

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. for the provision of securities custody services to the State's unclaimed property program. The purpose of the amendment is to reflect a change in the contractor's name (to Avenu Unclaimed Property Systems, LLC), resulting from a corporate acquisition. No other aspect of the contract is changing.

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

Sincerely,

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>	55629	RFS Number: <i>(if applicable)</i>			
*Original or Proposed Contract Begin Date:	July 19, 2017	*Current or Proposed End Date:	July 18, 2022		
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:	Conduent State & Local Solutions, Inc.				
*Current or Proposed Maximum Liability:	\$ 1,438,850				
*Estimated Total Spend for Commodities:	N/A				
*Current or Proposed Contract Allocation by Fiscal Year: (as Shown on Most Current Fully Executed Contract Summary Sheet)					
FY: 2018	FY: 2019	FY: 2020	FY: 2021	FY: 2022	FY:
\$287,770	\$287,770	\$287,770	\$287,770	\$287,770	\$
*Current Total Expenditures by Fiscal Year of Contract: (attach backup documentation from Edison)					
FY: 2018	FY: 2019	FY: 2020	FY: 2021	FY: 2022	FY:
\$180,510.00	\$227,829.99	\$	\$	\$	\$
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 administrative costs.		

Supplemental Documentation Required for
Fiscal Review Committee

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
31320	\$26.00	000000000000000000055629	0000005757
31320	\$13,382.00	000000000000000000055629	0000005757
31320	\$15,679.75	000000000000000000055629	0000005757
31320	\$15,877.75	000000000000000000055629	0000005757
31320	\$18,059.75	000000000000000000055629	0000005757
31320	\$20,146.00	000000000000000000055629	0000005757
31320	\$22,313.00	000000000000000000055629	0000005757
31320	\$32,808.00	000000000000000000055629	0000005757
31320	\$42,217.75	000000000000000000055629	0000005757

Total FY 2018 \$180,510.00

Unit	Sum Merchandise Amt	Edison Contract ID	Vendor ID
31320	\$8,196.00	000000000000000000055629	0000005757
31320	\$9,796.00	000000000000000000055629	0000005757
31320	\$10,275.75	000000000000000000055629	0000005757
31320	\$10,430.00	000000000000000000055629	0000005757
31320	\$10,591.75	000000000000000000055629	0000005757
31320	\$12,213.25	000000000000000000055629	0000005757
31320	\$13,712.50	000000000000000000055629	0000005757
31320	\$14,086.00	000000000000000000055629	0000005757
31320	\$18,326.00	000000000000000000055629	0000005757
31320	\$19,524.00	000000000000000000055629	0000005757
31320	\$49,518.03	000000000000000000055629	0000005757
31320	\$51,160.71	000000000000000000055629	0000005757

Total* FY 2019 \$227,829.99

*We are currently in FY 2019

Vendor Name	Type	PO ID	Voucher ID	Invoice	Date
Conduent State & Local Solutions Inc	DFA	0000008834	00280247	1468824	7/13/2018
Conduent State & Local Solutions Inc	DFA	0000008366	00266953	1442575	3/6/2018
Conduent State & Local Solutions Inc	DFA	0000008209	00261599	1431622	1/12/2018
Conduent State & Local Solutions Inc	DFA	0000008207	00261601	1417676	1/9/2018
Conduent State & Local Solutions Inc	DFA	0000008206	00261602	1410111	1/9/2018
Conduent State & Local Solutions Inc	DFA	0000008560	00273349	1455833	5/18/2018
Conduent State & Local Solutions Inc	DFA	0000008208	00261600	1425115	1/9/2018
Conduent State & Local Solutions Inc	DFA	0000008801	00278412	1467384	7/6/2018
Conduent State & Local Solutions Inc	DFA	0000008716	00275587	1462495	6/11/2018

Vendor Name	Type	PO ID	Voucher ID	Invoice	Date
Conduent State & Local Solutions Inc	DFA	0000009520	00314997	1513253	3/21/2019
Conduent State & Local Solutions Inc	DFA	0000009273	00299451	1496483	11/29/2018
Conduent State & Local Solutions Inc	DFA	0000009403	00308508	1506154	2/6/2019
Conduent State & Local Solutions Inc	DFA	0000009023	00285947	1479089	9/4/2018
Conduent State & Local Solutions Inc	DFA	0000009183	00294982	1490864	11/8/2018
Conduent State & Local Solutions Inc	DFA	0000008903	00282586	1473057	8/7/2018
Conduent State & Local Solutions Inc	DFA	0000009096	00290784	1484072	10/9/2018
Conduent State & Local Solutions Inc	DFA	0000009162	00294627	1400992	10/22/2018
Conduent State & Local Solutions Inc	DFA	0000009324	00304065	1500946	12/28/2018
Conduent State & Local Solutions Inc	DFA	0000009163	00294628	1400993	10/22/2018
Conduent State & Local Solutions Inc	DFA	0000009467	00310238	1509123	2/13/2019
Conduent State & Local Solutions Inc	DFA	0000009468	00310239	1509130	2/13/2019

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.Agsprsr@tn.gov

APPROVED

CHIEF PROCUREMENT OFFICER

DATE

Agency request tracking #	30901-43319	
1. Procuring Agency	Treasury Department	
2. Contractor	Conduent State & Local Solutions, Inc.	
3. Edison contract ID #	55629	
4. Proposed amendment #	1	
5. Contract's Original Effective Date	July 19, 2017	
6. Current end date	July 18, 2022	
7. Proposed end date	July 18, 2022	
8. Current Maximum Liability or Estimated Liability	\$ 1,438,850	
9. Proposed Maximum Liability or Estimated Liability	\$ 1,438,850	
10. Strategic Technology Solutions Pre-Approval Endorsement Request – information technology service (N/A to THDA)	<input checked="" type="checkbox"/> Not Applicable <input type="checkbox"/> Attached	
11. eHealth Pre-Approval Endorsement Request – health-related professional, pharmaceutical, laboratory, or imaging	<input checked="" type="checkbox"/> Not Applicable <input type="checkbox"/> Attached	
12. Human Resources Pre-Approval Endorsement Request – state employee training service	<input checked="" type="checkbox"/> Not Applicable <input type="checkbox"/> Attached	
13. Explain why the proposed amendment is needed	The contractor is changing its name to Avenu Unclaimed Property Systems, LLC as a result of the contractor's acquisition by another company.	
14. If the amendment involves a change in Scope, describe efforts to identify reasonable, competitive, procurement alternatives to amending the contract. N/A		

Agency request tracking #

30901-43319

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)

Robert H. Kelly March 27, 2019



CONTRACT AMENDMENT COVER SHEET

Agency Tracking # 30901-43319	Edison ID 5757	Contract # 55629	Amendment # 1		
Contractor Legal Entity Name Conduent State & Local Solutions, Inc.			Edison Vendor ID 5757		
Amendment Purpose & Effect(s) Changes contractor name					
Amendment Changes Contract End Date: <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO		End Date: July 18, 2022			
TOTAL Contract Amount INCREASE or DECREASE per this Amendment (zero if N/A):			\$ 0		
Funding —					
FY	State	Federal	Interdepartmental	Other	TOTAL Contract Amount
2018				\$287,770.00	\$287,770.00
2019				\$287,770.00	\$287,770.00
2020				\$287,770.00	\$287,770.00
2021				\$287,770.00	\$287,770.00
2022				\$287,770.00	\$287,770.00
2023				\$0.00	\$0.00
TOTAL:				\$1,438,850.00	\$1,438,850.00
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 ONE
OF CONTRACT 55629**

This Amendment is made and entered by and between the State of Tennessee, Department of Treasury, hereinafter referred to as the "State" and Conduent 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. 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."
2. 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).
3. 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,

CONDUENT 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 July 19, 2017	End Date July 18, 2022	Agency Tracking # 30901-35117	Edison Record ID 55629
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Contractor Legal Entity Name Conduent State & Local Solutions, Inc.	Edison Vendor ID 5757
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Goods or Services Caption (one line only)
Custodial and other related services for securities deliverable under Tennessee's Unclaimed Property Act.

Contractor <input checked="" type="checkbox"/> Contractor	CFDA #
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Funding —					
FY	State	Federal	Interdepartmental	Other	TOTAL Contract Amount
2018				\$287,770.00	\$287,770.00
2019				\$287,770.00	\$287,770.00
2020				\$287,770.00	\$287,770.00
2021				\$287,770.00	\$287,770.00
2022				\$287,770.00	\$287,770.00
2023				\$0.00	\$0.00
TOTAL:				\$1,438,850	\$1,438,850

Contractor Ownership Characteristics:

- Minority Business Enterprise (MBE): African American, Asian American, Hispanic American, Native American
- Woman Business Enterprise (WBE)
- Tennessee Service Disabled Veteran Enterprise (SDVBE)
- Tennessee Small Business Enterprise (SBE): \$10,000,000.00 averaged over a three (3) year period or employs no more than ninety-nine (99) employees
- Other:

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

Competitive Selection

The contract was procured through a Request for Proposals ("RFP"). The RFP was issued to seven companies identified in the industry and was also posted on the Central Procurement Office's web site. The State received one proposal in response to the RFP. The submitted proposal was from the State's current service provider for the services. The company met the mandatory requirements for further evaluation of its response. The technical evaluation was completed and the cost proposal was opened and the scores were calculated. Conduent received a score of 95.53 out of a maximum possible score of 100.

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.

Kerry Hanley

Speed Chart (optional)

Account Code (optional)

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

This Contract, by and between the State of Tennessee, Department of Treasury ("State") and Conduent State & Local Solutions, Inc. ("Contractor"), is for the provision of custodial and other related services for securities deliverable to the State under Tennessee's Unclaimed Property Act, as further defined in the "SCOPE." State and Contractor may be referred to individually as a "Party" or collectively as the "Parties" to this Contract.

The Contractor is a for-profit corporation.

Contractor Place of Incorporation or Organization: State of New York

Contractor Edison Registration ID # 5757

WITNESSETH:

WHEREAS, the State is responsible for administering Tennessee's Unclaimed Property Act, hereinafter referred to as the "Act". Under the Act, companies within and outside the State of Tennessee are required to turn over to the State unclaimed property belonging to its residents. Unclaimed property consists of such items as dormant bank accounts, uncashed payroll checks, unclaimed security deposits, insurance proceeds, securities, and etc.; and

WHEREAS, once the statutory dormancy period has elapsed (the period in which there has been no owner generated activity and the owner cannot be found), the assets must be turned over to the State, which acts as custodian in perpetuity until the rightful owner or heir is located to claim his/her property; and

WHEREAS, the Act authorizes the State to enter into contracts with companies for the purpose of assisting the State in carrying out the Act; and

WHEREAS, the State has determined it is necessary and desirable in carrying out the Act to obtain custodial and other related services for unclaimed securities, including mutual funds, that are deliverable to the State under the Act, hereinafter referred to as the "Securities"; and

WHEREAS, the Contractor desires to provide such services to the State, and the State desires to obtain such services from the Contractor.

NOW, THEREFORE, in consideration of the premises and the mutual promises herein contained, the parties have agreed and do hereby enter into this Contract according to the provisions set out herein:

A. SCOPE OF SERVICES:

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

A.2. Appointment as Custodian. The State hereby appoints the Contractor as custodian for the safekeeping and servicing of the Securities, and the Contractor accepts such appointment. Except as provided in Section A.4.a below, the Contractor shall hold all the Securities and the cash derived therefrom at the location specified in page 54 of the Contractor's Proposal. The Contractor (or the Contractor's subcustodian bank as specified on page 45 of the Contractor's Proposal) shall operate as a direct participant in the Depository Trust Company (DTC), the Federal Reserve Bank (FRB), and the Fixed Income Clearing Corporation (FICC), and shall utilize the services of DTC, FRB, and FICC to the fullest extent possible to fulfill its responsibilities under this Contract. In performing such services, the Contractor shall use the technology, services and processes described in pages 62 – 73 of the Contractor's Proposal.

A.3. Delivery of Securities. Once the Securities are deliverable to the State under the Act, the holder or its transfer agent shall be directed by the State or by the State's agent to transfer or otherwise deliver the Securities to the Contractor for safekeeping in accordance with such delivery instructions as shall be mutually agreed to in writing by the State and the Contractor. Such holders or their transfer agents shall be further directed by the State or its agent to have all the Securities properly endorsed or placed in such other form as necessary for the proper transfer of the property to the State. This requirement shall also include, where possible, deleting the name of an owner from Securities held by a transfer agent or in a vault or storage area of a bank, or lost Securities held by a safe deposit company or bank, and substituting in lieu thereof "State Treasurer of Tennessee", or in the nominee name established by the Contractor for the sole use of the State. The Contractor shall assist any holder or its transfer agent in having the Securities properly transferred into the name of the "State Treasurer of Tennessee", or into the nominee name of the State. For any security received that is not in the State's name or in the State's nominee name (physical, book entry or otherwise), the Contractor shall assist the State in taking the most efficient and cost effective steps necessary to have the Securities deposited into the State's account (e.g., DTC). In performing such services, the Contractor shall use the technology, services and processes described in pages 62 – 73 of the Contractor's Proposal.

A.4. Receipt of Property.

- a. The Contractor shall receive or direct its subcustodian bank, if applicable, to receive delivery of all Securities hereunder for safekeeping at the location specified in Section A.2 above, in the Federal Reserve book-entry system, or in a registered clearing agency or other book-entry system for the central handling of securities; or, upon written approval of the State, at such other financial institutions as may be authorized by the State in writing (both the Contractor's subcustodian bank, if applicable, and such other financial institutions shall hereinafter be collectively referred to as "Subcustodians", or singularly referred to as "Subcustodian").
- b. The Contractor shall identify on its books as belonging to the State any Securities held by a Subcustodian. The Contractor agrees that any Subcustodian bank shall be required by its agreement with the Contractor to identify on its books such property as being held for the account of the Contractor for its customers. The Contractor shall only deposit property in an account with a Subcustodian which includes exclusively the assets held by the Contractor for its customers, and the Contractor shall cause such account to be designated by the Subcustodian as a special custody account for the exclusive benefit of customers of the Contractor.
- c. The Contractor will authorize the holding of such property by a Subcustodian only (i) to the extent that the property is not subject to any right, charge, security interest, lien or claim of any kind in favor of the Subcustodian and (ii) to the extent that beneficial ownership of such property is freely transferable without the payment of money or value. Any costs, fees or expenses associated with the safekeeping and servicing of the property by a Subcustodian shall be the responsibility of the Contractor.
- d. The Contractor shall be liable to the State for any losses incurred through any entity or entities to which physical possession of Securities or cash are entrusted to the same extent that it would be liable to the State if the Contractor had retained physical possession of the same.

A.5. Servicing of Securities.

- a. The Contractor shall promptly execute all proxies in favor of management unless otherwise instructed by the State and mail said proxies to the address specified.
- b. The Contractor shall promptly transmit or caused to be transmitted to the State written information on any non-mandatory corporate actions (including, without limitation, tendency of calls and maturities of Securities and expirations of rights in connection therewith) received by the Contractor or its Subcustodian from issuers of the Securities. With respect to tender

or exchange offers, the Contractor shall promptly transmit or cause to be transmitted to the State written information received by the Contractor or a Subcustodian from issuers of the Securities whose tender or exchange is sought or from the party (or the party's agents) making the tender or exchange offer.

- c. Upon receipt of proper instructions from the State, the Contractor shall exchange or caused to be exchanged Securities held for the account of the State for other securities or for other securities and cash, and to expend cash, in connection with any merger, consolidation, reorganization, recapitalization, split-up of shares, changes of par value or conversion or in connection with the exercise of subscription or purchase rights, or otherwise.
- d. The Contractor shall promptly execute all mandatory corporate actions as required.
- e. Upon receipt of proper instructions from the State, the Contractor shall deliver or cause to be delivered Securities which are being liquidated by the State, or which have been called, redeemed, retired, or otherwise become payable, upon payment therefore. All such payments are to be made in cash, by certified check or treasurer's or cashier's check, by wire or ACH transfer or in the case of delivery through a Securities depository, by credit by the securities depository, all in accordance with street custom or the rules and regulations of the securities depository.
- f. The Contractor agrees to accept instructions from the State pursuant to this Section A.5 by mail or through such electronic means as shall be mutually agreed to the parties. Upon the liquidation of any Security pursuant to this Section A.5, the Contractor shall transfer to the State within three (3) business days after the sale has settled all funds generated from the sale and shall, at the time the transfer is made or as soon thereafter as possible, provide the State with a listing of the sale transactions that occurred for that particular sale. The transfer shall be made via wire or ACH transfer to the State pursuant to such wire or ACH transfer instructions as shall be provided in writing by the State. The listing of the sale transactions shall be in such format as shall be mutually agreed to in writing the parties, and shall be provided to the State by mail or through such electronic means as shall be mutually agreed to the parties. The listing shall, at a minimum, include the following for each Security sold:
 - (1) Security name
 - (2) CUSIP
 - (3) Symbol
 - (4) Description of the transaction with enough information to enable the State to post the transaction
 - (5) Transaction type code (A mutually agreeable code that describes the type of transaction (e.g., dividend, split, deposit, withdrawal, etc.))
 - (6) Quantity of shares
 - (7) Dollar amount
 - (8) Date – trade executed
 - (9) Date – settled
- g. The Contractor shall maintain for a period of not less than one (1) year records of all receipts, deliveries and locations of Securities, funds, and other property, together with a current inventory thereof.
- h. Unless otherwise directed by the State, the Contractor shall transfer to the State all property held for the State, other than Securities, on Monday of each week, or the next business day if Monday is a holiday, for property received the prior week. Notwithstanding the preceding sentence, property, other than Securities, received during the last week of any given month shall be transferred to the State on the first day of the following month, or the next business day if such day is a Saturday, Sunday or a holiday. All transfers of cash to the State shall be made via wire or ACH transfer to the State pursuant to such wire or ACH transfer instructions as shall be provided in writing by the State.

- i. In performing the services specified in this Section, the Contractor shall use the technology, services and processes described in pages 62 – 73 of the Contractor's Proposal.

A.6 Bank Account.

- a. The Contractor shall, pending delivery to the State, retain cash of the State in a separate account or accounts in the State's name at the location specified in Section A.2 above or at such other locations as may be authorized by the State in writing, subject only to draft or order by the State.
- b. The Contractor shall collect, receive and deposit in the bank account(s) maintained pursuant to this Section all cash and income and other payments with respect to the property held hereunder.
- c. The Contractor reserves the right to reverse erroneous entries to the State's account(s) and to charge the account(s) for the amount of property for which payment has not been made. The Contractor shall promptly notify the State in writing of such action.
- d. The Contractor shall render the reports described in Section A.12 below and such other reports relative to the account(s) maintained pursuant to this Section as agreed upon from time to time by the parties.

A.7 Collateral and Notice. The Contractor shall cause all funds held hereunder to be collateralized in accordance with Tennessee Code Annotated, Title 9, Chapter 4, Parts 1 and 4 when the total amount of such funds exceeds the applicable FDIC coverage for the State's account(s).

A.8. Account Balances.

- a. The Contractor agrees the State shall receive a credit monthly for its daily account balances in the account(s) based on the rates applicable to the investment vehicles that are mutually agreed to in writing by the State and the Contractor from time to time. The State acknowledges that the rates associated with the investment vehicles may fluctuate on a daily basis, but the earnings credit shall be posted to the State's account on a monthly basis.
- b. Within six (6) business days at the close of each month, the Contractor shall provide to the State a statement of interest credit earned on the State's funds during the preceding month. Such statement shall itemize the amount of funds earning interest, the applicable interest rate(s) and the total interest credit.

A.9. Transfers of Securities to Owners' Names. Upon instructions from the State, the Contractor shall take the most efficient and cost effective steps necessary to have the Securities transferred into the names of the proper owner(s) of the Securities. This shall entail the Contractor handling any and all paperwork necessary (e.g., Gold Medallion Guarantee, etc), including any necessary follow-ups with transfer agents and the like, to complete the transfer into the owner(s) names. The State shall provide the Contractor with the requisite owner information to accomplish the transfer such as the owner(s) names, addresses, tax identification numbers, completed W-9 forms, number of shares, and account numbers, as applicable. The Contractor agrees that it shall accept such instructions and information from the State by mail or through such electronic means as shall be mutually agreed to the parties.

A.10. Security Transaction History Researches. The Contractor shall, at the State's request, research the transaction histories of any particular Securities. Such researches may involve the history of any corporate actions, dividends, deposits, withdrawals and the like on the particular securities at issue.

A.11. Instructions from the State.

- a. The Contractor shall be deemed to have received proper instructions from the State hereunder upon receipt of instructions given by one or more persons as the State shall from time to time authorize in writing to give the particular instructions in question.
- b. A certified copy of a resolution or action of the State may be received and accepted by the Contractor as conclusive evidence of the authority of any such person or persons to act and may be considered as in full force and effect until receipt of written notice to the contrary.
- c. Instructions shall not be valid if cash is directed to any location other than as specified in Section A.5.h hereof.
- d. Instructions given to the Contractor by the State 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, by hand delivery, or by email or through such other electronic means as may be mutually agreed to by the parties.
- e. In performing the services hereunder, the Contractor shall be entitled to rely upon the accuracy, timeliness, and authenticity of any and all records, information and input media provided to the Contractor by the State or by an authorized party designated in writing by the State, provided that such records, information and input media meet reasonable commercial standards of practice of the industry.

A.12. Reports.

- a. Monthly Security Holdings Reports. On a monthly basis, the Contractor shall furnish or cause to be furnished to the State a report listing all Securities held on behalf of the State as of the end of the previous month. Each report shall be provided within seven (7) calendar days after the last calendar day of the month, and shall be in such format as shall be mutually agreed to in writing by the parties. The report shall, at a minimum, include the following information for each Security:
 - (1) Security name
 - (2) CUSIP
 - (3) Symbol
 - (4) Quantity of shares
 - (5) Price per share
 - (6) Date of the pricing
 - (7) Total price per issue
 - (8) Manner by which the security is held (DTC, physical, etc).
 - (9) The amortized value for each bond
- b. Monthly Securities Transaction Reports. The Contractor shall also furnish or cause to be furnished to the State on a monthly basis a report of all Securities transactions that occurred during the previous month. Each report shall be provided within seven (7) calendar days after the last calendar day of the month, and shall be in such format as shall be mutually agreed to in writing by the parties. The report shall, at a minimum, include the following information for each Security transaction:
 - (1) Security name
 - (2) CUSIP
 - (3) Symbol
 - (4) Description of the transaction with enough information to enable the State to post the transaction
 - (5) Transaction type code (A mutually agreeable code that describes the type of transaction (dividend, split, deposit, withdrawal, etc.))
 - (6) Quantity of shares
 - (7) Dollar amount
 - (8) Date – trade executed (The date used to determine the ownership of the cash or Security)

- (9) Date – settled (The date the cash or Security comes in or goes out of the State's account)
- (10) Claim number (For transfers only. The State will provide this number to the Contractor during the transfer request process)
- (11) Claimant's name (For transfers only. The State will provide the name to the Contractor during the transfer request process)
- (12) Sender's name (For deposits only)
- (13) If available, the name and contact information for the Originator

c. Weekly Securities Transaction Reports. The Contractor shall furnish or cause to be furnished to the State on a weekly basis a report of all Securities transactions that occurred during the previous week. Each report shall be submitted on Monday of each week, or the next business day if Monday is a holiday. Notwithstanding the preceding sentences, the weekly report for the last week of any given month shall only include Securities transactions that occurred during the last week of that month. The report shall be submitted on the first day of the following month, or the next business day if such day is a Saturday, Sunday or a holiday. The reports shall be in such format as shall be mutually agreed to in writing by the parties. The report shall, at a minimum, include the following information for each Security transaction:

- (1) Security name
- (2) CUSIP
- (3) Symbol
- (4) Description of the transaction with enough information to enable the State to post the transaction
- (5) Transaction type code (A mutually agreeable code that describes the type of transaction (dividend, split, deposit, withdrawal, etc.)
- (6) Quantity of shares
- (7) Dollar amount
- (8) Date – trade executed
- (9) Date – settled
- (10) Claim number (For transfers only. The State will provide this number to the Contractor during the transfer request process)
- (11) Claimant's name (For transfers only. The State will provide the name to the Contractor during the transfer request process)
- (14) Sender's name (For deposits only)
- (15) If available, the name and contact information of the Originator

A.13. Real Time Access to Securities and Account Information. The Contractor shall provide or cause to be provided to the State with real time access to all activity and information concerning the Securities and the State's account(s). Such access shall be provided to the State in the manner described on page 78 of the Contractor's Proposal.

A.14. Foreign and Worthless Securities. The Contractor shall handle and otherwise process foreign and worthless Securities deliverable to the State under the Act in the manner described in pages 74 – 76 of the Contractor's Proposal, or in such other manner as shall be mutually agreed to in writing by the parties.

A.15. Representations and Covenants of the Contractor.

The Contractor represents and warrants to the State that (1) it is duly authorized to execute and deliver this Contract, and to perform its obligations hereunder and has taken all necessary action to authorize such execution, delivery and performance; (2) the persons signing this Contract on its behalf are duly authorized to do so on its behalf; (3) it has obtained all authorizations of any governmental body required in connection with this Contract and the transactions hereunder and such authorizations are in full force and effect; (4) the execution, delivery and performance of this Contract will not violate any law, ordinance, charter, by-law or rule applicable to it or any agreement by which it is bound or by which any of its assets are affected; and (5) that any and

all collateral pledged to the State hereunder will be and will remain free and clear of any and all claims, liens or encumbrances, except the State's security interest hereunder.

- A.16. Responsibility. The Contractor agrees not to make any other use or disposition or take any action with respect to any of the Securities held hereunder and the cash derived therefrom except in accordance with the terms of this Contract.
- A.17. Transition of Services Upon Termination. Upon the natural expiration of this Contract or in the event of its termination for any reason, the Contractor shall transfer in accordance with the State's instructions all cash, records and other property of the State to whomever the State may designate in writing to the Contractor. The Contractor agrees to cooperate with the State, and any subsequent contractor selected by the State to perform the services hereunder, in the transition and conversion of such services. The Contractor shall remain liable to the State under this Contract for any acts or omissions occurring on or prior to the date on which all property of the State and all services hereunder have been successfully transferred or converted in accordance with this Section.
- A.18. 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 general 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.19. 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 July 19, 2017 ("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 one million four hundred thirty-eight thousand eight hundred fifty dollars (\$1,438,850) ("Maximum Liability"). This Contract does not grant the Contractor any exclusive rights. The

State does not guarantee that it will buy any minimum quantity of goods or services under this Contract. Subject to the terms and conditions of this Contract, the Contractor will only be paid for goods or services provided under this Contract after a purchase order is issued to Contractor by the State or as otherwise specified by this Contract.

C.2. Compensation Firm. The payment methodology in Section C.3 of this Contract shall constitute the entire compensation due the Contractor for all goods or services provided under this Contract regardless of the difficulty, materials or equipment required. The payment methodology includes all applicable taxes, fees, overhead, and all other direct and indirect costs incurred or to be incurred by the Contractor.

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

a. The Contractor's compensation shall be contingent upon the satisfactory provision of goods or services as set forth in Section A.

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

Goods or Services Description	Amount (per compensable increment)				
	July 19, 2017 – July 18, 2018	July 19, 2018 – July 18, 2019	July 19, 2019 – July 18, 2020	July 19, 2020 – July 18, 2021	July 19, 2021 – July 18, 2022
1. Maintenance (per Sections A.2, A.3 and A.6 of this Contract)	↓	↓	↓	↓	↓
(i) Monthly Maintenance for Non-Physically Held Securities	\$4.75 per month per issue	\$4.75 per month per issue	\$4.75 per month per issue	\$4.75 per month per issue	\$4.75 per month per issue
(ii) Monthly Maintenance for Physically Held Securities	\$8.00 per month per issue	\$8.00 per month per issue	\$8.00 per month per issue	\$8.00 per month per issue	\$8.00 per month per issue
2. Corporate Actions (per Sections A.5.c and A.5.d of this Contract) NOTE: Corporate Actions do not include any action that results in cash dividends or the reinvestment of cash.	↓	↓	↓	↓	↓
(i) Process Corporate Actions for Non- Physically Held Securities	\$0.00 per Corporate Action	\$0.00 per Corporate Action	\$0.00 per Corporate Action	\$0.00 per Corporate Action	\$0.00 per Corporate Action
(ii) Process Corporate	\$0.00 per Corporate	\$0.00 per Corporate	\$0.00 per Corporate	\$0.00 per Corporate	\$0.00 per Corporate

Goods or Services Description	Amount (per compensable increment)				
	Action	Action	Action	Action	Action
3. Deposits (per Section A.4 of this Contract)	↓	↓	↓	↓	↓
(i) Deposits of Non-Physically Held Securities	\$18.00 per deposit	\$18.00 per deposit	\$18.00 per deposit	\$18.00 per deposit	\$18.00 per deposit
(ii) Deposits of Physically Held Securities	\$50.00 per deposit	\$50.00 per deposit	\$50.00 per deposit	\$50.00 per deposit	\$50.00 per deposit
4. Transfers (per Section A.9 of this Contract)	↓	↓	↓	↓	↓
(i) Transfers of Non-Physically Held Securities to Owners	\$18.00 per transfer	\$18.00 per transfer	\$18.00 per transfer	\$18.00 per transfer	\$18.00 per transfer
(ii) Transfers of Physically Held Securities to Owners	\$532.00 per transfer	\$532.00 per transfer	\$532.00 per transfer	\$532.00 per transfer	\$532.00 per transfer
5. Liquidations (per Section A.5.e of this Contract)	↓	↓	↓	↓	↓
(i) Liquidations of Non-Physically Held Securities	\$18.00 per issue liquidated	\$18.00 per issue liquidated	\$18.00 per issue liquidated	\$18.00 per issue liquidated	\$18.00 per issue liquidated
(ii) Liquidations of Physically Held Securities	\$50.00 per issue liquidated	\$50.00 per issue liquidated	\$50.00 per issue liquidated	\$50.00 per issue liquidated	\$50.00 per issue liquidated
6. Wire or ACH Transfers (per Sections A.5.f and A.5.h of this Contract)	↓	↓	↓	↓	↓
(i) Outgoing Wire or ACH to the State	\$15.00 each	\$15.00 each	\$15.00 each	\$15.00 each	\$15.00 each

- 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: State of Tennessee, Department of Treasury, Division of Unclaimed Property;
 - (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) 401-7657

The Contractor:

Jim Hynes, Contract Manager
Conduent State & Local Solutions, Inc.
100 Hancock Street, 10th Floor
Quincy, Massachusetts 02171
jim.hynes@conduent.com

Telephone # (617) 722-9666
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, disqualified, or presently fall under any of the prohibitions of sections a-d.

- D.24. Force Majeure. "Force Majeure Event" means fire, flood, earthquake, elements of nature or acts of God, wars, riots, civil disorders, rebellions or revolutions, acts of terrorism or any other similar cause beyond the reasonable control of the Party except to the extent that the non-performing Party is at fault in failing to prevent or causing the default or delay, and provided that the default or delay cannot reasonably be circumvented by the non-performing Party through the use of alternate sources, workaround plans or other means. A strike, lockout or labor dispute shall not excuse either Party from its obligations under this Contract. Except as set forth in this Section, any failure or delay by a Party in the performance of its obligations under this Contract arising from a Force Majeure Event is not a default under this Contract or grounds for termination. The non-performing Party will be excused from performing those obligations directly affected by the Force Majeure Event, and only for as long as the Force Majeure Event continues, provided that the Party continues to use diligent, good faith efforts to resume performance without delay. The occurrence of a Force Majeure Event affecting Contractor's representatives, suppliers, subcontractors, customers or business apart from this Contract is not a Force Majeure Event under this Contract. Contractor will promptly notify the State of any delay caused by a Force Majeure Event (to be confirmed in a written notice to the State within one (1) day of the inception of the delay) that a Force Majeure Event has occurred, and will describe in reasonable detail the nature of the Force Majeure Event. If any Force Majeure Event results in a delay in Contractor's performance longer than forty-eight (48) hours, the State may, upon notice to Contractor: (a) cease payment of the fees until Contractor resumes performance of the affected obligations; or (b) immediately terminate this Contract or any purchase order, in whole or in part, without further payment except for fees then due and payable. Contractor will not increase its charges under this Contract or charge the State any fees other than those provided for in this Contract as the result of a Force Majeure Event.
- D.25. State and Federal Compliance. The Contractor shall comply with all applicable state and federal laws and regulations in the performance of this Contract.
- 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. Iran Divestment Act. The requirements of Tenn. Code Ann. § 12-12-101 et.seq., addressing contracting with persons as defined at T.C.A. §12-12-103(5) that engage in investment activities in Iran, shall be a material provision of this Contract. The Contractor certifies, under penalty of perjury, that to the best of its knowledge and belief that it is not on the list created pursuant to Tenn. Code Ann. § 12-12-106.

D.32. Insurance. Contractor shall 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 and list the State of Tennessee, Risk Manager, 312 Rosa L. Parks Ave., 3rd floor Central Procurement Office, Nashville, TN 37243 in the certificate holder section. At any time, the State may require the Contractor to provide a valid COI detailing coverage description; insurance company; policy number; exceptions; exclusions; policy effective date; policy expiration date; limits of liability; and the name and address of insured. The Contractor's failure to maintain or submit evidence of insurance coverage is considered a material breach of this Contract.

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

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

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

The deductible and any premiums are the Contractor's sole responsibility. Any deductible over fifty thousand dollars (\$50,000) must be approved by the State. The Contractor agrees that the insurance requirements specified in this Section do not reduce any liability the Contractor has assumed under this Contract including any indemnification or hold harmless requirements. The State agrees that it shall give written notice to the Contractor as soon as practicable after the State becomes aware of any claim asserted or made against the State, but in no event later than thirty (30) calendar days after the State becomes aware of such claim. The failure of the State to give notice shall only relieve the Contractor of its obligations under this Section to the extent that

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

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

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

a. Commercial General Liability Insurance

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

b. Workers' Compensation and Employer Liability Insurance

- 1) For Contractors statutorily required to carry workers' compensation and employer liability insurance, the Contractor shall maintain:
 - i. Workers' compensation and employer liability insurance in the amounts required by appropriate state statutes.
- 2) If the Contractor certifies that it is exempt from the requirements of Tenn. Code Ann. §§ 50-6-101 – 103, then the Contractor shall furnish written proof of such exemption for one or more of the following reasons:
 - i. The Contractor employs fewer than five (5) employees;
 - ii. The Contractor is a sole proprietor;
 - iii. The Contractor is in the construction business or trades with no employees;
 - iv. The Contractor is in the coal mining industry with no employees;
 - v. The Contractor is a state or local government; or
 - vi. The Contractor self-insures its workers' compensation and is in compliance with the TDCI rules and Tenn. Code Ann. § 50-6-405.

c. Professional Liability Insurance

- i. Professional liability insurance shall be written on an occurrence basis. This coverage may be written on a claims-made basis but must include an extended reporting period or "tail coverage" of at least two (2) years after the Term;
 - ii. Any professional liability insurance policy shall have a limit not less than one million dollars (\$1,000,000) per claim and two million dollars (\$2,000,000) in the aggregate; and
 - iii. If the Contract involves the provision of services by medical professionals, a policy limit not less than two million (\$2,000,000) per claim and three million dollars (\$3,000,000) in the aggregate for medical malpractice insurance.
- d. 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. Confidentiality of Records. Strict standards of confidentiality of records and information shall be maintained in accordance with applicable state and federal law. All material and information, regardless of form, medium or method of communication, provided to the Contractor by the State or acquired by the Contractor on behalf of the State that is regarded as confidential under state or federal law shall be regarded as "Confidential Information." Nothing in this Section shall permit Contractor to disclose any Confidential Information, regardless of whether it has been disclosed or made available to the Contractor due to intentional or negligent actions or inactions of agents of the State or third parties. Confidential Information shall not be disclosed except as required or permitted under state or federal law. Contractor shall take all necessary steps to safeguard the confidentiality of such material or information in conformance with applicable state and federal law.

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

- E.3. 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 30901-35117 (Attachment 6.2, Section B.15) 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.4. Personally Identifiable Information. While performing its obligations under this Contract, Contractor may have access to Personally Identifiable Information held by the State ("PII"). For the purposes of this Contract, "PII" includes "Nonpublic Personal Information" as that term is defined in Title V of the Gramm-Leach-Bliley Act of 1999 or any successor federal statute, and the rules and regulations thereunder, all as may be amended or supplemented from time to time ("GLBA") and personally identifiable information and other data protected under any other applicable laws, rule or regulation of any jurisdiction relating to disclosure or use of personal information ("Privacy Laws"). Contractor agrees it shall not do or omit to do anything which would cause the State to be in breach of any Privacy Laws. Contractor shall, and shall cause its employees, agents and representatives to: (i) keep PII confidential and may use and disclose PII only as necessary to carry out those specific aspects of the purpose for which the PII was disclosed to Contractor and in accordance with this Contract, GLBA and Privacy Laws; and (ii) implement and maintain appropriate technical and organizational measures regarding information security to: (A) ensure the security and confidentiality of PII; (B) protect against any threats or hazards to the security or integrity of PII; and (C) prevent unauthorized access to or use of PII. Contractor shall immediately notify State: (1) of any disclosure or use of any PII by Contractor or any of its employees, agents and representatives in breach of this Contract; and (2) of any disclosure of any PII to Contractor or its employees, agents and representatives where the purpose of such disclosure is not known to Contractor or its employees, agents and representatives. The State reserves the right to review Contractor's policies and procedures used to maintain the security and confidentiality of PII and Contractor shall, and cause its employees, agents and representatives to, comply with all reasonable requests or directions from the State to enable the State to verify and/or procure that Contractor is in full compliance with its obligations under this Contract in relation to PII. Upon termination or expiration of the Contract or at the State's direction at any time in its sole discretion, whichever is earlier, Contractor shall immediately return to the State any and all PII which it has received under this Contract and shall destroy all records of such PII.

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

- E.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,

CONDUENT STATE & LOCAL SOLUTIONS, INC.:

[Handwritten Signature]

7-12-17

CONTRACTOR SIGNATURE

DATE

David Kamona, Vice President

PRINTED NAME AND TITLE OF CONTRACTOR SIGNATORY (above)

DEPARTMENT OF TREASURY:

[Handwritten Signature: David H. Lillard, Jr.]

July 17, 2017

DAVID H. LILLARD, JR., STATE TREASURER

DATE

Approved for signature by CM 7/13/17

ATTESTATION RE PERSONNEL USED IN CONTRACT PERFORMANCE

SUBJECT CONTRACT NUMBER:	55629
CONTRACTOR LEGAL ENTITY NAME:	Conduent 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

PRINTED NAME AND TITLE OF SIGNATORY

7-12-17

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.