver of Reduction. Any amount to be reduced hereunder may be waived by the State upon presentation of adequate documentation from the Contractor indicating the standard was not met because of a unique problem or situation. Such documentation must be submitted to the State with the invoice in which the reduction will be made.

A.5. No Limit of Liability. Except as otherwise provided in Section D.18 below, the provisions of Sections A.2.d, A.2.e, A.3.e, and A.4 shall not be construed to limit the liability of the Contractor for damages sustained by the State by virtue of any breach of this Contract by the Contractor nor shall such obligations be construed to limit any other remedies available to the State in equity, at law or otherwise. The Contractor's compliance with the Sections A.2.d, A.2.e, A.3.e, and A.4 shall not be interpreted to relieve the Contractor from properly performing its obligations under this Contract.

A.6. Contractor Personnel.

- a. Personnel Assignment. In performing the services as set forth in this Contract, the Contractor shall assign such qualified personnel as needed to perform the services required under this Contract, and to meet the performance standards described in Section A.4.a above.
- b. Reassignment or Removal of Personnel. During the term of this Contract, the State reserves the right to require the Contractor to reassign or otherwise remove from performance of this Contract any personnel found unacceptable to the State.

- A.7. Claim and Phone Procedures Review; On-Site Visits. On a quarterly basis, the Parties shall review all claims processing and, if applicable, phone procedures, and modify the same if necessary. The State will train the Contractor's management on the procedures. The review and training shall take place at a time mutually agreed to by the Parties, and shall be held at the State's facilities in Nashville, Tennessee, or, at the State's sole discretion, via telephone conference. The Contractor shall be responsible for its own travel, meals and lodging costs.

The Contractor shall provide to the State, at the State's request, on-site tours of the Contractor's operational headquarters or other offices where the services under this Contract are performed. The State will be responsible for its own travel, meals and lodging costs.

- A.8. Statement on Standards for Attestation Engagements. On at least an annual basis, the Contractor shall have a Statement on Standards for Attestation Engagement No. 16 (SSAE16 or SOC 1), Type II independent service auditor's report prepared for its service organization, and provide copies of each such report to the State during the Contract term. The audit must detail that the Contractor's processes, procedures and controls pertaining to the management of the State's (claim and property) data have been formally evaluated and tested.

- A.9. Exclusive Use of Data. Except in accordance with this Contract, the Contractor shall not make any use of the unclaimed property claim and property data provided to it hereunder, including, but not limited to, soliciting unclaimed property account owners concerning the Contractor or its subsidiaries and affiliates or the products or services thereof. In addition and except as expressly allowed in this Contract, the Contractor shall not disclose any information it may obtain hereunder and all such information is acknowledged to be held confidentially for the State. The Contractor shall advise any party that may be assisting the Contractor in the performance of this Contract of the confidential nature of the information. It is expressly understood and agreed that the obligations set forth in this section shall survive the termination of this Contract.

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

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

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

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

- A.11. Inspection and Acceptance. The State shall have the right to inspect all goods or services provided by Contractor under this Contract. If, upon inspection, the State determines that the goods or services are Defective, the State shall notify Contractor, and Contractor shall re-deliver the goods or provide the services at no additional cost to the State. If after a period of thirty (30) days following delivery of goods or performance of services the State does not provide a notice of any Defects, the goods or services shall be deemed to have been accepted by the State.

B. TERM OF CONTRACT:

This Contract shall be effective on September 15, 2016 ("Effective Date") and extend for a period of sixty (60) 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 three million five hundred seventy-two thousand nine hundred ninety-one dollars and forty-one cents (\$3,572,991.41) ("Maximum Liability"). This Contract does not grant the Contractor any exclusive rights. The State does not guarantee that it will buy any minimum quantity of goods or services under this Contract. Subject to the terms and conditions of this Contract, the Contractor will only be paid for goods or services provided under this Contract after a purchase order is issued to Contractor by the State or as otherwise specified by this Contract.
- C.2. Compensation Firm. The payment methodology in Section C.3. of this Contract shall constitute the entire compensation due the Contractor for all goods or services provided under this Contract regardless of the difficulty, materials or equipment required. The payment methodology includes all applicable taxes, fees, overhead, and all other direct and indirect costs incurred or to be incurred by the Contractor.
- C.3. Payment Methodology. The Contractor shall be compensated based on the payment methodology for goods or services authorized by the State in a total amount as set forth in Section C.1.
 - a. The Contractor's compensation shall be contingent upon the satisfactory provision of goods or services as set forth in Section A.
 - b. The Contractor shall be compensated based upon the following payment rates, unless otherwise reduced pursuant to Section A.4 above:
 - (1) For service performed from September 15, 2016, through September 14, 2017, the following rates shall apply:

Service Description	Amount (per compensable increment)
Supplemental Unclaimed Property Claims Processing Services as described in Section A.2	\$11.00 per claim
Optional Call Center Services as described in Sections A.3	\$1.75 per call minute

- (2) For service performed from September 15, 2017, through September 14, 2018, the Contractor shall be compensated based upon the payment rates in Section C.3.b.(1) above but adjusted by the percentage increase, if any, between the Consumer Price Index for All Urban Consumers (CPI-U): U.S. city average, All Items expenditure category, not seasonally adjusted, index base period: 1982-84=100) published by the United States Department of Labor, Bureau of Labor Statistics in August 2017 and that figure published in the same month, 12-months prior, up to a maximum of five percent (5%).
- (3) For service performed from September 15, 2018, through September 14, 2019, the Contractor shall be compensated based upon the payment rates in Section C.3.b.(2) above but adjusted by the percentage increase, if any, between the Consumer Price Index for All Urban Consumers (CPI-U): U.S. city average, All Items expenditure category, not seasonally adjusted, index base period: 1982-84=100) published by the United States Department of Labor, Bureau of Labor

Statistics in August 2018 and that figure published in the same month, 12-months prior, up to a maximum of five percent (5%).

- (4) For service performed from September 15, 2019, through September 14, 2020, the Contractor shall be compensated based upon the payment rates in Section C.3.b.(3) above but adjusted by the percentage increase, if any, between the Consumer Price Index for All Urban Consumers (CPI-U): U.S. city average, All Items expenditure category, not seasonally adjusted, index base period: 1982-84=100) published by the United States Department of Labor, Bureau of Labor Statistics in August 2019 and that figure published in the same month, 12-months prior, up to a maximum of five percent (5%).
- (5) For service performed from September 15, 2020, through September 14, 2021, the Contractor shall be compensated based upon the payment rates in Section C.3.b.(4) above but adjusted by the percentage increase, if any, between the Consumer Price Index for All Urban Consumers (CPI-U): U.S. city average, All Items expenditure category, not seasonally adjusted, index base period: 1982-84=100) published by the United States Department of Labor, Bureau of Labor Statistics in August 2020 and that figure published in the same month, 12-months prior, up to a maximum of five percent (5%).

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

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

Tennessee Treasury Department
Unclaimed Property Division
15th Floor, Andrew Jackson State Office Building
502 Deaderick Street
Nashville, Tennessee 37243-0203

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: Tennessee Treasury Department, Unclaimed Property 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;
- (11) Number of delivered or completed units, increments, hours, or days as applicable, of each good or service invoiced;
- (12) Applicable payment methodology (as stipulated in Section C.3.) of each good or service invoiced;
- (13) Amount due for each compensable unit of good or service; and

(14) Total amount due for the invoice period.

b. Contractor's invoices shall:

- (1) Only include charges for goods delivered or services provided as described in Section A and in accordance with payment terms and conditions set forth in Section C;
- (2) Only be submitted for goods delivered or services completed and shall not include any charge for future goods to be delivered or services to be performed;
- (3) Not include Contractor's taxes, which includes without limitation Contractor's sales and use tax, excise taxes, franchise taxes, real or personal property taxes, or income taxes; and
- (4) Include shipping or delivery charges only as authorized in this Contract.

c. The timeframe for payment (or any discounts) begins only when the State is in receipt of an invoice that meets the minimum requirements of this Section C.5.

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

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

C.8. Deductions. The State reserves the right to deduct from amounts, which are or shall become due and payable to the Contractor under this or any contract between the Contractor and the State of Tennessee, any amounts that are or shall become due and payable to the State of Tennessee by the Contractor.

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

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

D. MANDATORY TERMS AND CONDITIONS:

D.1. Required Approvals. The State is not bound by this Contract until it is duly approved by the Parties and all appropriate State officials in accordance with applicable Tennessee laws and regulations. Depending upon the specifics of this Contract, this may include approvals by the Commissioner of Finance and Administration, the Commissioner of Human Resources, the Comptroller of the Treasury, and the Chief Procurement Officer. Approvals shall be evidenced by a signature or electronic approval.

D.2. Communications and Contacts. All instructions, notices, consents, demands, or other communications required or contemplated by this Contract shall be in writing and shall be made by certified, first class mail, return receipt requested and postage prepaid, by overnight courier

service with an asset tracking system, or by email or facsimile transmission with recipient confirmation. All communications, regardless of method of transmission, shall be addressed to the respective Party at the appropriate mailing address, facsimile number, or email address as stated below or any other address provided in writing by a Party.

The State:

John Gabriel, Director of Unclaimed Property Division
Tennessee Treasury Department
15th Floor, Andrew Jackson State Office Building
502 Deaderick Street
Nashville, Tennessee 37243-0203
john.gabriel@tn.gov
Telephone # (615) 253-5354
FAX # (615) 253-5354

The Contractor:

David Lemoine, Vice President and Managing Director
Xerox State & Local Solutions, Inc.
100 Hancock Street, 10th Floor
Quincy, Massachusetts 02171
david.lemoine@xerox.com
Telephone # (617) 722-9673
FAX # (617) 371-4295

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 1, semi-annually during the Term. If the Contractor is a party to more than one contract with the State, the Contractor may submit one attestation that applies to all contracts with the State. All Contractor attestations shall be maintained by the Contractor and made available to State officials upon request.

b. Prior to the use of any subcontractor in the performance of this Contract, and semi-annually thereafter, during the Term, the Contractor shall obtain and retain a current, written attestation that the subcontractor shall not knowingly utilize the services of an illegal immigrant to perform work under this Contract and shall not knowingly utilize the services of any subcontractor who will utilize the services of an illegal immigrant to perform work under this Contract. Attestations obtained from subcontractors shall be maintained by the Contractor and made available to State officials upon request.

c. The Contractor shall maintain records for all personnel used in the performance of this Contract. Contractor's records shall be subject to review and random inspection at any reasonable time upon reasonable notice by the State.

- d. The Contractor understands and agrees that failure to comply with this section will be subject to the sanctions of Tenn. Code Ann. § 12-3-309 for acts or omissions occurring after its effective date.
 - e. For purposes of this Contract, "illegal immigrant" shall be defined as any person who is not: (i) a United States citizen; (ii) a Lawful Permanent Resident; (iii) a person whose physical presence in the United States is authorized; (iv) allowed by the federal Department of Homeland Security and who, under federal immigration laws or regulations, is authorized to be employed in the U.S.; or (v) is otherwise authorized to provide services under the Contract.
- D.11. Records. The Contractor shall maintain documentation for all charges under this Contract. The books, records, and documents of the Contractor, for work performed or money received under this Contract, shall be maintained for a period of five (5) full years from the date of the final payment and shall be subject to audit at any reasonable time and upon reasonable notice by the State, the Comptroller of the Treasury, or their duly appointed representatives. The financial statements shall be prepared in accordance with generally accepted accounting principles.
- D.12. Monitoring. The Contractor's activities conducted and records maintained pursuant to this Contract shall be subject to monitoring and evaluation by the State, the Comptroller of the Treasury, or their duly appointed representatives.
- D.13. Progress Reports. The Contractor shall submit brief, periodic, progress reports to the State as requested.
- D.14. Strict Performance. Failure by any Party to this Contract to require, in any one or more cases, the strict performance of any of the terms, covenants, conditions, or provisions of this Contract shall not be construed as a waiver or relinquishment of any term, covenant, condition, or provision. No term or condition of this Contract shall be held to be waived, modified, or deleted except by a written amendment signed by the Parties.
- D.15. Independent Contractor. The Parties shall not act as employees, partners, joint venturers, or associates of one another. The Parties are independent contracting entities. Nothing in this Contract shall be construed to create an employer/employee relationship or to allow either Party to exercise control or direction over the manner or method by which the other transacts its business affairs or provides its usual services. The employees or agents of one Party are not employees or agents of the other Party.
- D.16. Patient Protection and Affordable Care Act. The Contractor agrees that it will be responsible for compliance with the Patient Protection and Affordable Care Act ("PPACA") with respect to itself and its employees, including any obligation to report health insurance coverage, provide health insurance coverage, or pay any financial assessment, tax, or penalty for not providing health insurance. The Contractor shall indemnify the State and hold it harmless for any costs to the State arising from Contractor's failure to fulfill its PPACA responsibilities for itself or its employees.
- D.17. Limitation of State's Liability. The State shall have no liability except as specifically provided in this Contract. In no event will the State be liable to the Contractor or any other party for any lost revenues, lost profits, loss of business, decrease in the value of any securities or cash position, time, money, goodwill, or any indirect, special, incidental, punitive, exemplary or consequential damages of any nature, whether based on warranty, contract, statute, regulation, tort (including but not limited to negligence), or any other legal theory that may arise under this Contract or otherwise. The State's total liability under this Contract (including any exhibits, schedules, amendments or other attachments to the Contract) or otherwise shall under no circumstances exceed the Maximum Liability. This limitation of liability is cumulative and not per incident.
- D.18. Limitation of Contractor's Liability. In accordance with Tenn. Code Ann. § 12-3-701, the Contractor's liability for all claims arising under this Contract shall be limited to an amount equal

to two (2) times the Maximum Liability amount detailed in Section C.1. and as may be amended, PROVIDED THAT in no event shall this Section limit the liability of the Contractor for: (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 as a result of acts, omissions, or negligence on the part of the Contractor, its employees, or any person acting for or on its or their behalf relating to this Contract. The Contractor further agrees it shall be liable for the reasonable cost of attorneys for the State to enforce the terms of this Contract.

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

- D.20. HIPAA Compliance. The State and Contractor shall comply with obligations under the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"), Health Information Technology for Economic and Clinical Health ("HITECH") Act and any other relevant laws and regulations regarding privacy (collectively the "Privacy Rules"). The obligations set forth in this Section shall survive the termination of this Contract.

- a. Contractor warrants to the State that it is familiar with the requirements of the Privacy Rules, and will comply with all applicable requirements in the course of this Contract.
- b. Contractor warrants that it will cooperate with the State, including cooperation and coordination with State privacy officials and other compliance officers required by the Privacy Rules, in the course of performance of the Contract so that both parties will be in compliance with the Privacy Rules.
- c. The State and the Contractor will sign documents, including but not limited to business associate agreements, as required by the Privacy Rules and that are reasonably necessary to keep the State and Contractor in compliance with the Privacy Rules. This provision shall not apply if information received or delivered by the parties under this Contract is NOT "protected health information" as defined by the Privacy Rules, or if the Privacy Rules permit the parties to receive or deliver the information without entering into a business associate agreement or signing another document.
- d. The Contractor will indemnify the State and hold it harmless for any violation by the Contractor or its subcontractors of the Privacy Rules. This includes the costs of responding to a breach of protected health information, the costs of responding to a government enforcement action related to the breach, and any fines, penalties, or damages paid by the State because of the violation.

- D.21. Tennessee Consolidated Retirement System. Subject to statutory exceptions contained in Tenn. Code Ann. §§ 8-36-801, *et seq.*, the law governing the Tennessee Consolidated Retirement System ("TCRS"), provides that if a retired member of TCRS, or of any superseded system administered by TCRS, or of any local retirement fund established under Tenn. Code Ann. §§ 8-35-101, *et seq.*, accepts State employment, the member's retirement allowance is suspended during the period of the employment. Accordingly and notwithstanding any provision of this Contract to the contrary, the Contractor agrees that if it is later determined that the true nature of the working relationship between the Contractor and the State under this Contract is that of

"employee/employer" and not that of an independent contractor, the Contractor, if a retired member of TCRS, may be required to repay to TCRS the amount of retirement benefits the Contractor received from TCRS during the Term.

- D.22. Tennessee Department of Revenue Registration. The Contractor shall comply with all applicable registration requirements contained in Tenn. Code Ann. §§ 67-6-601 – 608. Compliance with applicable registration requirements is a material requirement of this Contract.
- D.23. Debarment and Suspension. The Contractor certifies, to the best of its knowledge and belief, that it, its current and future principals, its current and future subcontractors and their principals:
- a. are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any federal or state department or agency;
 - b. have not within a three (3) year period preceding this Contract been convicted of, or had a civil judgment rendered against them from commission of fraud, or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, state, or local) transaction or grant under a public transaction; violation of federal or state antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification, or destruction of records, making false statements, or receiving stolen property;
 - c. are not presently indicted or otherwise criminally or civilly charged by a government entity (federal, state, or local) with commission of any of the offenses detailed in section b. of this certification; and
 - d. have not within a three (3) year period preceding this Contract had one or more public transactions (federal, state, or local) terminated for cause or default.

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

- D.24. 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.
- 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 - 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 (excluding the items listed at subsections c. through f., below), which includes Attachments 1 - 2;
 - c. any clarifications of or addenda to the Contractor's proposal seeking this Contract;
 - d. the State solicitation, as may be amended, requesting responses in competition for this Contract;
 - e. any technical specifications provided to proposers during the procurement process to award this Contract; and
 - f. the Contractor's response seeking this Contract.
- D.31. Insurance. Contractor shall provide the State a certificate of insurance ("COI") evidencing the coverages and amounts specified below. The COI shall be provided ten (10) business days prior to the Effective Date and again upon renewal or replacement of coverages required by this Contract. If insurance expires during the Term, the State must receive a new COI at least thirty (30) calendar days prior to the insurance's expiration date. If the Contractor loses insurance coverage, does not renew coverage, or for any reason becomes uninsured during the Term, the Contractor shall notify the State immediately.

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

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

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

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

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

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

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

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

a. Commercial General Liability Insurance.

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

b. Workers' Compensation and Employer Liability Insurance.

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

c. Technology Errors and Omissions and Cyber Liability Insurance.

The Contractor shall maintain technology errors and omissions and cyber liability insurance in an amount not less than \$1,000,000 per claim and annual aggregate of \$1,000,000. This insurance shall cover 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, breach of privacy perils, wrongful disclosure, collection, or other negligence in the handling of confidential information, privacy perils, and including coverage for related regulatory defense and penalties; data breach, expenses, and payable whether incurred by the 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 in the performance of services for the State or on behalf of the State hereunder. The policy shall contain an affirmative coverage grant for contingent bodily injury and property damage emanating from the failure of the technology services or an error or omission in the content/information provided. This coverage shall be written on a claims-made basis, but shall include an extended reporting period or tail coverage of at least two years after the Contract Term.

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. Contractor Commitment to Diversity. The Contractor shall comply with and make reasonable business efforts to exceed the commitment to diversity represented by the Contractor's Response to RFP # 30901-32817 (RFP Attachment 6.2) and resulting in this Contract.

The Contractor shall assist the State in monitoring the Contractor's performance of this

commitment by providing, as requested, a quarterly report of participation in the performance of this Contract by small business enterprises and businesses owned by minorities, women, and Tennessee service-disabled veterans. Such reports shall be provided to the State of Tennessee Governor's Office of Diversity Business Enterprise in the required form and substance.

- E.3. 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.4. Personally Identifiable Information. While performing its obligations under this Contract, the Contractor may have access to Personally Identifiable Information held by the State ("PII"). For the purposes of this Contract, "PII" includes "Nonpublic Personal Information" as that term is defined in Title V of the Gramm-Leach-Bliley Act of 1999 or any successor federal statute, and the rules and regulations thereunder, all as may be amended or supplemented from time to time ("GLBA") and personally identifiable information and other data protected under any other applicable laws, rule or regulation of any jurisdiction relating to disclosure or use of personal information ("Privacy Laws"). The Contractor agrees it shall not do or omit to do anything which would cause the State to be in breach of any Privacy Laws. The 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. The Contractor shall immediately notify the State: (1) of any disclosure or use of any PII by the Contractor or any of its employees, agents and representatives in breach of this Contract; and (2) of any disclosure of any PII to the Contractor or its employees, agents and representatives where the purpose of such disclosure is not known to the Contractor or its employees, agents and representatives. The State reserves the right to review the Contractor's policies and procedures used to maintain the security and confidentiality of PII and the Contractor shall, and cause its employees, agents and representatives to, comply with all reasonable requests or directions from the State to enable the State to verify and/or procure that the 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, the 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 the 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. The Contractor shall take all necessary measures to halt any further Unauthorized Disclosures. The Contractor, at the sole discretion of the State, shall provide no cost credit monitoring services for individuals whose PII was affected by the Unauthorized Disclosure. The Contractor shall bear the cost of notification to all individuals affected by the Unauthorized Disclosure, including individual letters and public notice. The remedies set forth in this Section are not exclusive and are in addition to any claims or remedies available to this State under this Contract or otherwise available at law.

E.5. Applicable Gifts and Solicitations Policy. The Contractor shall not offer to give, or give, any gift to any employee of the State or to any member of a Board, Commission or Committee administratively attached to the State that would violate the State's Gifts and Solicitations Policy, included as Attachment 2 to this Contract.

IN WITNESS WHEREOF,

XEROX STATE & LOCAL SOLUTIONS, INC.:

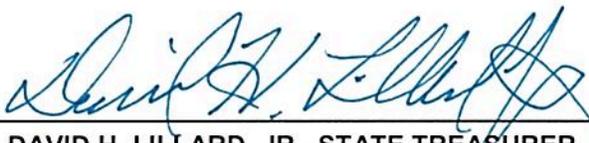
 8-29-16

CONTRACTOR SIGNATURE DATE

David Lemoine, Vice President and Managing Director

PRINTED NAME AND TITLE OF CONTRACTOR SIGNATORY (above)

DEPARTMENT OF TREASURY:

 September 6, 2016

DAVID H. LILLARD, JR., STATE TREASURER DATE

Approved for signature by CH 9/1/16

ATTESTATION RE PERSONNEL USED IN CONTRACT PERFORMANCE

SUBJECT CONTRACT NUMBER:	51779
CONTRACTOR LEGAL ENTITY NAME:	Xerox State & Local Solutions, Inc.
EDISON VENDOR IDENTIFICATION NUMBER:	5757

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



CONTRACTOR SIGNATURE

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

David Lemoine, Vice President and Managing Director

PRINTED NAME AND TITLE OF SIGNATORY

8-29-16

DATE OF ATTESTATION

TREASURY DEPARTMENT'S GIFTS AND SOLICITATIONS POLICY

No employee or any member of a Board, Commission or Committee administratively attached to the Department shall solicit, accept or agree to accept, directly or indirectly, on behalf themselves or their immediate family, any gift in violation of state law including, but not limited to, any gratuity, service, favor, entertainment, lodging, transportation, loan, loan guarantee rebate, money, any promise, obligation or contract for future awards or compensation or any other thing of monetary value, from any **individual or entity** that:

- Has, or is seeking to obtain, contractual or other business or financial relations with the Treasury Department or the Tennessee Consolidated Retirement System;
- Conducts operations or activities that are regulated by the Treasury Department;
- May bid on future procurement from the Department or a Board, Commission, or Committee administratively attached to the Department based on the employee's reasonable belief that the person or entity intends to submit a bid; or
- Has an interest that may be substantially affected by the performance or nonperformance of the employee's official duties.

Generally, gifts from a lobbyist or an employer of a lobbyist are prohibited; however, the following are exceptions to the general gift prohibition:

- A gift given for nonbusiness purpose and motivated by a close personal friendship and not by the position of the employee, and specifically authorized and defined by the Ethics Commission;
- Informational materials in the form of books, articles, periodicals, other written materials, audiotapes, videotapes, or other forms of communication;
- Sample merchandise, promotional items, and appreciation tokens if they are routinely given to customers, suppliers or potential customers or suppliers in the ordinary course of business;
- Unsolicited tokens or awards of appreciation, honorary degrees, or bona fide awards in recognition of public service in the form of a plaque, trophy, desk item, wall memento, and similar items, provided that any such item shall not be in a form which can readily be converted to cash;
- Benefits resulting from business, employment, or other outside activities of the employee or the employee's immediate family, if such benefits are customarily provided to others in similar circumstances and are not enhanced due to the status of the employee;
- Opportunities and benefits made available to all members of an appropriate class of the general public, including but not limited to, discounts afforded to the general public or prizes and awards given out in public contests;
- Expenses of out-of-state travel, if such expenses are paid for or reimbursed by a governmental entity or an established and recognized organization of elected or appointed state government officials;
- Food, refreshments, amenities, goody bags, entertainment, or beverages provided as part of a meal, reception or similar event including tradeshows and professional meetings; and
- Food, refreshments, meals, foodstuffs, entertainment, beverages that are provided in connection with the following: an event where the employee is a speaker or part of a panel discussion at a scheduled meeting of an established or recognized membership organization which regularly meets at in-state

events in which invitations are extended to legislative or executive branch employees. The value of the items shall not exceed fifty dollars (\$50.00) per person, per day.*

- * The amount may be increased to reflect the percentage of change in the average consumer price index. The Ethics Commission publishes the increased amount on its website. For other gifts offered which are not included in the exceptions above, the employee must obtain the written approval of the Assistant Treasurer for Legal, Compliance and Audit.