



October 10, 2019

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

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

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

RE: Proposed Amendment 1 to Edison Contract ID 59992

Dear Director Carsner, Chief Perry, and Comptroller Wilson:

The Department of Safety and Homeland Security (TDOSHS) is requesting the approval to amend the current eighteen (18) month contract with ACF Technologies, Inc. (Edison Contract ID 5992) for continued queuing management system services.

ACF Technologies, Inc. will continue to ensure that maintenance and support is offered to the State for the queuing management system throughout the term of the contract, as well as, within a transition period being allotted for the award of a new contract.

The Department of Safety and Homeland Security utilizes a suite of central management tools to control and manage customer flow at the State's Driver Services Centers to ensure customers receive service in an efficient, orderly, and timely manner. The tools are utilized to provide real-time information, which is communicated to designated personnel within the agency via a computer screen dashboard and reports, so that they can view and analyze the customer flow of each Driver Services Center, monitor the activities of the Driver Services Center employees, and make any necessary changes to provide services in the most customer-focused manner. The requested amendment is needed to extend the term so there is no disruption in the queuing management services currently being utilized in Driver

Services Centers around the State. These services will be included in the new queuing management system services being sought through an upcoming Request for Proposals (RFP), which is currently being drafted to be released by the summer of 2020. We wish to ensure that there is no disruption in services during the time it takes for the RFP solicitation event to be completed and the time needed for a transition to a new solution.

Through the amendment, we seek to extend the contract for an additional eighteen (18) months for a total of thirty-six (36) months. The current maximum liability of \$3,000,000.00 will remain unchanged.

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

Sincerely,



Sonya Hadley, Budget Director

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

Supplemental Documentation Required for  
Fiscal Review Committee

*Contact Name:	Shoney Naquin	*Contact Phone:	615-251-5238
*Presenter's name(s):	Director Michael Hogan, Assistant Commissioner Paula Shaw, Sonya Hadley, Sandra Braber-Grove		
Edison Contract Number: <i>(if applicable)</i>	59992	RFS Number: <i>(if applicable)</i>	34901-00525
*Original or Proposed Contract Begin Date:	March 24, 2018	*Current or Proposed End Date:	September 24, 2019
Current Request Amendment Number: <i>(if applicable)</i>	01		
Proposed Amendment Effective Date: <i>(if applicable)</i>	December 16, 2019		
*Department Submitting:	Safety and Homeland Security		
*Division:	Fiscal Services		
*Date Submitted:	October 10, 2019		
*Submitted Within Sixty (60) days:	Yes		
<i>If not, explain:</i>	Not Applicable		
*Contract Vendor Name:	ACF Technologies, Inc.		
*Current or Proposed Maximum Liability:	\$ 3,000,000.00		
*Estimated Total Spend for Commodities:	None		
<b>*Current or Proposed Contract Allocation by Fiscal Year: (as Shown on Most Current Fully Executed Contract Summary Sheet)</b>			
FY: 2019	FY: 2020	FY: 2021	FY: 2022
\$ 745,794.26	\$ 1,000,000.00	\$1,000,000.00	\$254,205.74
<b>*Current Total Expenditures by Fiscal Year of Contract: (attach backup documentation from Edison)</b>			
FY: 2019	FY: 2020	FY: 2021	FY: 2022
\$ 745,794.26	\$ 206,311.88		
<b>IF</b> Contract Allocation has been greater than Contract Expenditures, please give the reasons and explain where surplus funds were spent:	The contract allocation has not been greater than the contract expenditures.		
<b>IF</b> surplus funds have been carried forward, please give the reasons and provide the authority for the carry forward provision:	N/A		
<b>IF</b> Contract Expenditures exceeded Contract Allocation, please give the reasons and explain how funding was acquired to pay the overage:	N/A		

Supplemental Documentation Required for  
Fiscal Review Committee

<b>*Contract Funding Source/Amount:</b>			
State:	\$ 3,000,000.00	Federal:	\$0.00
<i>Interdepartmental:</i>	\$0.00	<i>Other:</i>	\$0.00
If “ <i>other</i> ” please define:			
If “ <i>interdepartmental</i> ” please define:			
Dates of All Previous Amendments or Revisions: <i>(if applicable)</i>		Brief Description of Actions in Previous Amendments or Revisions: <i>(if applicable)</i>	
N/A		N/A	
Method of Original Award: <i>(if applicable)</i>		Emergency Procurement	
*What were the projected costs of the service for the entire term of the contract prior to contract award? How was this cost determined?		\$3,000,000.00; This cost was determined by the quotes provided by the Contractor that was chosen through the Emergency Procurement solicitation process.	
*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.		A contract for these services was initially awarded under the Request for Proposal process, but the Contractor was not able to meet the requirements of the Contract and the agency used the emergency procurement process to replace the previous Contractor and award a contract to this Contractor. There are plans for another Request for Proposal solicitation event for these services to be conducted in the near future.	

11

00000000059992

Contract Line #	Unit	PO No.	Line	SetID	PO Date	Quantity	UON	PO Amount	Contract Max. Amt	Contract Remaining Amt
1	34901	0000041418	1	SHARE	2/20/2019	65.0000	DO	\$ 32,500.00	3000000.000	2128005.260
1	34901	0000041418	2	SHARE	2/20/2019	45.0000	DO	\$ 94,500.00	3000000.000	2128005.260
1	34901	0000041418	3	SHARE	2/20/2019	1.0000	DO	\$ 187,384.26	3000000.000	2128005.260
1	34901	0000041786	1	SHARE	4/5/2019	1.0000	DO	\$ 429,660.00	3000000.000	2128005.260
1	34901	0000042332	1	SHARE	6/10/2019	1.0000	DO	\$ 1,750.00	3000000.000	2128005.260
1	34901	0000042616	1	SHARE	7/11/2019	1.0000	DO	\$ 80,111.40	3000000.000	2128005.260
1	34901	0000042617	1	SHARE	7/11/2019	1.0000	DO	\$ 21,250.00	3000000.000	2128005.260
1	34901	0000042637	1	SHARE	7/14/2019	10.0000	DO	\$ 7,100.00	3000000.000	2128005.260
1	34901	0000042637	2	SHARE	7/14/2019	10.0000	DO	\$ 9,570.00	3000000.000	2128005.260
1	34901	0000042637	3	SHARE	7/14/2019	1.0000	DO	\$ 8,169.08	3000000.000	2128005.260
1	34901	41418	1	SHARE	7/11/2019	1.0000	DO	\$ 80,111.40	3000000.000	2128005.260

FY19 \$ 745,794.26  
FY20 \$ 206,311.88

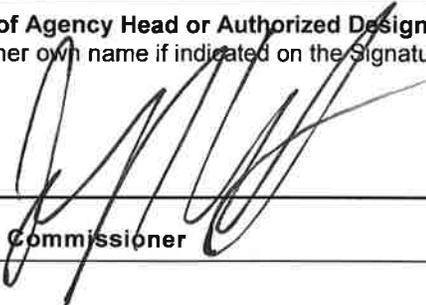
# Amendment Request

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

**APPROVED**

CHIEF PROCUREMENT OFFICER

DATE

Agency request tracking #	34901-00525	
1. Procuring Agency	Tennessee Department of Safety and Homeland Security (TDOSHS)	
2. Contractor	ACF Technologies, Inc.	
3. Edison contract ID #	59992	
4. Proposed amendment #	01	
5. Contract's Original Effective Date	September 24, 2018	
6. Current end date	March 24, 2020	
7. Proposed end date	September 23, 2021	
8. Current Maximum Liability or Estimated Liability	\$ 3,000,000.00	
9. Proposed Maximum Liability or Estimated Liability	\$ 3,000,000.00	
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	<p>The proposed amendment is needed to extend the Term of this Contract so that there is no disruption of services for the queuing management system while a Request for Proposals solicitation event that will include these services is completed, as well as, time needed for a transition to a new solution.</p>	
14. If the amendment involves a change in Scope, describe efforts to identify reasonable, competitive, procurement alternatives to amending the contract.	<p>The amendment does not involve a change in the Scope of Services.</p>	
Signature of Agency Head or Authorized Designee, Title of Signatory, and Date (the authorized designee may sign his or her own name if indicated on the Signature Certification and Authorization document)		
 Jeff Long, Commissioner		10-10-19 DATE



## CONTRACT AMENDMENT COVER SHEET

<b>Agency Tracking #</b> 34901-00525	<b>Edison ID</b> 59992	<b>Contract #</b> 59992	<b>Amendment #</b> 01		
<b>Contractor Legal Entity Name</b> ACF Technologies, Inc.			<b>Edison Vendor ID</b> 0000222371		
<b>Amendment Purpose &amp; Effect(s)</b> The purpose of this Amendment 01 is to extend the Term of this Contract so that there is no disruption of services for the queuing management system while a Request for Proposals solicitation event that will include these services is completed, as well as, time needed for a transition to a new solution.					
<b>Amendment Changes Contract End Date:</b> <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO		<b>End Date:</b> September 23, 2021			
<b>TOTAL Contract Amount INCREASE or DECREASE per this Amendment</b> (zero if N/A):			<b>\$ 0.00</b>		
<b>Funding —</b>					
<b>FY</b>	<b>State</b>	<b>Federal</b>	<b>Interdepartmental</b>	<b>Other</b>	<b>TOTAL Contract Amount</b>
2019	\$745,794.26	\$0.00	\$0.00	\$0.00	\$745,794.26
2020	\$1,000,000.00	\$0.00	\$0.00	\$0.00	\$1,000,000.00
2021	\$1,000,000.00	\$0.00	\$0.00	\$0.00	\$1,000,000.00
2022	\$254,205.74	\$0.00	\$0.00	\$0.00	\$254,205.74
<b>TOTAL:</b>	<b>\$3,000,000.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$3,000,000.00</b>
<b>Budget Officer Confirmation:</b> 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>		
<b>Speed Chart (optional)</b>		<b>Account Code (optional)</b>			

**AMENDMENT 01  
OF CONTRACT 59992**

This Amendment is made and entered by and between the State of Tennessee, Department of Safety and Homeland Security, hereinafter referred to as the "State" and ACF Technologies, 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 is hereby amended as follows:

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

**B. TERM OF CONTRACT:**

This Contract shall be effective on September 24, 2018 ("Effective Date") and extend for a period of thirty-six (36) months after the Effective Date ("Term"). The State shall have no obligation for goods or services provided by the Contractor prior to the Effective Date.

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

Amendment Effective Date. The revisions set forth herein shall be effective December 16, 2019. All other terms and conditions of this Contract not expressly amended herein shall remain in full force and effect.

**IN WITNESS WHEREOF,**

**ACF TECHNOLOGIES, INC.:**

---

**SIGNATURE**

**DATE**

---

**PRINTED NAME AND TITLE OF SIGNATORY (above)**

**DEPARTMENT OF SAFETY AND HOMELAND SECURITY:**

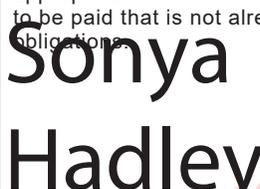
---

**JEFF LONG, COMMISSIONER**

**DATE**

**CONTRACT**

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

<b>Begin Date</b> September 24, 2018	<b>End Date</b> March 24, 2020	<b>Agency Tracking #</b> 34901-00525	<b>Edison Record ID</b> 59992		
<b>Contractor Legal Entity Name</b> ACF Technologies, Inc.				<b>Edison Vendor ID</b> 0000222371	
<b>Goods or Services Caption (one line only)</b> Queuing Management System					
<b>Contractor</b> <input checked="" type="checkbox"/> Contractor			<b>CFDA #</b>		
<b>Funding —</b>					
<b>FY</b>	<b>State</b>	<b>Federal</b>	<b>Interdepartmental</b>	<b>Other</b>	<b>TOTAL Contract Amount</b>
2019	\$2,000,000.00	\$0.00	\$0.00	\$0.00	\$2,000,000.00
2020	\$1,000,000.00	\$0.00	\$0.00	\$0.00	\$1,000,000.00
<b>TOTAL:</b>	<b>\$3,000,000.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$3,000,000.00</b>
<b>Contractor Ownership Characteristics:</b>					
<input type="checkbox"/> Minority Business Enterprise (MBE): <input type="checkbox"/> African American <input type="checkbox"/> Asian American <input type="checkbox"/> Hispanic American <input type="checkbox"/> Native American					
<input type="checkbox"/> Woman Business Enterprise (WBE)					
<input type="checkbox"/> Tennessee Service Disabled Veteran Enterprise (SDVBE)					
<input type="checkbox"/> Disabled Owned Business (DSBE)					
<input type="checkbox"/> Tennessee Small Business Enterprise (SBE): \$10,000,000.00 averaged over a three (3) year period or employs no more than ninety-nine (99) employees.					
<input type="checkbox"/> Government <input type="checkbox"/> Non-Minority/Disadvantaged <input type="checkbox"/> Other:					
<b>Selection Method &amp; Process Summary (mark the correct response to confirm the associated summary)</b>					
<input type="checkbox"/> Competitive Selection					
<input checked="" type="checkbox"/> Other					
The agency received permission from the Department of General Services' Chief Procurement Officer to carry out this emergency procurement.					
<b>Budget Officer Confirmation:</b> 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.					
 Digitally signed by Sonya Hadley DN: cn=Sonya Hadley, o=TN Dept of Safety and Homeland Security, ou=TDOSHS - Budget Division, email=sonya.hadley@tn.gov, c=US Date: 2018.09.21 14:23:24 -05'00'					
<b>Speed Chart (optional)</b>			<b>Account Code (optional)</b>		

**CONTRACT  
BETWEEN THE STATE OF TENNESSEE,  
DEPARTMENT OF SAFETY AND HOMELAND SECURITY  
AND  
ACF TECHNOLOGIES, INC.**

This Contract, by and between the State of Tennessee, Department of Safety and Homeland Security ("State") and ACF Technologies, Inc. ("Contractor"), is for the provision of a Queuing Management System, 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: North Carolina

Contractor Edison Registration ID # 0000222371

**A. SCOPE:**

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

A.2. Background.

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

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

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

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

- (4) Detecting and investigating fraud;
- (5) Administering Tennessee laws as applied to driver activity actions, and holding licensing hearings;
- (6) Overseeing the ignition interlock program;
- (7) Informing citizens about actions impacting their Credentials (suspensions, revocations, renewals);
- (8) Facilitating the registration of Tennessee voters;
- (9) Conducting driver improvement hearings; and
- (10) Maintaining a call center to assist citizens.

c. Transactions.

- (1) DSCs and Third Party Partners process the majority of the transactions requiring image capture, interim print, document printing, and document scanning;
- (2) Tennessee has approximately six (6) million driver license and photo-identification license holders. The State currently stores over twenty-five (25) million facial images and over twenty (20) million signature images; and
- (3) The State serves approximately one million three hundred thousand (1.3 million) customers per year, generating approximately one million nine hundred thousand (1.9 million) transactions per year.

d. Records Management and Handgun Carry Permit eServices. The State meets its driver record and related records management obligations with the Automated License Issuance System for Tennessee ("ALIST"). ALIST is a comprehensive, integrated suite of applications and functionalities that manages the business processes of the State's Driver Services Division and the State's Handgun Unit. ALIST contains driver records, the driver knowledge testing system, handgun carry permit records, and the Handgun Carry Permit eServices System ("HESS") that manages the handgun carry permit application process, handgun safety school training requirement process, and interfaces with ALIST as needed to complete handgun carry permit application processes (e.g., original application, renewal application, request for a duplicate permit).

e. Queueing Management System ("QMS"). The State utilizes central management tools to control and manage customer flow—providing real-time information, communicated via dashboard and reports—which provides State designated personnel with the ability to view and analyze the customer flow in each DSC throughout the State, as well as, monitor the activities of DSC employees to ensure customers receive service in an efficient and orderly manner.

A.3. Defined terms shall be as follows and as set forth in the Contract:

- a. **Active Hub 5.0 Central Power:** A central powered hub which connects devices in a network—generating signals on the output side to keep the signal strong while transmitting and relaying data simultaneously to multiple devices.
- b. **Central Dashboard:** displays a visual of real-time queuing ticket activity for all DSCs across the state of Tennessee.

- c. Check-in Kiosk: A free-standing touch screen device that has a printer built in or as an accessory to the device and is capable of printing tickets for service. Interaction with a Check-in Kiosk is a person's first step when arriving at a DSC to receive service.
- d. Credential or Credentials: The terms "Credential" or "Credentials" means any form of identification issued by the State, to include but not be limited to the following: driver license, photo identification card, and handgun carry permit.
- e. Department of Motor Vehicles ("DMV"): The term "Department of Motor Vehicles" or acronym "DMV" shall mean the division within the Department of Safety and Homeland Security that is responsible for issuance of Tennessee driver licenses. The term Department of Motor Vehicles or acronym "DMV" shall also refer to the department or division of a state other than Tennessee that performs the same essential function for that state.
- f. Display Monitor: a device or devices that display real-time ticket numbers for a specific Service Category; the device can either be a television or a computer monitor.
- g. EQ Controller: A media system processor that communicates to display devices and audio equipment.
- h. Examiner: State personnel working in DSCs, whose roles include a minimum of updating drivers' records in ALIST, administering knowledge testing exams, and issuing Credentials.
- i. Examiner Workstation QMS Software: A web-based application, which connects to the network using a standard browser to operate the QMS.
- j. Express DSC: DSC that only processes the following types of Credentials: 1) renewal of driver license or renewal of handgun carry permit; 2) duplicate driver license or duplicate handgun carry permit; and 3) original photo identification card.
- k. Full Service DSC: DSC that provides the full range of services that may include, but not be limited to the following: 1) perform knowledge, skills, and vision exams; 2) issue renewal driver licenses; 3) issue duplicate driver licenses; 4) issue restricted driver licenses; 5) issue original handgun carry permits; 6) issue renewal handgun carry permits; 7) issue duplicate handgun carry permits; 8) issue original photo identification cards; 9) provide reinstatements; and 9) issue initial driver licenses to new residents or returning residents to ensure that an individual has a single driver license in only one (1) state.
- l. Information Counter: A place where a customer may be served when additional information is needed before service can be completed or before a customer receives services from an Examiner (i.e., documentation needs to be reviewed; questions need to be answered; the Check-in Kiosk is malfunctioning).
- m. Key Performance Indicators (KPIs): Quantifiable predetermined thresholds, statistics, and measurements used to evaluate the success of the State as a whole, as well as DMV regions, districts, branches, and State designated personnel in their goals of meeting objectives required for performance.
- n. Printer: Direct thermal receipt printer with interfacing capabilities.
- o. Reinstatement DSC: DSC which accepts reinstatement fees and compliance documents, as well as, removes suspensions and revocations from an individual's driver license.

- p. Service Categories: Various categories of services performed at DSCs as defined by the State; these shall include, but not be limited to Credential issuance, knowledge testing, and skills testing.
- q. State or state: The term State shall refer to the State of Tennessee as its interests appear or the context requires. The term "state" shall refer to the states and territories of the United States (other than the State of Tennessee) as the context requires.
- r. Static Counter Display Unit: A monitor or other display device that is used to display, for identification purposes, the counter number of each Examiner workstation.
- s. Third Party Partners: alternative resources utilized by the State in accordance with Tenn. Code Ann. § 55-50-331(a) that authorizes the State to contract with others for the provision of any service related to the issuance, examination, and renewal of driver licenses subject to applicable contracting statutes and regulations.
- t. Web-based Software: QMS software, which provides DSC Examiners ("Examiners") with the ability to call and serve the customers. It incorporates some features, which help the Examiner and other State designated personnel with the ability to gain more control over the queues, categories, service times, wait times, and the rate at which customers are called for assistance.

#### A.4. Contract Goals and Objectives.

The Contractor shall provide a basic industry standard queuing management system, or QMS, which shall permit multiple categories of customers to be served in turn, but which also prioritizes the services to be established at different Examiner workstations according to the services being requested. Statistics from this type of QMS shall provide State designated personnel with reports that not only contain summary statistics, but also analyzes data to assist with and guide the business operations of the State. The QMS shall also measure actual wait time from the time an individual "checks in" until the time he or she reaches the counter. Data from the QMS should be capable of being captured and stored for further analysis and reporting purposes. The Contractor shall have the ability to repurpose State owned equipment to provide this basic industry standard QMS.

#### A.5. QMS Description and Requirements.

- a. The QMS shall consist of at minimum, a Check-in Kiosk, Printer, Display Monitor, a two dimensional (2D) bar code reader, and operating software. The operating software shall run on existing State owned hardware, or the Contractor shall replace any State owned hardware—both proprietary and nonproprietary—that is not compatible with the Contractor's operating software.
- b. Within DSCs, the QMS shall have the following requirements:
  - (1) The QMS's software shall run on existing State hardware or the Contractor shall replace any State owned hardware—both proprietary and nonproprietary—that is not compatible with the Contractor's operating software as agreed to by the Parties;
  - (2) The QMS shall generate tickets that include at minimum the DSC location name, unique ticket number, customer name, current date and time, and Service Category;
  - (3) The QMS shall provide the ability for the display of a ticket being called to a certain counter (Information Counter or Examiner workstation);

- (4) The QMS shall display the ticket number that is being called on the Display Monitor located within each DSC;
  - (5) The QMS shall, for reporting purposes, provide the ability to add and separate any wait time components together and apart to get a true wait time from issuance to closing of a ticket for any DSC;
  - (6) The QMS shall log and store tracking data related to system access, customer visits (servicing Examiner ID, date/time, etc.) and any administrative actions or configuration changes made to the QMS by authorized users for any DSC;
  - (7) All Examiner workstations within the DSC, the supervisor management dashboard, and administrative office dashboard shall be able to be accessed remotely for monitoring and reporting purposes;
  - (8) The QMS shall have an interactive display to view current operational status throughout the day and reflect and/or display the following:
    - i. Number of customers waiting;
    - ii. Number of Examiner workstations open;
    - iii. Number of customers per Examiner workstation;
    - iv. Number of customers served per Service Category;
    - v. Wait time per customer;
    - vi. Wait time by Service Category;
    - vii. Wait time per Examiner workstation;
    - viii. Total wait time for the DCS.
    - ix. The QMS shall notate all customers left in the queue at DSC closing and automatically remove these individuals. The QMS shall have the ability to configure service priorities specific to the DSC (i.e. Express, Full Service, or Reinstatement) — as not all locations provide the same services. The QMS shall only display services applicable to the DSC.
- c. Within the State's administrative offices, the QMS shall have the following requirements:
- (1) The QMS shall have the ability to be remotely monitored and centrally managed;
  - (2) All data shall be aggregated to, and housed in, a central location for reporting and monitoring purposes from any location;
  - (3) Management and administrative office dashboard shall be accessible remotely for monitoring and reporting purposes;
  - (4) The QMS shall have the capability of being remotely accessed — as a whole or within individual DSCs — for diagnostic, operational, and supervisory functionalities and requirements;
  - (5) The QMS shall have a real-time display to view current operational status for all Examiners, Examiner workstations, and/or DSCs collectively and individually;

- (6) The QMS shall display the number of customers waiting collectively (throughout the state) and individually (at each DSC);
- (7) The QMS shall display the number of Examiner workstations open;
- (8) The QMS shall display the number of customers served;
- (9) The QMS shall display the number of customers served per Service Category;
- (10) The QMS shall display the wait time per customer;
- (11) The QMS shall display the wait time by Service Category;
- (12) The QMS shall display the wait time for each Examiner workstation;
- (13) The QMS shall display the Examiner activity;
- (14) The QMS shall display the total wait time for each DSC;
- (15) The QMS shall display the total wait time for the entire state;
- (16) The QMS shall provide statistics for management to be able to optimize business operations based on existing, past, and predictive data;
- (17) The QMS shall provide the capability to select the data by time period, Service Category, Examiner, and by Examiner workstation;
- (18) The QMS shall provide the capability to display data in numerical and/or graphic form, on the color display monitor, as well as, be printed in black and white and in color;
- (19) A report of QMS malfunctions should be made available on a daily, weekly, and a monthly basis documenting the occurrences of outages;
- (20) The QMS shall have the capability to print data for any time period (e.g., hourly, daily, weekly, monthly, and annually) at any time without compromising system operation;
- (21) The QMS shall have the capability to automatically print and auto e-mail certain reports at pre-set times (e.g., daily, weekly, and monthly reports);
- (22) Statistics shall be captured and stored at least every five (5) minutes to ensure that if a system malfunction occurs, a minimal amount of data is lost, i.e., number of waiting customers, waiting time, number of open windows, and time of day;
- (23) The QMS shall have the capability to give one or more Service Categories (renewals, handgun carry permits, etc.) priority at certain Examiner workstations and to change the priorities as needed, even while the QMS is active;
- (24) The QMS shall have the capability to change all settings and priorities on-site;
- (25) QMS shall have the capability to update information as it changes and for calculated fields at periodic intervals of no greater than one (1) minute; and
- (26) The QMS shall have the capability to recall a number that was by-passed (e.g., if the number was missed or the customer did not respond when the number was called, the number should be able to be called again allowing the customer to be

served) and to randomly call numbers (e.g., call a ticket number randomly instead of in sequential order).

- d. The QMS shall have the following notifications displayed:
- (1) The QMS shall indicate and provide notification when the number of waiting customers or the wait time exceeds a preset, predetermined time value (KPIs) — thereby allowing for the opening of additional Examiner workstations. The preset values shall be determined by the State.
- e. The QMS shall have the following statistical requirements:
- (1) The QMS shall have the capability to track and store various data for reporting, which shall include at a minimum:
    - i. Customer Data:
      - (a) Number of customers that have arrived;
      - (b) Arrival time for each customer;
      - (c) Number of customers waiting;
      - (d) Number of no shows (customers who did not show up);
      - (e) Number of customers served;
      - (f) Service Category selected by each customer at the Check-in Kiosk and at the Information Counter; and
      - (g) Examiner workstation number where each customer was served.
    - ii. Wait Time:
      - (a) Real wait time for each customer;
      - (b) Real wait time by Service Category;
      - (c) Real wait time by transaction type;
      - (d) Real wait time by Examiner;
      - (e) Real wait time by DSC;
      - (f) Real wait time by DSC district;
      - (g) Real wait time by region of the State; and
      - (h) Real wait time Statewide (real wait time for the whole State).
    - iii. DSC Data:
      - (a) Number of Examiner workstations open at a given time during the day;
      - (b) Active time for each Examiner workstation;
      - (c) Idle time (e.g., time between customers) for each Examiner workstation;
      - (d) Number of customers served by each Examiner workstation;
      - (e) Active time for all Examiner workstations at each DSC;
      - (f) Idle time (e.g., time between customers) for all Examiner workstations at each DSC;
      - (g) Number of customers served at all Examiner workstations at each DSC; and
      - (h) Statewide data (all DSCs combined).
    - iv. Examiner Activity:
      - (a) Number of transactions at a given time during the day;
      - (b) Active time for each Examiner;
      - (c) Idle time (e.g., time between customers) for each Examiner;

- (d) Number of customers served by each Examiner; and
  - (e) Processing, or service, time for each Examiner by transaction.
- f. The QMS shall have the following report requirements:
- (1) The QMS shall have the capability to print and e-mail both numerically and graphically (e.g., pie charts, bar charts, etc.) the following reports on a daily, weekly, monthly, quarterly, semi-annually, and annually:
    - i. General statistics (per hour for all or selected Service Categories):
      - (a) Number of customers that have arrived;
      - (b) Number of customers that are waiting;
      - (c) Number of customers that have been served;
      - (d) Number of customers that have been served per Service Category;
      - (e) Number of Examiner workstations open;
      - (f) Number of no shows (customers who did not show up);
      - (g) Average wait time (DSC, district, region, and statewide)
      - (h) Number of Examiner workstations open;
      - (i) Number of Examiner workstations that should have been open to maintain specified wait time;
      - (j) Wait time per Examiner workstation;
      - (k) Examiner's activity;
      - (l) Total wait time for the DSC; and
      - (m) Total wait time for the State of Tennessee.
    - ii. Examiner workstation statistics (per hour for all or selected Service Categories):
      - (a) Number of customers served per Examiner workstation;
      - (b) Hours, or percent of time, each Examiner workstation is active;
      - (c) Hours, or percent of time, each Examiner workstation is idle; and
      - (d) Additional reports on an ad hoc basis reflecting any of the identified data elements in Sections A.5.e.(1) and A.5.f.(1). shall be required.

#### A.6. Network Requirements.

- a. The State shall provide network resources used by the Contractor and ALIST. The Contractor shall utilize network resources sufficient to meet the business need, but the utilization of network resources for the QMS shall not be such that other State systems (e.g., ALIST) would malfunction. The State reserves the right to add, change, reconfigure, consolidate, or eliminate network resources at any time to meet the best interests of the State.

#### A.7. Hardware Requirements.

- a. If the State's current equipment is not utilized, the Contractor shall work with the State to determine the software and hardware that shall be installed and implemented at each DSC. The final decision shall be at the discretion of the State. The Contractor shall install, deploy, and test all QMS hardware and software at all small, medium, and large DSCs (see Attachment Two). The State reserves the right to delete or add DSCs at any time during the Term of this Contract.

- b. The Contractor shall provide all necessary equipment (hardware), software, installation, testing, and deployment concerning the QMS in all small, medium, and large DSCs based on the specified quantities as shown below.
- (1) The Contractor shall work with the State to determine any replacement hardware needs. Each DSC currently operates with the following equipment:
- i. Small DSC:
    - (a) One (1) Check-in Kiosk with internal dual Printer;
    - (b) One (1) 2D Bar Code Reader;
    - (c) One (1) Display Monitor (TV);
    - (d) One (1) Information Counter Printer; and
    - (e) LED Counter Display Units (multiple).
  - ii. Medium DSC:
    - (a) One (1) Check-in Kiosk with internal dual Printer;
    - (b) One (1) 2D Bar Code Reader;
    - (c) Two (2) Display Monitors (TVs);
    - (d) One (1) Information Counter Printer; and
    - (e) LED Counter Display Units (multiple).
  - iii. Large DSC:
    - (a) Three (3) Check-in Kiosks with internal dual Printer;
    - (b) Three (3) 2D Bar Code Readers;
    - (c) Three (3) Display Monitors (TVs);
    - (d) One (1) Information Counter Printer; and
    - (e) LED Counter Display Units (multiple).
- c. Check-in Kiosks:
- (1) The QMS shall provide in-station touch screen kiosks for check-in and ticket issuance upon arrival. Each Check-in Kiosk shall adhere to the Americans with Disabilities Act ("ADA") accessibility standards as mutually agreed upon between the State and the Contractor;
  - (2) A printed ticket shall be provided at check-in when customers enter the DSC seeking service;
  - (3) The check-in feature should allow for 'existing' customers (those holding a Tennessee-issued driver license or photo identification card ) to check in using a bar code reader. Bar code readers shall be capable of reading 2-D bar codes. Existing customers having the option of scanning the bar code located on the back of a driver license or photo identification card , which will capture license information allowing a seamless check-in; and
  - (4) Each Check-in Kiosk shall have ticket printers. Tickets printed shall include at a minimum the DSC location name, unique ticket number, current date and time, and transaction type(s) of service requested. Ticket numbers shall not be duplicated within a given business day and given DSC location.

d. Printer Requirements (for the Check-in Kiosk):

- (1) The Check-in Kiosk (with Printer) shall be strategically located in the lobby area and shall operate independently yet be interactive with the software on an Examiner's workstation;
- (2) The customer must receive a numbered ticket from a Check-in Kiosk ticket Printer for the specific Service Category he or she desires;
- (3) The ticket must be generated by the QMS software through the Check-in Kiosk ticket Printer;
- (4) The software for the printer shall incorporate information needed for and related to each Service Category;
- (5) The Contractor shall tailor the ticketing system to the particular DSC configuration, accommodating the particular services provided at the DSC;
- (6) The Check-in Kiosk Printer shall be interactive with user capability to program a minimum of at least eight (8) separate Service Categories;
- (7) The software for QMS must allow for customizable Service Categories in the event additional Service Categories are required in the future; and
- (8) The information printed on the ticket shall include at a minimum the following:
  - i. Tennessee DSC name;
  - ii. Queue letter and number (letter for Service Category; number for place in line) digits shall be scalable to fit on the ticket;
  - iii. Service Category selected, if more than one Service Category available; and
  - iv. Date and time ticket generated (printed).

e. Printer Requirements (for the Information Counter):

- (1) The customer shall receive a numbered ticket from an Information Counter Printer for the specific Service Category he or she desires;
- (2) The ticket shall be generated by the Examiner via the Examiner Workstation QMS Software;
- (3) The ticket Printer(s) shall be strategically located at the Information Counter and shall print independently of the Check-in Kiosk and interact with the QMS;
- (4) The software for this printer shall incorporate information needed for and related to a minimum of up to eight (8) separate Service Categories;
- (5) The Contractor shall tailor the QMS to the particular DSC's configuration based on services offered;
- (6) The software for QMS must allow for customizable Service Categories in the event additional Service Categories are required in the future; and

- (7) The information printed on the ticket shall include at a minimum the following:
- i. Tennessee DSC name;
  - ii. Queue letter and number (letter for Service Category; number for place in line; digits must be, at a minimum, 7/16" high);
  - iii. Service Category selected, if more than one Service Category available; and
  - iv. Date and time the ticket was generated (printed).
- f. Display Monitor Requirements:
- (1) The following will be required by the Contractor:
- i. The QMS shall utilize the State's TV, or monitor, to display real-time ticket numbers for the DSCs;
  - ii. The display dashboard shall reflect current waiting customers by Service Category;
  - iii. The State's existing Motor Vehicle Network ("MVN") televisions, or Display Monitors, shall be used whenever and wherever possible for the QMS to show the ticket number being called and the Examiner workstation at which service will be provided;
  - iv. The current number being called shall appear at the top of the list and must be distinguishable from the previous tickets called;
  - v. TV, or monitors, shall be clearly visible to seated customers waiting in the lobby. Lobby sizes differ at each DSC. TV, or monitors, shall be strategically placed in each DSC;
  - vi. The QMS shall have an electronic display showing clearly visible characters and be readable from all points in a DSC's waiting room or lobby area;
  - vii. The display(s) shall be alpha numeric (contain both letters and numbers) and handle a minimum of eight (8) Service Categories;
  - viii. All displayed numbers must simultaneously appear with the audio announcement; and
  - ix. The number being displayed must flash/blink, chime, and show the number of the Examiner Workstation the customer should go to for service.
- g. Deluxe Media Rack Kits ("Kits") Requirements:
- (1) The Contractor shall provide deluxe media rack kits, or "kits", to provide video and audio to the TVs, or display monitors, in DSCs where integration with MVN is not possible. The kits shall be rack mounted to be placed in closets at the DSCs; and

- (2) Kits shall be comprised of the following:
  - i. Media personal computer ("PC");
  - ii. High-Definition Multimedia Interface ("HDMI") transmitter;
  - iii. Two (2) HDMI receivers;
  - iv. 5-Port switch; and
  - v. Surge protector.
- h. Static Signage Requirements:
  - (1) The State shall provide a static counter display that shall identify each Examiner workstation located at each DSC; this number shall correspond to the number displayed notifying a customer where to go to be served.
- i. Speaker Requirements:
  - (1) The QMS shall have an audible message that will alert the customer that a number is now ready for service and the location, or Examiner workstation, at which service will be provided;
  - (2) The audio system shall be configurable to include custom phrases. Custom phrases should be in the same voice as other audio instructions. The voice to be utilized shall be determined by the State and provided to the Contractor during the design phase prior to implementation. The State acknowledges that additional scripts may incur additional costs;
  - (3) The QMS shall allow State designated personnel the ability to repeat, if necessary, a live audio announcement at any DSC;
  - (4) The QMS announcement shall be audible from all points in the lobby or waiting area of a DSC; and
  - (5) The QMS shall provide adjustable audio to be managed by State designated personnel at each DSC.

#### A.8. Software Requirements.

- a. Client: Any new client-based tools shall be developed to function in a [REDACTED] environment.
- b. Browser-based applications: Browser-based applications shall be a minimum of Microsoft IE11 and support all subsequent versions.
- c. Licenses: The Contractor grants the State a license, or licenses, to use any software needed for the QMS, including but not limited to:
  - (1) Queue and Route enterprise server software;
  - (2) Herald (ES) enterprise server software;
  - (3) Connect Client Notification (ES) enterprise server software;
  - (4) Administrator Licenses; and
  - (5) Unlimited State designated users and device software at each of the forty-four (44) DSCs.

- d. Hosting Packages and Short Message Service ("SMS") Text Plan: The Contractor shall provide a medium hosting package to cover one hundred to five hundred (100-500) users and shall provide an SMS text plan for up to one hundred twenty thousand (120,000) texts annually. The SMS package, including the SMS text plan and the SMS long code number, includes the SMS gateway provider required to send text messages and establishes the phone number from which texts will be sent; and includes up to nine hundred sixty thousand (960,000) texts per year.
- e. Examiner Workstation QMS Software:
- (1) Each Examiner workstation shall be equipped with web-based software enabling the Examiner to open and close the Examiner Workstation, to sign in with an Examiner ID number, to call and accept customers, and to sign out;
  - (2) The Examiner Workstation QMS Software shall have the capability for an Examiner to manually register, or sign in, a customer to be served that did not previously take a number from the Check-in Kiosk; and
  - (3) The Examiner Workstation QMS Software shall automatically display — for the Examiner — which number is to be called next.
- f. Examiner Workstation:
- (1) The Examiner, from the Examiner workstation, shall be able to view the queues for all Service Categories, as well as, call the next ticket based on the order established according to business rules and/or call a specific ticket number from an established list.
- g. DSC Management:
- (1) The QMS software shall show the number of customers in the queue by Service Category, and by location;
  - (2) The QMS software shall show the estimated 'wait time' of customers in the queue by Service Category;
  - (3) The QMS software shall show the longest running 'wait time' of customers in the queue by Service Category;
  - (4) The QMS software shall show the status of each Examiner workstation (i.e., 'closed', 'idle', 'in-service');
  - (5) The QMS software shall, when an Examiner workstation is 'in service', show the Service Category and ticket number being served at each Examiner workstation;
  - (6) The QMS software shall, when an Examiner workstation is 'idle', show as available, but with no waiting customers;
  - (7) The QMS software shall show a running daily total of the number of customers served by each Examiner workstation;
  - (8) The QMS software shall have the ability to alert State designated personnel when pre-set conditions associated with customer service are being exceeded or not being met;
  - (9) The QMS software shall alert State designated personnel when pre-set transaction times for a Service Category have been surpassed;

- (10) The QMS software shall alert State designated personnel when less than a pre-set number of Examiner workstations are open (based on time-of-day and day-of-week);
- (11) The QMS software shall alert State designated personnel when there is an 'idle' Examiner workstation with customers showing in the queue and allow an override;
- (12) The QMS software shall provide State designated personnel, who have successfully completed Admin training, with the ability to edit the screen of the Check-in Kiosk (changing what is displayed, how it is displayed, etc.);
- (13) The QMS software shall provide State designated personnel with the ability to view, create, and edit ticket formats (changing what is printed on a ticket, how it is printed on a ticket, etc.);
- (14) The QMS software shall identify, capture, and report customers who fail to appear at an Examiner workstation for service ('no shows');
- (15) The QMS software shall separate out the 'no show' customers from transaction time calculation and reporting, but include the 'no show' customers in all reports associated with wait time and total customers;
- (16) The QMS software shall be capable of allowing State designated personnel the ability to view the running transaction time for the customer being served;
- (17) The QMS software shall provide State designated personnel with the ability to customize messages sent or displayed to customers;
- (18) The QMS software shall permit State designated personnel to establish the number of Examiner workstations, as well as, opening and closing time of Examiner workstation, and maximum service time when service queue shall automatically close;
- (19) The QMS Software shall provide State designated personnel with the ability to electronically, automatically, or manually close a service queue;
- (20) The QMS Software shall provide State designated personnel with the ability to move a customer from one queue to another;
- (21) The QMS Software shall have a mechanism to clear queues at the close of each business day; and
- (22) The QMS software shall allow State designated personnel the ability to run reports as described in Section A.5.f.

h. Administrative Offices:

- (1) The QMS shall provide a centralized dashboard that contains activity data on Examiners, DSCs, regional, and district offices that can be extracted by State designated personnel and compiled into reports;
- (2) The QMS software shall have administrative login management (i.e., managing logins at the administrative level);
- (3) The QMS software shall have a password recovery option;

- (4) The QMS software shall have an account lockout policy that permits State designated personnel to unlock an account when an Examiner has been locked out of the QMS;
- (5) A centralized dashboard shall be available for displaying real-time queueing ticket numbers across the state of Tennessee, and shall also display data associated with the queueing tickets such as wait times, Service Categories, etc.;
- (6) The QMS software shall have user management capabilities for adding or deleting users. The Contractor shall consult with the State if Active Directory authentication will be used;
- (7) User management capabilities must be role-based and rights-based according to the State designated personnel's job role (i.e., Examiner shall have fewer rights, access, and capabilities than district managers, regional managers, and other State designated personnel);
- (8) The QMS software shall contain DSC monitoring reports (downtime, status, up time, etc.);
- (9) The QMS software shall provide real-time monitoring and have a real time monitoring screen or dashboard;
- (10) The QMS software shall be configurable based on KPI's as defined by the State; and
- (11) The QMS shall have reporting capabilities to generate reports per Examiner, per DSC, per district, per region, and statewide. The reporting capabilities shall be in tabular, graphical, PDF, exportable, and formats that provide summaries of data. Data to be extracted by DSC branch, district, region, and statewide are as follows and as indicated in Section A.5.f.:
  - i. Customer wait times;
  - ii. Average wait times;
  - iii. Service Category reports;
  - iv. Summary reports;
  - v. Ticket reports;
  - vi. Ticket detail reports;
  - vii. Examiner reports;
  - viii. DSC branch reports;
  - ix. Performance reports;
  - x. Comparison reports;
  - xi. Region, district, and statewide reports;
  - xii. Workflow exception statistics;
  - xiii. Queue size exceptions; and
  - xiv. Workflow status.

#### A.9. Additional Contractor Responsibilities.

##### a. Relocation Services:

- (1) All relocations shall be coordinated with State designated personnel;
- (2) The State shall notify the Contractor concerning the relocation of any hardware associated with the QMS. The State and the Contractor shall coordinate the scheduling of the relocation;

- (3) The Contractor shall be responsible for uninstalling the QMS and all associated hardware and peripherals from an existing location at the State's request;
- (4) The Contractor shall be responsible for transporting all uninstalled components to a new location — as designated by the State — and reinstalling all components; and
- (5) The QMS equipment to be uninstalled may include, but not be limited to the following:
  - i. QMS-controlling PC, Display Monitor, and Printer;
  - ii. Information Counter Printer;
  - iii. Check-in Kiosk;
  - iv. Display monitor(s) (for customers; in waiting area or lobby);
  - v. Static Counter Display Unit;
  - vi. Audio unit and related speakers (see Sections A.7.g. and A.7.i.); and
  - vii. Cabling that has been designated to be moved by State designated personnel.

#### A.10. Installation.

- a. The Contractor shall install software and hardware in phases at the DSCs listed in Attachment Two based on the Project Management Plan as further outlined in Section A.12. The installation dates for all DSCs shall be agreed upon between the State and the Contractor. Any changes to installation dates shall be communicated to the State at least five (5) business days prior to the agreed upon date.
- b. The Contractor shall provide on-site training, as requested by the State, regarding installation and repair of equipment purchased under this Contract.

#### A.11. Training.

- a. The Contractor shall provide training materials on the use of the QMS to include computer based training and related materials that may be utilized for distribution to State personnel. (See also Sections A.11.d. and A.11.e.)
- b. The Contractor shall provide one (1) on-site training at each of the eight (8) State designated districts. Upon request of the State, when there are any updates or upgrade changes to the functionality of the QMS, the Contractor shall provide remote webinar training.
- c. The Contractor shall be responsible for delivering multiple levels of on-site training. Each training level will be tailored to a specific audience, specific job duties, and cover each component of the overall QMS. Scheduling of the training shall be done in consultation with the State. Requested training materials (user guides, job aids, presentations, and other such material) shall be made available to the State at least fifteen (15) calendar days prior to any training session. (See also Section A.11.f.)

- d. At each level of training, the Contractor shall:
- (1) Provide sufficient training on the full use of hardware, peripherals, and the software, as well as, how to produce and configure reports;
  - (2) Provide, to each trainee, a hardcopy and soft copy user guide, or job aid, which contains information, step-by-step procedures, and instructions specific to each component of the overall QMS. Each user guide, or job aid, shall also include a complete list of possible error messages, together with instructions for locating and correcting each error and step-by-step instructions for solving common problems;
  - (3) Grant the State the ability to reproduce and internally distribute unlimited additional copies of all documentation and training materials at no additional cost to the State;
  - (4) Update or revise user guides and job aids when needed, especially when a system upgrade impacts (changes) how a process is performed; and
  - (5) Permit the State to make audio and video recordings of any training sessions for later use at no additional cost to the State.
- e. Specific to System Administrator and Account Administrator training, the Contractor shall meet the following requirements for technical manuals:
- (1) The Contractor shall create, maintain, and provide the State complete technical manuals. The manuals shall describe the overall aspects of the QMS configuration, operating instructions, and problem diagnosis of all separate components or features of the QMS. Corresponding technical specifications, such as equipment diagrams and/or specifications, and machine components shall also be noted in the manual;
  - (2) The Contractor shall maintain comprehensive as-built documentation on all the software aspects of the QMS, and its components, and shall provide the State with electronic copies of said documentation as revisions and/or changes are made. Documentation shall include system architecture diagrams;
  - (3) The Contractor shall provide at least five (5) full hardcopy sets of technical manuals and documentation materials to the State. The technical manuals and documentation materials must also be provided to the State in electronic format;
  - (4) The Contractor shall keep the technical manuals current, and update and inform the State whenever any change is made to any component of the QMS. The Contractor shall provide a copy of the updated changes to the State and shall make each revision available to the State a minimum of five (5) days prior to release. Each revision to the technical manuals shall be recorded and organized in a fashion that easily allows the reader to understand the technical specifications, system architecture, the software versions, file and database layouts, process procedures, and other relevant information at any point in the history of the QMS and each of its components;
  - (5) The Contractor shall not remove or redact any part of the technical manuals except to remove errors. Whenever an update is made to reflect a change, the obsolete information shall remain intact, accessible by State designated personnel, and be clearly marked that the information is updated, the period of time the information reflected the actual system design, and a reference to where the updated information is located; and

- (6) The Contractor shall grant the State the ability to reproduce and internally distribute unlimited additional copies of all technical manuals at no additional cost to the State.
- f. Training levels shall include:
- (1) System Administrator. This training shall provide a comprehensive overview of each component of the overall QMS so that the State's technical staff will have the knowledge necessary to operate and troubleshoot any of the components in the event of an emergency;
  - (2) Account Administrator. This training shall cover functions associated with administering user accounts. Account administration should include functions such as adding users, modifying account privileges, resetting account passwords, suspending account access, and deleting accounts;
  - (3) Train the Trainer. This training shall provide State designated personnel enough knowledge on the use of each component of the QMS so that they can train end users;
  - (4) End-User Training. This training shall cover all functions associated with proper operation and use of each component of the QMS. The training shall provide hands-on experience with all equipment and the software in such a way to ensure that all users will become familiar with the QMS and how to use it. This shall include, but not be limited to, utilizing the QMS to:
    - i. Issue, call, and/or transfer tickets;
    - ii. Understand customer flow (understanding how the QMS works from the customer's perspective as well as managing the flow of customers such as placing them in line and moving them around);
    - iii. Capture points of data collected for statistical purposes;
    - iv. Learn how to monitor and manage live customer flow;
    - v. Learn how to manage and monitor staff activity;
    - vi. Generate and interpret reports;
    - vii. Learn which types of data are captured by the QMS; and
    - viii. Access and understand the historical data.
  - (5) Ongoing Training. In the event an upgrade impacts any component of the QMS, the Contractor shall provide training at the level impacted by the change. For example, if the upgrade made a change to administration of the QMS, the Contractor shall provide additional System Administrator level training; and
  - (6) Online Help and Tutorials. The QMS shall include online documentation and training materials that cover topics such as context specific help and search capability including technical and procedural information.

#### A.12. Project Management.

- a. The Contractor shall develop a Comprehensive Project Management Plan, based on the principals set forth by the Project Management Institute ("PMI") and using the Project Management Body of Knowledge ("PMBOK") methodology to manage the project. The

Comprehensive Project Management Plan shall be used by the State and the Contractor to achieve the following:

- (1) Organize, prioritize, coordinate, integrate, and monitor project activities in order to deliver the required products (deliverables) within scope, quality, time, and cost constraints;
  - (2) Effectively communicate in order to keep project staff, stakeholders, and executive sponsor management apprised of the status of project activities;
  - (3) Implement and maintain quality assurance processes to ensure project products (deliverables) fulfill requirements and standards; and
  - (4) Manage and control risks to the project that may impact the project's success.
- b. The Contractor shall be responsible for performing all project management activities, including those of any subcontractors, and should direct all required reports and project updates to the State designated personnel. Further, the Contractor shall be responsible for providing status reports and responding to requests.
- c. The Contractor shall submit, within seven (7) calendar days of the Effective Date, for the State's approval the following documentation:
- (1) A Comprehensive Project Management Plan that includes, at a minimum, the following:
    - i. Project schedule;
    - ii. Milestones and critical management checkpoints/reviews;
    - iii. Assumptions/understandings;
    - iv. Risks and constraints;
    - v. Process for tracking issues/action items;
    - vi. Final acceptance processes and criteria; and
    - vii. Stakeholder sign-offs.

A.13. Support Services and QMS Warranty and Maintenance.

- a. All Contractor provided maintenance and support shall be based in the United States.
- b. Support Services:
  - (1) The Contractor shall provide a toll free telephone number and electronic mail (e-mail) address for reporting all system troubles, which is monitored twenty-four (24) hours per day, seven (7) days per week, three hundred sixty five (365) days per year (24/7/365). Beginning with the Term of the Contract, the toll free phone number and electronic email is as follows:

ACF Support  
 Email: SUPPORT@GOACF.COM  
 Helpdesk Phone: 828-398-0040 X1  
 Toll Free: 844-869-5556

The State shall be notified immediately of any changes to the toll free phone number and/or electronic email.

Support services to the State shall be delivered in accordance with Section A.13.c.

(2) Contact List:

- i. The Contractor shall provide a contact list that shall include, at minimum, a primary and secondary contact number for each individual the Contractor identifies and shall be updated whenever a designated contact change occurs. These identified individuals shall be available for support twenty-four (24) hours per day, seven (7) days per week, three hundred sixty five (365) days per year (24/7/365), with the exception of leap years for those issues deemed critical in the severity level table listed in A.13.c.

For Critical Severity Level Issues, the State acknowledges, agrees, and approves the Contractor to utilize the following third-party company, which monitors systems 24/7/365 and shall be contacted by the State:

Applied Solutions Group  
 Brian Lindgren – Executive Chairman/Co-Founder  
 Email: [brian@wncit.com](mailto:brian@wncit.com)  
 Phone: 828-255-8325

The Contractor's own internal contact for critical severity level issues shall be as follows:

Ric Poplin, ACF Support Supervisor  
 Email: [Ric.Poplin@GOACF.com](mailto:Ric.Poplin@GOACF.com)  
 Phone: 828-398-0040 X150  
 Cell: 828-707-4198

The State shall be notified immediately of any changes to the third-party company and/or internal contact.

(3) Contractor Personnel:

- i. The Contractor shall assign on-site personnel who shall be responsible for the oversight of all day-to-day operations during pre-implementation, and implementation;
- ii. The Contractor shall be responsible for the maintenance and support of all Contractor supplied equipment throughout the Term of the Contract; and
- iii. The Contractor shall resolve support requests and defect reports based on the delivery of support services outlined below (Section A.13.c.).

- c. Delivery of Support Services. Support services will be delivered according to the following tier structure:

Severity Level	Response
<p><b>Critical:</b> A problem that severely impacts the State's use of the QMS, or any of its components, such as: loss of connectivity or QMS is unable to function. The situation halts State's business operations and no procedural workarounds exist.</p>	<p>The State will receive immediate e-mail acknowledgement following report of the issue, and an initial response from Contractor's support staff within thirty (30) minutes of submitting a request for support. Contractor's support staff will provide a fix, patch, or procedural workaround within one (1) business day of receipt of notice of the issue from the State. In the case of failed equipment, the Contractor shall provide overnight shipping of replacement parts (at no additional costs to the State) to the DSC with the reported outage.</p>
<p><b>High:</b> A problem where the QMS, or any of its components, is functioning, but the use is severely reduced. The situation is causing a high impact to portions of the State's business operations and no procedural workarounds exist.</p>	<p>The State will receive immediate e-mail acknowledgement following report of the issue, and an initial response from Contractor's support staff within thirty (30) minutes of submitting a request for support. Contractor's support staff will provide a fix, patch, or procedural workaround within two (2) business days. In the case of failed equipment, the Contractor shall provide overnight shipping of replacement parts (at no additional costs to the State) to the DSC with the reported outage.</p>
<p><b>Medium:</b> A problem that involves partial, non-critical loss of use of the QMS, or any of its components. The situation is causing a medium-to-low impact on the State's business operations, but users can continue to function, including by using a procedural workaround.</p>	<p>Upon submitting a request for support, the State will receive immediate e-mail acknowledgement of the request for support. A member of the Contractor's support staff will respond to the State within one (1) business day with a resolution (fix) or with a plan of resolution that shows resolution (fix) will occur within ten (10) business days or incorporated into a future upgrade as agreed upon by the State. In the case of failed equipment, the Contractor shall provide ground shipping (the Contractor uses FedEx ground; delivery expected in one to two (1-2) business days) of replacement parts (at no additional costs to the State) to the DSC with the reported outage.</p>
<p><b>Low:</b> A general usage question, reporting of a documentation error, or recommendation for a future product enhancement or modification. The situation is causing low-to-no impact on the State's business operations or the performance or functionality of the QMS, or any of its components.</p>	<p>The State will be contacted by the Contractor's support staff within one (1) business day with acknowledgement of the question, followed by a complete response to the support question or receipt of an e-mail notification that the comment or recommendation for feature enhancement has been logged within three (3) business days. Enhancement or upgrade shall be implemented at the Contractor's discretion. In the case of failed equipment, the Contractor shall provide ground shipping (the Contractor uses FedEx ground; delivery expected in one to two (1-2) business days) of replacement parts (at no additional costs to the State) to the DSC with the reported outage.</p>

- (1) The response times listed above that require direct action by the Contractor's support staff shall apply during normal State business hours. For issues reported outside normal State business hours, response times — except for Urgent and High security level events — begin at the start of the next business day. Automated e-mail response times apply at all times. In the event of widespread outages impacting the Contractor's support staff, the State will receive notification of an alternate site where status information will be posted until normal service resumes;
  - (2) The QMS shall be available 99.99% of the time calculated on a twenty-four (24) hours a day, seven (7) days a week basis.
  - (3) The Contractor shall provide fully qualified service personnel that has, at a minimum, three (3) years of experience with training on the Contractor's QMS. At the State's request, the Contractor may be required to furnish evidence of such training or certification (i.e., a certificate of completion of information technology training specific to the QMS; documentation of certification as an information technology specialist issued by a professional organization);
  - (4) The Contractor shall maintain the capability to dispatch technicians to affect on-site maintenance or repair within specified routine and priority response times;
  - (5) Routine service calls, system malfunctions, or failures impairing operations that require an on-site technician's response shall occur no later than close of business the next business day;
  - (6) Work on routine service requests shall be performed during the hours of operation for each DSC — as they have varied days and hours of operation. Non-routine service requests requiring after hours work must be approved by State designated personnel prior to providing service; and
  - (7) If the Contractor is unable to complete ongoing maintenance or repair within a twenty (24) hour period of the initial service call response, the Contractor shall submit to the State a written explanation for repair delays including an estimated time or repair completion.
- d. All Contractor provided equipment must be maintained in accordance with manufacturer's standards, and:
- (1) All new equipment shall be provided with a warranty as set forth in Section A.16. of the Contract;
  - (2) The Contractor shall provide all labor, parts, material, and other services required to maintain and repair equipment (replacement parts must be manufacturer's original or authorized substitute replacement parts); and
  - (3) The Contractor shall provide managed services to include the following:
    - i. Remote monitoring;
    - ii. Alerts and notifications;
    - iii. Remote desktop for issue resolution;
    - iv. Endpoint security and protection with antivirus;
    - v. Scanning and patch management; and
    - vi. Reporting.

- e. QMS Maintenance and Upgrades. The Contractor shall:
- (1) Make all necessary adjustments and repairs, according to severity levels, at no additional cost to the State, to keep the QMS operating without abnormal interruptions and to correct latent deficiencies with respect to the QMS specifications;
  - (2) Assign priority support resources to correct any reproducible errors or malfunctions which prevent the QMS from operating in substantial conformance with State requirements;
  - (3) Maintain the current version of the QMS, and its functionalities, in substantial conformance with all specifications, and with applicable federal and state requirements, laws, rules, and regulations. The Contractor shall assign priority support resources to either:
    - i. Correct any reproducible problems, defects, errors, or malfunctions which prevent the QMS, and its functionalities, from operating in substantial conformance with all specifications and applicable federal and state requirements, laws, rules, and regulations; or
    - ii. Provide a State-approved commercially reasonable alternative that shall substantially conform to all specifications and applicable federal and state requirements, laws, rules, and regulations;
  - (4) Provide complete documentation of all QMS enhancements or revisions. Documentation must describe what an end user needs to know to understand each level on which the QMS operates;
  - (5) Provide to the State, at no additional costs, all software upgrades, modifications, bug fixes, or other improvements in its software that it makes generally available to its customers; and
  - (6) Provide an established agreed upon replacement parts inventory on hand for the life of the Contract. The type and quantity of replacement parts that will comprise this inventory shall be mutually agreed upon between the State and the Contractor.

A.14. Tracking

- a. The Contractor shall ensure that the QMS provided or developed under the terms of this Contract which shall collect or house information that is to be protected shall provide for a system-generated and system-maintained tracking mechanism, which identifies, at a minimum, the following:
- (1) An embedded stamp of date and time of any transaction (add, change, delete, view) which initially records or updates any information in the record, file, or database;
  - (2) The user account of the person originating the transaction;
  - (3) The internet protocol (IP) address from where the transaction originated;
  - (4) Any data entered, if added type transaction;
  - (5) Any data changed, if changed type transaction; and

- (6) Any data deleted, if deleted type transaction.

A.15. Change Requests/Orders.

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

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

The Contractor shall not perform any additional service until the State has approved the proposal. If approved, the State will sign the proposal, and it shall constitute a Change Order between the Contract Parties pertaining to the specified change(s) and shall be incorporated, hereby, as a part of this Contract.

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

- A.16. Warranty. Contractor represents and warrants that the term of the warranty ("Warranty Period") shall be the greater of the Term of this Contract or any other warranty generally offered by Contractor, its suppliers, or manufacturers to customers of its goods or services. The goods or services provided under this Contract shall conform to the terms and conditions of this Contract throughout the Warranty Period. Any nonconformance of the goods or services to the terms and conditions of this Contract shall constitute a "Defect" and shall be considered "Defective." If Contractor receives notice of a Defect during the Warranty Period, then Contractor shall correct the Defect, at no additional charge.

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

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

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

- A.17. Inspection and Acceptance. The State shall have the right to inspect all goods or services provided by Contractor under this Contract. If, upon inspection, the State determines that the goods or services are Defective, the State shall notify Contractor, and Contractor shall re-deliver the goods or provide the services at no additional cost to the State. If after a period of thirty (30) days following delivery of goods or performance of services the State does not provide a notice of any Defects, the goods or services shall be deemed to have been accepted by the State.

**B. TERM OF CONTRACT:**

This Contract shall be effective on September 24, 2018 ("Effective Date") and extend for a period of eighteen (18) months after the Effective Date ("Term"). The State shall have no obligation for goods or services provided by the Contractor prior to the Effective Date.

**C. PAYMENT TERMS AND CONDITIONS:**

- C.1. Maximum Liability. In no event shall the maximum liability of the State under this Contract exceed Three Million Dollars and Zero Cents (\$3,000,000.00) ("Maximum Liability"). This Contract does not grant the Contractor any exclusive rights. The State does not guarantee that it will buy any minimum quantity of goods or services under this Contract. Subject to the terms and conditions of this Contract, the Contractor will only be paid for goods or services provided under this Contract after a purchase order is issued to Contractor by the State or as otherwise specified by this Contract.
- C.2. Compensation Firm. The payment methodology in Section C.3. of this Contract shall constitute the entire compensation due the Contractor for all goods or services provided under this Contract regardless of the difficulty, materials or equipment required. The payment methodology includes all applicable taxes, fees, overhead, and all other direct and indirect costs incurred or to be incurred by the Contractor.
- C.3. Payment Methodology. The Contractor shall be compensated based on the payment methodology for goods or services authorized by the State in a total amount as set forth in Section C.1.
- a. The Contractor's compensation shall be contingent upon the satisfactory provision of goods or services as set forth in Section A.

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

<b>Goods or Services Description</b>	<b>Amount (per compensable increment)</b>
<b>Enterprise Server Software (see Section A.8.):</b>	
- Queue & Route	\$9,000.00 / license / year
- Herald (ES)	\$9,000.00 / license / year
- Connect Client Notification (ES)	\$9,000.00 / license / year
<b>Software (see Section A.8.):</b>	
- Administrator Licenses	\$415.00 / each / year
- DSC Software (unlimited end users and device software)	\$4,250.00 / DSC / year
<b>Hardware (See Section A.7.):</b>	
- Deluxe Media Rack Kits	\$1,900.00 / each
- Kiosk PC (for use in the Check-in Kiosk)	\$500.00 / each
- Barcode Reader USB cable	\$50.00 / each
<b>Additional Replacement Hardware (see Section A.7.):</b>	
- Touchscreen Check-in Kiosk with Printer	\$2,995.00 / each
- Pedestal with Check-in Kiosk	\$1,000.00 / each
- Barcode reader for Check-in Kiosk	\$450.00 / each
- HDMI Transmitter	\$175.00 / each
- HDMI Receiver	\$125.00 / each
- Media PC (to control the Display Monitors and TVs)	\$1,050.00 / each
<b>Hosting Packages and SMS Plans (see Section A.8.):</b>	
- Medium Hosting Packages (100 – 500 users)	\$36,000.00 / year
- SMS Text Plan (up to 120,000 texts annually)	\$1,200.00 / each (per year)
- SMS Long Code Number	\$25.00 / year
<b>Project Services (see Sections A.4. through A.12.):</b>	
- Standard Project Management (see Section A.12.)	\$100.00 / hour
- Basic Unit Configuration (see Sections A.4. through A.8.)	\$1,750.00 / unit
- Hardware Installation (of media rack and Check-in Kiosk PC at each DSC; see Section A.10.)	\$200.00 / install
- Scripting / Development (configuring barcode reader and ADA message at each DSC)	\$175.00 / hour
- On-site Basic Travel, Training (see Section A.11.), Set-up	\$1,250.00 / day
- Custom-report creation (see Section A.5.)	\$100.00 / hour
<b>Shipping Services (all hardware to all DSCs):</b>	
- Parcel Ground Service	\$12,000.00

<b>Goods or Services Description</b>	<b>Amount</b> (per compensable increment)
<b>Support Services (see Section A.13.):</b>	
- Hardware/Software Support	\$12,520.00 / year
- Support Services for Contractor-supplied Additional Equipment	\$325.00 / device / year
<b>Relocation Services (see Section A.9.):</b>	
- On-site technician	\$1,250.00 / day

- c. The Contractor shall be compensated for milestones (e.g., services, equipment, and software (see Section C.3.b.) when the State formally approves in writing that the milestone has been completed, delivered, and upon the State's formal acceptance of the milestone. License and Support Services fees shall be paid only after the QMS has been formally accepted by the State and the QMS is successfully functioning.

The State shall receive a service credit in an amount representing the QMS services the State did not receive. Any scheduled outages permitted under this Contract, outages resulting from a Force Majeure Event, and outages to the extent resulting from any technology issue originating with the State or a third party (such as power outages) shall not count as a QMS outage or service degradation. Any service credits shall be calculated on a monthly basis and shall apply against the next invoice submitted by Contractor to the State. Service credits do not constitute liquidated damages, nor are service credits a penalty against Contractor. Nothing in this Section shall foreclose the State from claiming for other damages that may result from any service outage.

- d. The Contractor shall be compensated for changes requested and performed pursuant to Contract Section A.15., without a formal amendment of this Contract based upon the payment rates detailed in the schedule below and as agreed pursuant to Section A.15., PROVIDED THAT compensation to the Contractor for such "change order" work shall not exceed SEVEN PERCENT (7 %) of the sum of milestone payment rates detailed in Section C.3.b., above (which is the total cost for the milestones and associated deliverables set forth in Contract Sections A.4., through A.14.). If, at any point during the Term, the State determines that the cost of necessary "change order" work would exceed the maximum amount, the State may amend this Contract to address the need.

<b>Service Description</b>	<b>Amount</b> (per compensable increment)
	\$ Amount per hour
<b>NOTE: The Contractor shall not be compensated for travel time to the primary location of service provision.</b>	

- 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:

Department of Safety and Homeland Security  
 Procurement Office, Budget Division  
 1150 Foster Avenue  
 Nashville, Tennessee 37243  
 Email Address: DI\_FS\_Procurement@tn.gov  
 Phone #: (615) 251-5232

- a. Each invoice, on Contractor's letterhead, shall clearly and accurately detail all of the following information (calculations must be extended and totaled correctly):
- (1) Invoice number (assigned by the Contractor);
  - (2) Invoice date;
  - (3) Contract number (assigned by the State);
  - (4) Customer account name: Department of Safety and Homeland Security / Driver Services Division;
  - (5) Customer account number (assigned by the Contractor to the above-referenced Customer);
  - (6) Contractor name;
  - (7) Contractor Tennessee Edison registration ID number;
  - (8) Contractor contact for invoice questions (name, phone, or email);
  - (9) Contractor remittance address;
  - (10) Description of delivered goods or services provided and invoiced, including identifying information as applicable; and
  - (11) Total amount due for delivered goods or services provided (as stipulated in Section C.3. above).
- b. The Contractor understands and agrees that an invoice under this Contract shall:
- (1) only include charges for goods delivered or services provided as described in Section A. and in accordance with payment terms and conditions set forth in Contract Section C.;
  - (2) only be submitted for goods delivered or services completed and shall not include any charge for future goods to be delivered or services to be performed;
  - (3) not include Contractor's taxes which includes without limitation Contractor's sales and use tax, excise taxes, franchise taxes, real or personal property taxes, or income taxes; and
  - (4) begin the timeframe for payment (and any discounts) only when the State is in receipt of the invoice, and the invoice meets the minimum requirements of this Section C.5.
- c. The timeframe for payment (or any discounts) begins only when the State is in receipt of an invoice that meets the minimum requirements of this Section C.5.
- C.6. Payment of Invoice. A payment by the State shall not prejudice the State's right to object to or question any payment, invoice, or other matter. A payment by the State shall not be construed as acceptance of goods delivered, any part of the services provided, or as approval of any amount invoiced.
- C.7. Invoice Reductions. The Contractor's invoice shall be subject to reduction for amounts included in any invoice or payment that is determined by the State, on the basis of audits conducted in accordance with the terms of this Contract, to not constitute proper compensation for goods delivered or services provided.
- C.8. Deductions. The State reserves the right to deduct from amounts, which are or shall become due and payable to the Contractor under this or any contract between the Contractor and the State of Tennessee, any amounts that are or shall become due and payable to the State of Tennessee by the Contractor.

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

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

**D. MANDATORY TERMS AND CONDITIONS:**

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

D.2. Communications and Contacts. All instructions, notices, consents, demands, or other communications required or contemplated by this Contract shall be in writing and shall be made by certified, first class mail, return receipt requested and postage prepaid, by overnight courier service with an asset tracking system, or by email or facsimile transmission with recipient confirmation. All communications, regardless of method of transmission, shall be addressed to the respective Party at the appropriate mailing address, facsimile number, or email address as stated below or any other address provided in writing by a Party.

The State:

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

The Contractor:

Mr. Josh Gravley, National Sales Manager  
 ACF Technologies, Inc.  
 64 Peachtree Road, Suite 201  
 Asheville, NC 28803  
 Email Address: josh.gravley@acftechnologies.com  
 Telephone #: (828) 398-0040 ext. 131; Cell Phone #: (828) 215-0343

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

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

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

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

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

- D.10. Prohibition of Illegal Immigrants. The requirements of Tenn. Code Ann. § 12-3-309 addressing the use of illegal immigrants in the performance of any contract to supply goods or services to the state of Tennessee, shall be a material provision of this Contract, a breach of which shall be grounds for monetary and other penalties, up to and including termination of this Contract.
- a. The Contractor agrees that the Contractor shall not knowingly utilize the services of an illegal immigrant in the performance of this Contract and shall not knowingly utilize the services of any subcontractor who will utilize the services of an illegal immigrant in the performance of this Contract. The Contractor shall reaffirm this attestation, in writing, by submitting to the State a completed and signed copy of the document at Attachment One, semi-annually during the Term. If the Contractor is a party to more than one contract with the State, the Contractor may submit one attestation that applies to all contracts with the State. All Contractor attestations shall be maintained by the Contractor and made available to State officials upon request.
  - b. Prior to the use of any subcontractor in the performance of this Contract, and semi-annually thereafter, during the Term, the Contractor shall obtain and retain a current, written attestation that the subcontractor shall not knowingly utilize the services of an illegal immigrant to perform work under this Contract and shall not knowingly utilize the services of any subcontractor who will utilize the services of an illegal immigrant to perform work under this Contract. Attestations obtained from subcontractors shall be maintained by the Contractor and made available to State officials upon request.
  - c. The Contractor shall maintain records for all personnel used in the performance of this Contract. Contractor's records shall be subject to review and random inspection at any reasonable time upon reasonable notice by the State.
  - d. The Contractor understands and agrees that failure to comply with this section will be subject to the sanctions of Tenn. Code Ann. § 12-3-309 for acts or omissions occurring after its effective date.
  - e. For purposes of this Contract, "illegal immigrant" shall be defined as any person who is not: (i) a United States citizen; (ii) a Lawful Permanent Resident; (iii) a person whose physical presence in the United States is authorized; (iv) allowed by the federal Department of Homeland Security and who, under federal immigration laws or regulations, is authorized to be employed in the U.S.; or (v) is otherwise authorized to provide services under the Contract.
- D.11. Records. The Contractor shall maintain documentation for all charges under this Contract. The books, records, and documents of the Contractor, for work performed or money received under this Contract, shall be maintained for a period of five (5) full years from the date of the final payment and shall be subject to audit at any reasonable time and upon reasonable notice by the State, the Comptroller of the Treasury, or their duly appointed representatives. The financial statements shall be prepared in accordance with generally accepted accounting principles.
- D.12. Monitoring. The Contractor's activities conducted and records maintained pursuant to this Contract shall be subject to monitoring and evaluation by the State, the Comptroller of the Treasury, or their duly appointed representatives.
- D.13. Progress Reports. The Contractor shall submit brief, periodic, progress reports to the State as requested.
- D.14. Strict Performance. Failure by any Party to this Contract to require, in any one or more cases, the strict performance of any of the terms, covenants, conditions, or provisions of this Contract shall not be construed as a waiver or relinquishment of any term, covenant, condition, or provision. No term or condition of this Contract shall be held to be waived, modified, or deleted except by a written amendment signed by the Parties.

- D.15. Independent Contractor. The Parties shall not act as employees, partners, joint venturers, or associates of one another. The Parties are independent contracting entities. Nothing in this Contract shall be construed to create an employer/employee relationship or to allow either Party to exercise control or direction over the manner or method by which the other transacts its business affairs or provides its usual services. The employees or agents of one Party are not employees or agents of the other Party.
- D.16. Patient Protection and Affordable Care Act. The Contractor agrees that it will be responsible for compliance with the Patient Protection and Affordable Care Act ("PPACA") with respect to itself and its employees, including any obligation to report health insurance coverage, provide health insurance coverage, or pay any financial assessment, tax, or penalty for not providing health insurance. The Contractor shall indemnify the State and hold it harmless for any costs to the State arising from Contractor's failure to fulfill its PPACA responsibilities for itself or its employees.
- D.17. Limitation of State's Liability. The State shall have no liability except as specifically provided in this Contract. In no event will the State be liable to the Contractor or any other party for any lost revenues, lost profits, loss of business, decrease in the value of any securities or cash position, time, goodwill, or any indirect, special, incidental, punitive, exemplary or consequential damages of any nature, whether based on warranty, contract, statute, regulation, tort (including but not limited to negligence), or any other legal theory that may arise under this Contract or otherwise. The State's total liability under this Contract (including any exhibits, schedules, amendments or other attachments to the Contract) or otherwise shall under no circumstances exceed the Maximum Liability. This limitation of liability is cumulative and not per incident.
- D.18. Limitation of Contractor's Liability. 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 through 67-6-608. Compliance with applicable registration requirements is a material requirement of this Contract.
- D.23. Debarment and Suspension. The Contractor certifies, to the best of its knowledge and belief, that it, its current and future principals, its current and future subcontractors and their principals:
- a. are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any federal or state department or agency;
  - b. have not within a three (3) year period preceding this Contract been convicted of, or had a civil judgment rendered against them from commission of fraud, or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, state, or local) transaction or grant under a public transaction; violation of federal or state antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification, or destruction of records, making false statements, or receiving stolen property;
  - c. are not presently indicted or otherwise criminally or civilly charged by a government entity (federal, state, or local) with commission of any of the offenses detailed in section b. of this certification; and
  - d. have not within a three (3) year period preceding this Contract had one or more public transactions (federal, state, or local) terminated for cause or default.

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

- D.24. Force Majeure. "Force Majeure Event" means fire, flood, earthquake, elements of nature or acts of God, wars, riots, civil disorders, rebellions or revolutions, acts of terrorism or any other similar cause beyond the reasonable control of the Party except to the extent that the non-performing Party is at fault in failing to prevent or causing the default or delay, and provided that the default or delay cannot reasonably be circumvented by the non-performing Party through the use of alternate sources, workaround plans or other means. A strike, lockout or labor dispute shall not excuse either Party from its obligations under this Contract. Except as set forth in this Section, any failure or delay by a Party in the performance of its obligations under this Contract arising from a Force Majeure Event is not a default under this Contract or grounds for termination. The non-performing Party will be excused from performing those obligations directly affected by the Force Majeure Event, and only for as long as the Force Majeure Event continues, provided that the Party continues to use diligent, good faith efforts to resume performance without delay. The occurrence of a Force Majeure Event affecting Contractor's representatives, suppliers, subcontractors, customers or business apart from this Contract is not a Force Majeure Event under this Contract. Contractor will promptly notify the State of any delay caused by a Force Majeure Event (to be confirmed in a written notice to the State within one (1) day of the inception of the delay) that a Force Majeure Event has occurred, and will describe in reasonable detail the nature of the Force Majeure Event. If any Force Majeure Event results in a delay in Contractor's performance longer than forty-eight (48) hours, the State may, upon notice to Contractor: (a) cease payment of the fees until Contractor resumes performance of the affected obligations; or (b) immediately terminate this Contract or any purchase order, in whole or in part, without further payment except for fees then due and payable. Contractor will not increase its charges under this Contract or charge the State any fees other than those provided for in this Contract as the result of a Force Majeure Event.
- D.25. State and Federal Compliance. The Contractor shall comply with all applicable state and federal laws and regulations in the performance of this Contract.
- D.26. Governing Law. This Contract shall be governed by and construed in accordance with the laws of the State of Tennessee. The Tennessee Claims Commission or the state or federal courts in Tennessee shall be the venue for all claims, disputes, or disagreements arising under this Contract. The Contractor acknowledges and agrees that any rights, claims, or remedies against the State of Tennessee or its employees arising under this Contract shall be subject to and limited to those rights and remedies available under Tenn. Code Ann. §§ 9-8-101 through 9-8-407.
- D.27. Entire Agreement. This Contract is complete and contains the entire understanding between the Parties relating to its subject matter, including all the terms and conditions of the Parties' agreement. This Contract supersedes any and all prior understandings, representations, negotiations, and agreements between the Parties, whether written or oral.
- D.28. Severability. If any terms and conditions of this Contract are held to be invalid or unenforceable as a matter of law, the other terms and conditions of this Contract shall not be affected and shall remain in full force and effect. The terms and conditions of this Contract are severable.
- D.29. Headings. Section headings of this Contract are for reference purposes only and shall not be construed as part of this Contract.
- D.30. Incorporation of Additional Documents. Each of the following documents is included as a part of this Contract by reference. In the event of a discrepancy or ambiguity regarding the Contractor's duties, responsibilities, and performance under this Contract, these items shall govern in order of precedence below:

- a. any amendment to this Contract, with the latter in time controlling over any earlier amendments;
  - b. this Contract with any attachments or exhibits (excluding the items listed at subsections c. through f., below), which includes Attachments One and Two;
  - 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 Tenn. Code Ann. §12-12-103(5) that engage in investment activities in Iran, shall be a material provision of this Contract. The Contractor certifies, under penalty of perjury, that to the best of its knowledge and belief that it is not on the list created pursuant to Tenn. Code Ann. § 12-12-106.
- D.32. Insurance. Contractor shall maintain insurance coverage as specified in this Section. The State reserves the right to amend or require additional insurance coverage, coverage amounts, and endorsements required under this Contract. Contractor's failure to maintain or submit evidence of insurance coverage, as required, is a material breach of this Contract. If Contractor loses insurance coverage, fails to renew coverage, or for any reason becomes uninsured during the Term, Contractor shall immediately notify the State. All insurance companies providing coverage must be: (a) acceptable to the State; (b) authorized by the Tennessee Department of Commerce and Insurance ("TDCI"); and (c) rated A- / VII or better by A.M. Best. All coverage must be on a primary basis and noncontributory with any other insurance or self-insurance carried by the State. Contractor agrees to name the State as an additional insured on any insurance policy with the exception of workers' compensation (employer liability) and professional liability (errors and omissions) insurance. All policies must contain an endorsement for a waiver of subrogation in favor of the State. Any deductible or self insured retention ("SIR") over fifty thousand dollars (\$50,000) must be approved by the State. The deductible or SIR and any premiums are the Contractor's sole responsibility. The Contractor agrees that the insurance requirements specified in this Section do not reduce any liability the Contractor has assumed under this Contract including any indemnification or hold harmless requirements.

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

Contractor shall provide the State a certificate of insurance ("COI") evidencing the coverages and amounts specified in this Section. The COI must be on a form approved by the TDCI (standard ACORD form preferred). The COI must list each insurer's National Association of Insurance Commissioners (NAIC) number and be signed by an authorized representative of the insurer. The COI must list the State of Tennessee – CPO Risk Manager, 312 Rosa L. Parks Ave., 3<sup>rd</sup> floor Central Procurement Office, Nashville, TN 37243 as the certificate holder. Contractor shall

provide the COI ten (10) business days prior to the Effective Date and again thirty (30) calendar days before renewal or replacement of coverage. Contractor shall provide the State evidence that all subcontractors maintain the required insurance or that subcontractors are included under the Contractor's policy. At any time, the State may require Contractor to provide a valid COI. The parties agree that failure to provide evidence of insurance coverage as required is a material breach of this Contract. If Contractor self-insures, then a COI will not be required to prove coverage. Instead Contractor shall provide a certificate of self-insurance or a letter, on Contractor's letterhead, detailing its coverage, policy amounts, and proof of funds to reasonably cover such expenses. The State reserves the right to require complete, certified copies of all required insurance policies, including endorsements required by these specifications, at any time.

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

**The insurance obligations under this Contract shall be: (1)—all the insurance coverage and policy limits carried by the Contractor; or (2)—the minimum insurance coverage requirements and policy limits shown in this Contract; whichever is greater. Any insurance proceeds in excess of or broader than the minimum required coverage and minimum required policy limits, which are applicable to a given loss, shall be available to the State. No representation is made that the minimum insurance requirements of the Contract are sufficient to cover the obligations of the Contractor arising under this Contract. The Contractor shall obtain and maintain, at a minimum, the following insurance coverages and policy limits.**

a. Commercial General Liability ("CGL") Insurance

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

b. Workers' Compensation and Employer Liability Insurance

- (1) For Contractors statutorily required to carry workers' compensation and employer liability insurance, the Contractor shall maintain:
  - i. Workers' compensation in an amount not less than one million dollars (\$1,000,000) including employer liability of one million dollars (\$1,000,000) per accident for bodily injury by accident, one million dollars (\$1,000,000) policy limit by disease, and one million dollars (\$1,000,000) per employee for bodily injury by disease.

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

c. Automobile Liability Insurance

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

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

- (1) The Contractor shall maintain technology professional liability (errors & omissions)/cyber liability insurance appropriate to the Contractor's profession in an amount not less than one million dollars (\$1,000,000) per occurrence or claim and one million dollars (\$1,000,000) annual aggregate, covering all acts, errors, omissions, negligence, infringement of intellectual property (except patent and trade secret); network security and privacy risks, including but not limited to unauthorized access, failure of security, information theft, damage to destruction of or alteration of electronic information, breach of privacy perils, wrongful disclosure and release of private information, collection, or other negligence in the handling of confidential information, including coverage for related regulatory fines, defenses, and penalties.
- (2) Such coverage shall include data breach response expenses, in an amount not less than five million dollars (\$5,000,000) and payable whether incurred by the State or Contractor, including but not limited to consumer notification, whether or not required by law, computer forensic investigations, public relations and crisis management firm fees, credit file identity monitoring or remediation services and expenses in the performance of services for the State or on behalf of the State hereunder.

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

**E. SPECIAL TERMS AND CONDITIONS:**

- E.1. Conflicting Terms and Conditions. Should any of these special terms and conditions conflict with any other terms and conditions of this Contract, the special terms and conditions shall be subordinate to the Contract's other terms and conditions.
- E.2. Confidentiality of Records. Strict standards of confidentiality of records and information shall be maintained in accordance with applicable state and federal law. All material and information, regardless of form, medium or method of communication, provided to the Contractor by the State or acquired by the Contractor on behalf of the State that is regarded as confidential under state or federal law shall be regarded as "Confidential Information." Nothing in this Section shall permit Contractor to disclose any Confidential Information, regardless of whether it has been disclosed or made available to the Contractor due to intentional or negligent actions or inactions of agents of the State or third parties. Confidential Information shall not be disclosed except as required or permitted under state or federal law. Contractor shall take all necessary steps to safeguard the confidentiality of such material or information in conformance with applicable state and federal law.
- The obligations set forth in this Section shall survive the termination of this Contract.
- E.3. State Ownership of Goods. The State shall have ownership, right, title, and interest in all goods provided by Contractor under this Contract including full rights to use the goods and transfer title in the goods to any third parties.
- E.4. Intellectual Property Indemnity. The Contractor agrees to indemnify and hold harmless the State of Tennessee as well as its officers, agents, and employees from and against any and all claims or suits which may be brought against the State concerning or arising out of any claim of an alleged patent, copyright, trade secret or other intellectual property infringement. In any such claim or action brought against the State, the Contractor shall satisfy and indemnify the State for the amount of any settlement or final judgment, and the Contractor shall be responsible for all legal or other fees or expenses incurred by the State arising from any such claim. The State shall give the Contractor notice of any such claim or suit, however, the failure of the State to give such notice shall only relieve Contractor of its obligations under this Section to the extent Contractor can demonstrate actual prejudice arising from the State's failure to give notice. This Section shall not grant the Contractor, through its attorneys, the right to represent the State of Tennessee in any legal matter, as provided in Tenn. Code Ann. § 8-6-106.
- E.5. Software License Warranty. Contractor grants a license to the State to use all software provided under this Contract in the course of the State's business and purposes.
- E.6. Software Support and Maintenance Warranty. Contractor shall provide to the State all software upgrades, modifications, bug fixes, or other improvements in its software that it makes generally available to its customers.
- E.7. Transfer of Ownership of Custom Software Developed for the State.
- a. Definitions.
    - (1) "Contractor-Owned Software," shall mean commercially available software the rights to which are owned by Contractor, including but not limited to commercial "off-the-shelf" software which is not developed using State's money or resources.
    - (2) "Custom-Developed Application Software," shall mean customized application software developed by Contractor for the State under this Contract intended to function with the Contractor-Owned Software or any Work Product provided under this Contract.

- (3) "Rights Transfer Application Software," shall mean any pre-existing application software and documentation owned or supplied by Contractor or a third party necessary for the use, functioning, support, or maintenance of the Contractor-Owned Software, the Custom-Developed Application Software, Third Party Software, and any Work Product provided to State.
- (4) "Third-Party Software," shall mean software supplied by Contractor under this Contract or necessary for the functioning of any Work Product not owned by the State or the Contractor.
- (5) "Work Product," shall mean all deliverables such as software, software source code, documentation, planning, etc., that are created, designed, developed, or documented by the Contractor for the State under this Contract. Work Product shall include Rights Transfer Application Software.

b. Rights and Title to the Software

- (1) All right, title and interest in and to the Contractor-Owned Software shall at all times remain with Contractor, subject to any license or transfer of rights or ownership granted under this Contract. Contractor grants the State a perpetual non-exclusive license to the Contractor-Owned Software to be used solely with the Custom-Developed Application Software and the Work Product.
- (2) Contractor shall provide the source code in the Custom-Developed Application Software, Work Product and the Contractor-Owned Software, with all subsequent modifications, enhancements, bug-fixes or any other changes in the source code of the Work Product and the Contractor-Owned Software and all other code and documentation necessary for the Custom-Developed Application Software to be installed and function as intended and as set forth in this Contract, to the State.
- (3) Contractor may lease or sell the Custom-Developed Application Software to third parties with the written permission of the State, which permission may be conditioned on the State receiving royalties from such sales or licenses.
- (4) All right, title and interest in and to the Custom-Developed Application Software, and to modifications thereof made by State, including without limitation all copyrights, patents, trade secrets and other intellectual property and other proprietary rights embodied by and arising out of the Custom-Developed Application Software, shall belong to State. To the extent such rights do not automatically belong to State, Contractor hereby assigns, transfers, and conveys all right, title and interest in and to the Custom-Developed Application Software, including without limitation the copyrights, patents, trade secrets, and other intellectual property rights arising out of or embodied by the Custom-Developed Application Software. Contractor and its employees, agents, contractors or representatives shall execute any other documents that State or its counsel deem necessary or desirable to document this transfer or allow State to register its claims and rights to such intellectual property rights or enforce them against third parties.
- (5) All right, title and interest in and to the Third-Party Software shall at all times remain with the third party, subject to any license or other rights granted to the State under this Contract or otherwise.

c. The Contractor may use for its own purposes the general knowledge, skills, experience, ideas, concepts, know-how, and techniques obtained and used during the course of performing under this Contract. The Contractor may develop for itself, or for others,

materials which are similar to or competitive with those that are produced under this Contract.

E.8. Contractor Hosted Services and Confidential Data.

- a. "Confidential State Data" is defined as data deemed confidential by State or Federal statute or regulation. The Contractor shall protect Confidential State Data as follows:
- (1) The Contractor shall ensure that all Confidential State Data is housed in the continental United States, inclusive of backup data.
  - (2) The Contractor shall encrypt Confidential State Data at rest and in transit using the current version of Federal Information Processing Standard ("FIPS") 140-2 validated encryption technologies.
  - (3) Contractor's processing environment containing Confidential State Data shall be in accordance with at least one of the following security standards: (i) International Standards Organization ("ISO") 27001; (ii) Federal Risk and Authorization Management Program ("FedRAMP"); or (iii) American Institute of Certified Public Accountants ("AICPA") Service Organization Controls ("SOC") 2 Type II certified. The Contractor shall provide proof of current certification annually and upon State request.
  - (4) The Contractor must comply with the State's Enterprise Information Security Policies. This document is found at the following URL:  
<https://www.tn.gov/content/dam/tn/finance/documents/Enterprise-Information-Security-Policies-ISO-27002-Public.pdf>.
  - (5) In the event that the operating system is an integral part of the application, the Contractor agrees to maintain Operating Systems at current, manufacturer supported versions. "Operating System" shall mean the software that supports a computer's basic functions, such as scheduling tasks, executing applications, and controlling peripherals.
  - (6) The Contractor agrees to maintain the Application so that it will run on a current, manufacturer-supported Operating System. "Application" shall mean the computer code that supports and accomplishes the State's requirements as set forth in this Contract. The Contractor shall make sure that the Application is at all times fully compatible with a manufacturer-supported Operating System; the State shall not be required to run an Operating System that is no longer supported by the manufacturer.
  - (7) If the Application requires middleware or database software, Contractor shall maintain middleware and database software versions that are at all times fully compatible with current versions of the Operating System and Application, to ensure that security vulnerabilities are not introduced.
  - (8) With advance notice from the State, and no more than one (1) time per year the Contractor agrees to allow the State to perform logical and physical audits of the Contractor's facility and systems that are hosting Confidential State Data.
  - (9) The Contractor must annually perform Penetration Tests and Vulnerability Assessments against its Processing Environment. "Processing Environment" shall mean the combination of software and hardware on which the Application runs. "Penetration Tests" shall be in the form of

software attacks on the Contractor's computer system, with the purpose of discovering security weaknesses, and potentially gaining access to the computer's features and data. The "Vulnerability Assessment" shall have the goal of defining, identifying, and classifying the security holes (vulnerabilities) in the Contractor's computer, network, or communications infrastructure. The Contractor shall allow the State, at its option, to perform Penetration Tests and Vulnerability Assessments on the Contractor's Processing Environment.

- b. Business Continuity Requirements. The Contractor shall maintain set(s) of documents, instructions, and procedures which enable the Contractor to respond to accidents, disasters, emergencies, or threats without any stoppage or hindrance in its key operations ("Business Continuity Requirements"). Business Continuity Requirements shall include:
- (1) "Disaster Recovery Capabilities" refer to the actions the Contractor takes to meet the Recovery Point and Recovery Time Objectives defined below. Disaster Recovery Capabilities shall meet the following objectives:
    - i. Recovery Point Objective ("RPO"). The RPO is defined as the maximum targeted period in which data might be lost from an IT service due to a major incident: ONE MINUTE; and
    - ii. Recovery Time Objective ("RTO"). The RTO is defined as the targeted duration of time and a service level within which a business process must be restored after a disaster (or disruption) in order to avoid unacceptable consequences associated with a break in business continuity: ONE HOUR.
  - (2) The Contractor shall perform at least one Disaster Recovery Test every three hundred sixty-five (365) days. A "Disaster Recovery Test" shall mean the process of verifying the success of the restoration procedures that are executed after a critical IT failure or disruption occurs. The Disaster Recovery Test shall use actual State Data Sets that mirror production data, and success shall be defined as the Contractor verifying that the Contractor can meet the State's RPO and RTO requirements. A "Data Set" is defined as a collection of related sets of information that is composed of separate elements but can be manipulated as a unit by a computer. The Contractor shall provide written confirmation to the State after each Disaster Recovery Test that its Disaster Recovery Capabilities meet the RPO and RTO requirements.
- c. Upon State request, the Contractor shall provide a copy of all Confidential State Data it holds. The Contractor shall provide such data on media and in a format determined by the State.
- d. Upon termination of this Contract and in consultation with the State, the Contractor shall destroy all Confidential State Data it holds (including any copies such as backups) in accordance with the current version of National Institute of Standards and Technology ("NIST") Special Publication 800-88. The Contractor shall provide a written confirmation of destruction to the State within ten (10) business days after destruction.
- E.9. State Furnished Property. The Contractor shall be responsible for the correct use, maintenance, and protection of all articles of nonexpendable, tangible personal property furnished by the State for the Contractor's use under this Contract. Upon termination of this Contract, all property furnished by the State shall be returned to the State in the same condition as when received, less

reasonable wear and tear. Should the property be destroyed, lost, or stolen, the Contractor shall be responsible to the State for the fair market value of the property at the time of loss.

- E.10. Prohibited Advertising or Marketing. The Contractor shall not suggest or imply in advertising or marketing materials that Contractor's goods or services are endorsed by the State. The restrictions on Contractor advertising or marketing materials under this Section shall survive the termination of this Contract.
- E.11. 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 or ensure that Contractor is in full compliance with its obligations under this Contract in relation to PII. Upon termination or expiration of the Contract or at the State's direction at any time in its sole discretion, whichever is earlier, Contractor shall immediately return to the State any and all PII which it has received under this Contract and shall destroy all records of such PII.

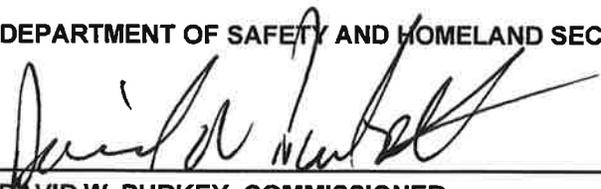
The Contractor shall report to the State any instances of unauthorized access to or potential disclosure of PII in the custody or control of Contractor ("Unauthorized Disclosure") that come to the Contractor's attention. Any such report shall be made by the Contractor within twenty-four (24) hours after the Unauthorized Disclosure has come to the attention of the Contractor. Contractor shall take all necessary measures to halt any further Unauthorized Disclosures. 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.12. Survival. The terms, provisions, representations, and warranties contained in this Contract which by their sense and context are intended to survive the performance and termination of this Contract, shall so survive the completion of performance and termination of this Contract.

**IN WITNESS WHEREOF,  
ACF TECHNOLOGIES, INC.:**

  
\_\_\_\_\_  
**CONTRACTOR SIGNATURE** **9/21/2018**  
**DATE**

Jan Opalka, CEO  
\_\_\_\_\_  
**PRINTED NAME AND TITLE OF CONTRACTOR SIGNATORY (above)**

**DEPARTMENT OF SAFETY AND HOMELAND SECURITY:**  
  
\_\_\_\_\_  
**DAVID W. PURKEY, COMMISSIONER** **9-21-18**  
**DATE**

## ATTACHMENT ONE

## ATTESTATION RE PERSONNEL USED IN CONTRACT PERFORMANCE

SUBJECT CONTRACT NUMBER:	59992
CONTRACTOR LEGAL ENTITY NAME:	ACF TECHNOLOGIES, INC.
EDISON VENDOR IDENTIFICATION NUMBER:	0000222371

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.

Jan Opalka, CEO

---

**PRINTED NAME AND TITLE OF SIGNATORY**

9/21/2018

---

**DATE OF ATTESTATION**

<b>State of Tennessee Driver Service Centers</b>		
<b>Small</b>	<b>Medium</b>	<b>Large</b>
Shelbyville	Clinton	Nashville (Hart Lane)
Cleveland	Maryville	Nashville (Centennial)
Elizabethton	Nashville (Hickory Hollow)	Bonny Oaks (Chattanooga)
Tullahoma	Oakland	Strawberry Plains (Knoxville)
Nashville TN Towers	Red Bank (Chattanooga)	Columbia
Dickson	Jackson	Clarksville
Trenton	Cookeville	Murfreesboro
Greeneville	Gallatin	E. Shelby Drive (Memphis)
Morristown	Johnson City	Summer Ave. (Memphis)
Whiteville	Lebanon	Franklin
Paris		
I40 W Knoxville		
Fayetteville		
Jasper		
Athens		
Union City		
Rockwood		
Springfield		
Sevierville		
Millington		
Blountville		
Covington		
McMinnville		
Dresden		

Document Approval Status

SetID: SHARE Contract ID: 000000000000000000059992  
Supplier: ACF Technologies Inc

Review/Edit Approvers

Agency Approvals

SHARE/00000000000000000000059992: **Approved** View/Hide Comments

Agency Approvals

<b>Self Approved</b> Shoney D Naquin Document Approval 1 09/22/18 - 7:45 AM	→	<b>Self Approved</b> Shoney D Naquin Document Approval 2 09/22/18 - 7:45 AM
--	---	--

CPO Level 1 & 2 Approvals

<b>Approved</b> Charles Key Document Approval 3 09/24/18 - 6:34 AM
---

Comments

Budget Office

SHARE/00000000000000000000059992: **Approved**

Budget Threshold Approv >25K

<b>Approved</b> Derek Mitchell Con - Budget Office Approval 09/25/18 - 12:54 PM
--

Comptroller Special Appr

SHARE/00000000000000000000059992: **Approved** View/Hide Comments

Procurement Type

<b>Approved</b> Donald J Ivancic Document Approval - Comptrolle 09/26/18 - 1:56 PM
---

Comments

CPO Final Contract Approval

SHARE/00000000000000000000059992: **Approved**

CPO Final Contract Approval

<b>Approved</b> Joshua Polk Document Approval 3 09/27/18 - 3:07 PM
---

Comments

[Return to Document Management](#)