



**STATE OF TENNESSEE**  
**DEPARTMENT OF HEALTH**

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JOHN J. DREYZEHNER, MD, MPH  
COMMISSIONER

BILL HASLAM  
GOVERNOR

March 15, 2017

Ms. Krista Lee, Director  
Fiscal Review Committee  
320 Sixth Avenue North  
Nashville, TN 37243

and

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

Dear Director Lee and CPO Perry:

The Department of Health is requesting sole source approval to establish a three year contract with 2 one-year options to renew, for Natus software, upgrades, maintenance and support. This software was developed by Neometrics, a division of Natus Medical Incorporated and was customized for the State of Tennessee.

This maintenance contract is necessary to maintain the system that houses over 1,000,000 records and is used to access and report 50 plus tests on over 90,000 infants per year. The maintenance contract guarantees the system is maintained properly and provides for immediate Monday through Friday response from Natus when problems arise. The contract will cover technical support, all patches or upgrades and maintenance. The cost for 3 years will be \$920,250.00. The total cost of the contract with options will be approximately \$1,500,000.00

We appreciate your approval to proceed with this contract and thank you for your consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "John J. Dreyzehner".

John J. Dreyzehner, MD, MPH, FACOEM  
Commissioner

Supplemental Documentation Required for  
Fiscal Review Committee

*Contact Name:	Jim Gibson	*Contact Phone:	615-262-6303		
*Presenter's name(s):	Jim Gibson, Brandon Silby, Vincent Pinkney				
Edison Contract Number: <i>(if applicable)</i>		RFS Number: <i>(if applicable)</i>			
*Original or Proposed Contract Begin Date:	07/01/17	*Current or Proposed End Date:	06/30/20		
Current Request Amendment Number: <i>(if applicable)</i>					
Proposed Amendment Effective Date: <i>(if applicable)</i>					
*Department Submitting:	Department of Health				
*Division:	Laboratory Services				
*Date Submitted:	04/07/17				
*Submitted Within Sixty (60) days:	Yes				
<i>If not, explain:</i>					
*Contract Vendor Name:	Natus				
*Current or Proposed Maximum Liability:	\$1,500,000.00				
*Estimated Total Spend for Commodities:	\$1,500,000.00				
<b>*Current or Proposed Contract Allocation by Fiscal Year: (as Shown on Most Current Fully Executed Contract Summary Sheet)</b>					
FY:18	FY:19	FY:20	FY:21	FY22	FY
\$433,000.00	\$266,750.00	\$266,750.00	\$266,750.00	\$266,750.00	\$
<b>*Current Total Expenditures by Fiscal Year of Contract: (attach backup documentation from Edison)</b>					
FY:	FY:	FY:	FY:	FY	FY
\$	\$	\$	\$	\$	\$
<b>IF</b> Contract Allocation has been greater than Contract Expenditures, please give the reasons and explain where surplus funds were spent:		N/A			
<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:	100%	Federal:	
<i>Interdepartmental:</i>		<i>Other:</i>	
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>	
Method of Original Award: <i>(if applicable)</i>			
*What were the projected costs of the service for the entire term of the contract prior to contract award? How was this cost determined?		Vendor quote	
*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.		The software is proprietary sole source. Natus is the only vendor that can supply this software	

# Special Contract Request

This form should be utilized to facilitate contract and procurement requests that require the Chief Procurement Officer's prior approval and that of the Comptroller of the Treasury, as applicable.

NOT required for a contract with a federal, Tennessee, or Tennessee local government entity or a grant.

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).

<b>APPROVED</b>		<b>APPROVED</b>	
CHIEF PROCUREMENT OFFICER	DATE	COMPTROLLER OF THE TREASURY	DATE

Request Tracking #	HL00000288
1. Contracting Agency	Health
2. Type of Contract or Procurement Method	<input type="checkbox"/> No Cost <input type="checkbox"/> Revenue <input checked="" type="checkbox"/> Sole Source <input type="checkbox"/> Proprietary <input type="checkbox"/> Competitive Negotiation <input type="checkbox"/> Other _____
3. Requestor Contact Information	Jim Gibson 615 262-6303 Jim.Gibson@tn.gov
4. Brief Goods or Services Caption	Natus software upgrades, support and maintenance for the newborn screening program.
5. Description of the Goods or Services to be Acquired	The Natus system is used for the accurate reporting of clinical lab results for all newborns in the State of Tennessee. This contract will provide software support, upgrades and maintenance. In addition we are incorporating the purchase of the HL7 messaging functionality.
6. Proposed Contractor	Natus Medical Inc.

<b>Request Tracking #</b>	HL00000288
<b>7. Name &amp; Address of the Contractor's principal owner(s)</b> – NOT required for a TN state education institution	Walter Reichert Natus Medical Inc. 1501 Industrial Road San Carlos, CA 94070 Walter.Reichert@natus.com
<b>8. Proposed Contract Period</b> – with ALL options to extend exercised The proposed contract start date shall follow the approval date of this request.	60 months (5 years)
<b>9. Office for Information Resources Pre-Approval Endorsement Request</b> – information technology (N/A to THDA)	<input type="checkbox"/> Not Applicable <input checked="" type="checkbox"/> Attached
<b>10. eHealth Pre-Approval Endorsement Request</b> – health-related professional, pharmaceutical, laboratory, or imaging	<input type="checkbox"/> Not Applicable <input checked="" type="checkbox"/> Attached
<b>11. Human Resources Pre-Approval Endorsement Request</b> – state employee training	<input checked="" type="checkbox"/> Not Applicable <input type="checkbox"/> Attached
<b>12. Are these goods or services currently available on a statewide contract? If YES, please explain why the current statewide contract is not being used for this procurement.</b>	<input checked="" type="checkbox"/> NO <input type="checkbox"/> YES,
<b>13. Maximum Contract Cost</b> – with ALL options to extend exercised	\$ 1,500,000.00
<b>14. Was there an initial government estimate? If so, what amount?</b>	<input type="checkbox"/> NO <input checked="" type="checkbox"/> YES, \$1,500,000.00
<b>15. Cost Determination Used-</b> How did agency arrive at the estimate of expected costs?	Vendor Quote
<b>16. Explanation of Fair and Reasonable Price-</b> Explain how agency determined that price is fair and reasonable	Sole Source
<b>17. Documentation of Discussions with Contractor-</b> How did agency document discussions with Contractor? Attach documentation to this request as applicable.	E-mail and phone

Request Tracking #	HL00000288
18. Explanation of Need for or requirement placed on the State to acquire the goods or services	Natus is the informatics system used by the Newborn Screening section of Lab Services. It is an essential tool that is used for reporting results on newborns so accurate follow-up can be carried out by healthcare providers and parents. Upgrade, support and maintenance is required for the software of the Natus system in order to remain operational and to allow the lab to provide this service to babies born in the State of Tennessee as mandated by rules and regulations of the DOH under Chapter 1200-15-1. This contract will include the purchase of HL7, which is a messaging functionality that provides the ability to standardize data transmissions from health provider's electronic health records (EHR) to a birth defect registry as it addresses Zika related birth defects such as microcephaly and potentially other central nervous system defects.
19. Proposed contract impact on current State operations	To test all newborns per DOH mandate Chapter 1200-15-1 and now includes Zika testing.
20. <b>Justification</b> – Specifically explain why the goods or services should be acquired through the procurement method or contract type selected.	Natus software is used to accurately detect and document Newborn diseases as mandated by DOH Chapter 1200-15-1. This contract provides upgrades, support and maintenance which is required so the existing software and new HL7 software standard is maintained. Natus is the only company that provides upgrades, support and maintenance for this software. This software has been customized for DOH. It is not financially feasible or timely to purchase another case management software system. Continuity of results is absolutely dependent upon this specific service.
<b>For No Cost and Revenue Contracts Only</b>	
21. What costs will the State incur as a result of this contract? If any, please explain.	
22. What is the total estimated revenue that the State would receive as a result of this contract?	
23. Could the State also contract with other parties interested in entering substantially the same agreement? Please explain.	<input type="checkbox"/> NO <input type="checkbox"/> YES
24. Summary of State responsibilities under proposed contract	
<b>For Sole Source and Proprietary Procurements Only</b>	

Request Tracking #	HL00000288
25. Explanation of Need for or requirement placed on the State to acquire the goods or services	Natus is the informatics system used by the Newborn Screening section of Lab Services. It is an essential tool that is used for reporting results on newborns so accurate follow-up can be carried out by healthcare providers and parents. Upgrade, support and maintenance is required for the software of the Natus system in order to remain operational and to allow the lab to provide this service to babies born in the State of Tennessee as mandated by rules and regulations of the DOH under Chapter 1200-15-1. This contract will include the purchase of HL7, which is a messaging standard that provides the ability to standardize data transmissions from health providers electronic health records (EHR) to a birth defect registry as it addresses Zika related birth defects such as microcephaly and potentially other central nervous system defects.
26. Evidence of Contractor's experience & length of experience providing the goods or services to be procured.	Natus products are used in hospitals, clinics and laboratories worldwide. The state has had contracts with Natus Medical for over 20 years.
27. Has the contracting agency procured the subject goods or services before? If yes, provide the method used to purchase the goods or services and the name and address of the contractor.	<input type="checkbox"/> NO <input checked="" type="checkbox"/> YES, Method: Sole Source, Contract 42721. Name/Address: Natus Medical Inc. 1501 Industrial Road San Carlos, CA 94070
28. Contractor selection process and efforts to identify reasonable, competitive, procurement alternatives	The state currently owns Natus case management software, at this time Natus Medical Inc. is the sole source provider for this software.
<b>Signature Required for all Special Contract Requests</b>	

<b>Request Tracking #</b>	<b>HL00000288</b>	
<b>Signature of Agency head or authorized designee, title of signatory, and date</b> (the authorized designee may sign his or her own name if indicated on the Signature Certification and Authorization document)		
Signature:		Date: 3/3/17



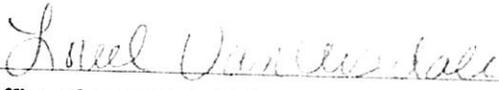
## E-Health Pre-Approval Endorsement Request E-Mail Transmittal

**TO :** Lovel VanArsdale, Office of e-Health Initiatives  
Department of Finance & Administration  
E-mail: [Lovel.Vanarsdale@tn.gov](mailto:Lovel.Vanarsdale@tn.gov)

**FROM :** **Jamie Stanley**  
E-mail: [Jamie.Stanley@tn.gov](mailto:Jamie.Stanley@tn.gov)

**DATE :** 3/2/2017

**RE :** Request for eHealth Pre-Approval Endorsement

<b>Applicable RFS #</b> ITB
<b>Office of e-Health Initiatives Endorsement Signature &amp; Date:</b>
 <span style="float: right; margin-right: 50px;">3-7-17</span>
Office of e-Health Initiatives

Office of e-Health Initiatives (eHealth) pre-approval endorsement is required pursuant to procurement regulations pertaining to contracts with medical/mental health-related professional, pharmaceutical, laboratory, or imaging type services as a component of the scope of service. This request seeks to ensure that eHealth is aware of and has an opportunity to review the procurement detailed below and in the attached document(s). This requirement applies to any procurement method regardless of dollar amount.

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

<b>Contracting Agency</b>	<b>Health</b>
<b>Agency Contact</b> (name, phone, e-mail)	<b>Jim Gibson, 615-262-6303; <a href="mailto:Jim.Gibson@tn.gov">Jim.Gibson@tn.gov</a></b>
<b>Attachments Supporting Request</b> (as applicable – copies without signatures acceptable)	
<input type="checkbox"/> Solicitation Document <input checked="" type="checkbox"/> Special Contract Request <input type="checkbox"/> Amendment Request <input type="checkbox"/> Proposed contract or amendment	
<b>Subject Medical/Mental Health-Related Service Description</b> (Brief summary of eHealth services involved. As applicable, identify the contract and solicitation sections related to eHealth services.)	
<b>Natus is the informatics system used by the Newborn Screening section of Lab Services. It is an essential tool that is used for reporting results on newborns so accurate follow-up can be carried out by healthcare providers and parents. Upgrade, support and maintenance is required for the software of the Natus system in order to remain operational and to allow the lab to provide this service to</b>	

**Applicable RFS # ITB**

babies born in the State of Tennessee as mandated by rules and regulations of the DOH under Chapter 1200-15-1. This contract will include the purchase of the HL7 which is messaging functionality that provides the ability to standardize data transmissions from health providers electronic health records (EHR) to a birth defect registry as it addresses Zika related birth defects such as microcephaly and potentially other central nervous system defects.



## Information Technology Services Division Pre-Approval Endorsement Request

**TO :** Scott Creel,  
ITSD Contract Services  
Phone Number: 615-770-1152  
E-mail : [Scott.Creel@tn.gov](mailto:Scott.Creel@tn.gov)

**FROM :** Simeon Ayton  
Phone Number: 615 262-6460  
E-mail Address: [simeon.ayton@tn.gov](mailto:simeon.ayton@tn.gov)

**DATE :** 2/15/2017

**RE :** Request for ITSD Pre-Approval Review and Endorsement

<b>Applicable RFS or Purchase Requisition #:</b> ITB	
<b>ITSD Endorsement Signature &amp; Date:</b>	
<b>Chief Information Officer</b>	<b>Date</b>
<i>NOTE: Proposed contract/grant support is applicable to the subject IT service technical merit.</i>	

Department of Health's Information Technology Services Division (ITSD) Pre-approval Endorsement Request is required pursuant to procurement regulations pertaining to **contracts/purchases with information technology as a component of the scope of service/product specifications**. This request seeks to ensure that ITSD is aware of and has an opportunity to review the procurement detailed below and in the attached document(s). **This requirement applies to any procurement method regardless of dollar amount.** ITSD Contract Services will review, comment, and return to the Division Submitter no later than two (2) weeks from the date submitted.

Is this a Fee-for-Service Contract?      Yes       No

Is this a Grant Contract?                      Yes       No

Is this a one-time purchase?                Yes       No

Is this a subscription purchase?            Yes       No

<b>Division/Program Name:</b>	Lab Services
<b>Contact name and phone number/email address:</b>	Jim Gibson, 615-262-6303; <a href="mailto:Jim.Gibson@tn.gov">Jim.Gibson@tn.gov</a>

<b>Applicable RFS or Purchase Requisition #: ITB</b>	
<b>Description of procurement and business need.</b>	Natus is the informatics system used by the Newborn Screening section of Lab Services. It is an essential tool that is used for reporting results on newborns so accurate follow-up can be carried out by healthcare providers and parents. Upgrade, support and maintenance is required for the software of the Natus system in order to remain operational and to allow the lab to provide this service to babies born in the State of Tennessee as mandated by rules and regulations of the DOH under Chapter 1200-15-1. This contract will include the purchase of the HL-7 which is messaging functionality that provides the ability to standardize data transmissions from health providers electronic health records (EHR) to a birth defect registry as it addresses Zika related birth defects such as microcephaly and potentially other central nervous system defects.
<b>Attachments Supporting Request (mark all applicable)</b>	
Note: The complete draft procurement document and the applicable documents listed below must accompany this request when submitted to ITSD. Special Contract Requests and Amendment Requests without Agency Head signature are acceptable. ITSD is aware that these documents will not have CPO signature when submitted with this request.	
<b>Relevant Attachments for Service Procurement</b>	
Attached NA	
<input type="checkbox"/> <input checked="" type="checkbox"/> Solicitation Document <input checked="" type="checkbox"/> <input type="checkbox"/> Special Contract Request <input type="checkbox"/> <input checked="" type="checkbox"/> Amendment Request <input type="checkbox"/> <input checked="" type="checkbox"/> Proposed Contract/Grant or Amendment <input type="checkbox"/> <input checked="" type="checkbox"/> Original Contract/Grant and Previous Amendments (if any)	
<b>Relevant Attachments for Goods Procurement</b>	
Attached NA	
<input checked="" type="checkbox"/> <input type="checkbox"/> Product Specifications <input type="checkbox"/> <input checked="" type="checkbox"/> Narrative Purchase Justification including Information Technology Impacted	

*ITSD USE ONLY*

**Information Systems Plan (ISP) Project Applicability**

To avoid delay of OIR pre-approval, the applicability of an ISP project to the procurement must be confirmed with agency IT staff prior to submitting this request to OIR. If questions surround whether an ISP is not applicable, Agency IT Contact should contact OIR Planning with questions concerning the need for an ISP project.

- Applicable – Approved ISP Project#
- Not Applicable

**Agency ITSD Contact's Summary of the Information Technology Services Involved**

Clearly identify included technologies such as system development/maintenance, security, networking, *etc.* As applicable, identify the contract or solicitation sections related to the IT services.

# Natus Medical Incorporated

1. Provide information on the circumstances and status of any disciplinary action taken or pending against the vendor during the past 5 years with state agencies/departments, professional organizations, or through any legal action.

**Natus Medical Incorporated is considered an active/compliant entity within the Federal government. The State of Tennessee has not debarred nor otherwise suspended the company.**

- **Natus is the current defendant in a Securities, Commodities, and Exchanges class action lawsuit filed in January of 2017.**
  - **Natus was the recent defendant in a Fair Labor Standards Act lawsuit filed in 2014; the parties agreed to a confidential settlement and the case was dismissed with prejudice, also in 2014.**
  - **Natus was the defendant in a Fair Labor Standards Act lawsuit filed in 2012; the outcome and current status of the suit cannot be determined without a subscription to the Georgia Northern District Court's e-Filing system.**
2. In addition, please provide any information regarding the due diligence that the Department has taken to ensure that the vendor is not or has not been involved in any circumstances related to illegal activity, including but not limited to fraud.

**The Department conducted a 5-step vetting process in order to examine the vendor's background:**

- **Reviewed the State of Tennessee's current list of debarred vendors;**
- **Checked the vendor's Federal status with the System of Award Management;**
- **Checked the vendor's status with its respective state of incorporation; in this case, the state of Delaware;**
- **Conducted an inquiry within the Justia legal investigation database in order to discover any litigation; and**
- **Conducted a Google inquiry in order to discover pertinent news, events, and general publicity about the company.**



## Terms and Conditions

Event Number: 34301-144905

### Standard Terms and Conditions

Instructions to Bidders:

1. Read the entire bid, including all terms and conditions and specifications.
2. If submitting the bid by mail: All bid prices must be typed or written in ink on the Line Details portion of the Invitation to Bid (ITB); any corrections, erasures or other forms of alteration to unit prices must be initialed by the bidder.
3. If submitting the bid by mail, the bid must be manually signed in ink; failure to do so will cause rejection of your bid. If submitting the bid on-line, your electronic signature constitutes having signed the bid.
4. Bid prices shall include delivery of all items F.O.B. destination or as otherwise specified.
5. Address all inquiries and correspondence to the Purchasing Agent indicated in the Invitation to Bid.
6. I (we) agree to strictly abide by all the statutes and terms contained in the rules of the Department of General Services, Central Procurement Office which are by reference made a part hereof, in addition to the Standard and Special Terms & Conditions, and Specifications embodied in this Invitation to Bid.
7. IMPORTANT: By submitting the bid, the Bidder certifies compliance with the above and further certifies that this bid is made without collusion or fraud.
8. State statutes require that all bidders be registered prior to the issuance of a contract or a purchase order. Vendors/Bidders can register online at the State of Tennessee Supplier Portal: <https://supplier.edison.tn.gov>.
9. I (We) propose to furnish and deliver any and all of the supplies, services, and/or other commodities named in the Invitation to Bid, and for which I (we) have set prices in my (our) offering.
10. It is understood and agreed that this bid, when certified by authorized signature, shall constitute an offer, which when accepted in writing by the Department of General Services, Central Procurement Office, and subject to the terms and conditions of such acceptance, will constitute a valid binding contract between the State of Tennessee and the Vendor/Contractor (bidder) submitting such offering.
11. By my (our) written signature on this bid I (we) guarantee and certify that all items included in the bid meet or exceed any and all State specifications covering such items. I (We) further agree, if awarded a contract or purchase order as a result of this bid, to deliver such commodities, service or merchandise which meet or exceed the specifications.
12. It is understood and agreed that no contract may be assigned, sublet, or transferred without the written consent of the Central Procurement Office.

13. The inclusion in any response of a limitation of remedies or liabilities clause may be cause for rejection, unless otherwise specified in this solicitation or in accordance with the provisions of *Tennessee Code Annotated* § 12-3-701 or Central Procurement Office Rules, policies or procedures.
14. All bidders have the right to inspect the bid file, prior to award, upon completion of the evaluation by the Central Procurement Office. Interested bidders should contact the Purchasing Agent following the bid opening date or once the file is open for the seven (7) day inspection period. A "File Open for Inspection" letter will be sent to all bidders detailing the bidder(s) recommended for award and the evaluated award amount(s). Upon request, a reasonable opportunity to inspect the bid file will be provided to the bidder. If there is no request to inspect the bid file by the end of the seven (7) day inspection period, the Purchasing Agent will proceed with the award.
15. Protest by Vendor: Pursuant to Tenn. Code Ann. § 4-56-103, any actual proposer may protest. Please refer to the Central Procurement Office's website to obtain a copy of the protest procedures and protest bond requirements or contact the sourcing analyst or category specialist at 615-741-1035. The website for the Central Procurement Office is as follows: [http://tn.gov/generalserv/cpo/for\\_bidders.html](http://tn.gov/generalserv/cpo/for_bidders.html)
16. Bid Mailing Instructions: Each individual bid proposal must be returned in a separate envelope package or container and must be properly labeled on the outside referencing the applicable event number and the bid opening date. Bids should be mailed in a properly labeled sealed envelope to the following address:
- Department of General Services, Central Procurement Office  
Attn: Bidder Services  
3rd Floor, William R Snodgrass, Tennessee Tower  
312 Rosa L. Parks Avenue  
Nashville, TN 37243-1102
17. Subject to paragraph 13, the Contractor agrees to indemnify and hold harmless the State of Tennessee as well as its officers, agents, and employees from and against any and all claims, liabilities, losses, and causes of action which may arise, accrue, or result to any person, firm, corporation, or other entity which may be injured or damaged as a result of acts, omissions, or negligence on the part of the Contractor, its employees, or any person acting for or on its or their behalf relating to this Contract. The Contractor further agrees it shall be liable for the reasonable cost of attorneys for the State in the event such service is necessitated to enforce the terms of this Contract or otherwise enforce the obligations of the Contractor to the State.
- In the event of any such suit or claim, the Contractor shall give the State immediate notice thereof and shall provide all assistance required by the State in the State's defense. The State shall give the Contractor written notice of any such claim or suit, and the Contractor shall have full right and obligation to conduct the Contractor's own defense thereof. Nothing contained herein shall be deemed to accord to the Contractor, through its attorney(s), the right to represent the State of Tennessee in any legal matter, such rights being governed by Tennessee Code Annotated, Section 8-6-106
18. Contracts are entered into solely for the convenience of the State of Tennessee. The vendor/contractor understands and agrees that the State of Tennessee, as a signatory party to a contract, is solely responsible for its performance, and that the officers and employees of the Department of General Services, Central Procurement Office, act exclusively as agents of the State for the award, consummation, and administration of contracts and are not personally liable for any performance or nonperformance by the State.
19. A bid must be received in the Central Procurement Office on or before the date and hour designated for the bid opening or the bid will be rejected.
20. The Central Procurement Office may reject any or all bids. Action to reject all bids shall be taken only for unreasonably high prices, errors in the Invitation to Bid (ITB), cessation of need, unavailability of funds,

or any other reason approved by the Procurement Commission. The Procurement Commission has authorized rejection of all bids for failure to secure adequate competition. If an ITB is to be re-advertised, all prior bids shall remain closed to inspection until the evaluation of the re-advertisement is complete.

21. All present and former employees or officials of the State are referred to Tennessee Code Annotated 12-4-103.

22. Any individuals with disabilities who wish to participate in public meetings such as a scheduled pre-bid conference or other scheduled function should contact the Central Procurement Office to discuss any auxiliary aids or services needed to facilitate such participation. Such contact may be in person, by writing, telephonically, or otherwise, and should be made no less than ten (10) days prior to the scheduled event, to allow time for the Central Procurement Office to provide such aid or service.

23. No person on the grounds of handicap or disability, age, race, color, religion, sex, national origin, or any other classification protected by Federal and/or Tennessee State Constitutional and/or statutory law shall be excluded from participation in, or denied benefits of, or be otherwise subjected to discrimination in the performance of the Contract or in the employment practices of the vendor/contractor. The vendor/contractor shall, upon request, show proof of such non-discrimination, and shall post in conspicuous places, available to employees and applicants, notices of non-discrimination.

24. TAXES: Purchases of goods by the State of Tennessee are exempt from Tennessee sales and use tax pursuant to Tenn. Code Ann. 67-6-329(a) (4), and the state is generally exempt from Federal excise tax. Contractors are subject to Tennessee sales and use tax on all materials and supplies used in the performance of a contract, whether such materials and supplies are purchased by the contractor, produced by the contractor, or provided to the contractor by the State, pursuant to Tenn. Code Ann. 67-6-209. The contractor agrees to pay all taxes incurred in the performance of an awarded contract.

State agencies which procure products for the purpose of resale shall register with the Department of Revenue. Upon registration the agency will issue resale certificates to the successful contractor(s) for products procured for resale. The agency is responsible for the collection of the appropriate sales or use tax when the product is sold.

25. Exceptions to terms and conditions and/or those proposed by the bidder which may vary from the invitation to bid may render the bid unresponsive and subject the bid to rejection.

26. Unless otherwise stated, all goods called for by a purchase order must be tendered in a single delivery in compliance with the delivery time specified and payment is due only on such tender. Partial shipments and/or back orders will only be accepted with receiving agency's prior authorization.

27. All products, materials, supplies and equipment offered and furnished must be new, of current manufacturer production, and must have been formally announced by the manufacturer as being commercially available as of the date of the bid opening, unless otherwise stated in this event.

28. Manufacturers of chemical products which are the subject of purchase contracts for the State of Tennessee shall list and maintain a material safety data sheet (MSDS) for such chemical products on the national MSDS search repository or on the manufacturer's website so that such information can be accessed by means of the Internet. A site operated by or on behalf of the manufacturer or a relevant trade association is acceptable so long as the information is freely accessible to the public. In lieu of posting a MSDS on MSDSSEARCH, a bidder shall include the manufacturer's universal resource locator (URL) for its MSDS in the event. For purposes of this MSDS requirement, the Department of General Services recognizes the following URL for national MSDS search repository:MSDS-SEARCH, which can be accessed on the internet at: <http://www.msdssearch.com>.

29. Conflict of Interest: The State may not consider a solicitation response from an individual who is, or within the past six (6) months has been, a state employee. For purposes of this solicitation, an individual shall be considered to be a "state employee" and prohibited from submitting a response to this solicitation

for six (6) months after such time as all compensation for salary, termination pay, and annual leave has been paid to such state employee. A contract with or a solicitation response from a company, corporation, or any other contracting entity in which a controlling interest is held by a state employee shall be considered to be a contract with or a solicitation response from a state employee as though the state employee were submitting a response or entering a contract on his or her behalf. Notwithstanding the foregoing, a contract with or a solicitation response from a company, corporation, or any other contracting entity that employs an individual who does not own a controlling interest in such entity and who is, or within the past six months has been, a state employee shall not be considered a contract with or a solicitation response from a state employee and shall not constitute a prohibited conflict of interest.

30. Governing Law. This Contract shall be governed by and construed in accordance with the laws of the State of Tennessee. The contractor agrees that it will be subject to the exclusive jurisdiction of the courts of Tennessee in actions that may arise under this contract. The Contractor acknowledges and agrees that any rights or claims against the State of Tennessee or its employees hereunder, and any remedies arising therefrom, shall be subject to and limited to those rights and remedies, if any, available under Tennessee Code Annotated, Section 9-8-101 through 9-8-407.

31. State and Federal Compliance: The contractor shall comply with all applicable state and federal laws and regulations in the performance of this contract.

32. Professional Licensure and Department of Revenue Registration: All persons, agencies, firms, or other entities that provide legal or financial opinions, which a Proposer provides for consideration and evaluation by the State as a part of a proposal in response to this solicitation, shall be properly licensed to render such opinions. Before the Contract resulting from this solicitation is signed, the apparent successful Proposer (and Proposer employees and subcontractors, as applicable) must hold all necessary, appropriate business and professional licenses to provide service as required. The State may require any Proposer to submit evidence of proper licensure. Before the Contract resulting from this solicitation is signed, the apparent successful Proposer must be registered with the Department of Revenue for the collection of Tennessee sales and use tax. The State shall not award a contract unless the Proposer provides proof of such registration. The foregoing is a mandatory requirement of an award of a contract pursuant to this solicitation. For purposes of this registration requirement, the Department of Revenue may be contacted at: [TN.Revenue@tn.gov](mailto:TN.Revenue@tn.gov).

33. Prohibition of Illegal Immigrants: The requirements of State of Tennessee's Public Acts, 2006, Chapter Number 878 and Executive Order 41 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.

As required by Public Acts, 2006, Chapter Number 878, no person may enter into a contract to supply goods or services to the State without first attesting in writing that the person will not knowingly utilize the services of Illegal Immigrants in the performance of this contract, and will not knowingly utilize the services of any subcontractor who will utilize the services of Illegal Immigrants in the performance of this contract. For purposes of this contract, "Illegal Immigrant" shall be defined as any person who is not either a United States citizen, a lawful permanent resident, or a person whose physical presence in the United States is authorized or allowed by the department of homeland security and who, under federal immigration laws and/or regulations, is authorized to be employed in the U.S. or is otherwise authorized to provide services under the contract. The contractor hereby attests, certifies, warrants, and assures that it shall comply with this term and condition for the entire contract period.

The contractor understands and agrees that failure to comply with this section will be subject to the sanctions of Public Chapter 878 of 2006 for acts or omissions occurring after its effective date. This law requires the Commissioner of Finance and Administration to prohibit a contractor from contracting with, or submitting an offer, proposal, or bid to contract with the State of Tennessee to supply goods or services for a year after a contractor is discovered to have knowingly used the services of illegal immigrants during the

performance of this contract. The contractor may appeal the imposition of the one-year prohibition by utilizing an appeals process established by the Commissioner of Finance and Administration.

As per Executive Order 41, the contractor shall be required to submit semi-annual Attestation Forms and obtain a signed Attestation Form from any subcontractor prior to the use of the subcontractor and semi-annually thereafter during the contract period. The records shall be subject to review and random inspection at any reasonable time upon reasonable notice by the State. Records shall include but are not limited to the following:

Documentation on contractors' employees and subcontractor personnel working on this contract showing that they are legal to work in the United States and payroll records.

Signed and dated Attestation Forms for your company that have been submitted to the Central Procurement Office and Attestation Forms obtained from subcontractor(s).

Note: The contractor shall be required to obtain prior approval to subcontract from the Central Procurement Office.

By authorized signature on this Invitation to Bid the contractor constitutes signing the Attestation Form for the initial six (6) months of the contract period. The contractor shall be required to submit signed Attestation Forms on a semi-annual basis from the start date of the contract period through to its completion date to the Central Procurement Office. Such attestations shall be maintained by the contractor in a permanent file on the vendor premises and made available to State officials upon request. The State of Tennessee provides an "approved Attestation Form" to support the reaffirmation process. The form can be accessed and printed from the internet at [http://tn.gov/generalserv/cpo\\_for\\_bidders.html](http://tn.gov/generalserv/cpo_for_bidders.html)

34. Modifications and Amendments: This Contract may be modified only by a written amendment signed by all parties hereto and approved by both the officials who approved the base contract and, depending upon the specifics of the contract as amended, any additional officials required by Tennessee laws and regulations (said officials may include, but are not limited to, the Chief Procurement Officer, the Commissioner of Human Resources, and the Comptroller of the Treasury).

35. 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.

36. 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.

37. 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").

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 such information without entering into a business associate agreement or signing another such 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.

# Special Terms and Conditions

## 1. F.O.B. Destination (Agency Term Contract)

F.O.B. Point:

Agency Name: Tennessee Department of Health

Address: Andrew Johnson Tower, 710 James Robertson Parkway, Nashville, TN 37243

## 2. Term of Contract - Multi-Year

Total Number of Years if all Options are Exercised: 5

Initial Contract Term With 2  
Renewals

Start Date: July 1, 2017 Initial End Date: June 30, 2020 Final End Date: June 20, 2022

The anticipated effective (start) date and expiration (end) dates of the contract are shown above. If award has not been made by the anticipated effective date, then the contract shall become effective upon the date the bid is accepted and contract awarded by the State, as indicated by the purchasing agent's signature on the contract notice of award (note: the change of effective date may not result in a change of the anticipated expiration date.)

RENEWAL OPTIONS: This contract may be renewed upon satisfactory completion of the initial contract term. The State reserves the right to execute up to the number of renewal options listed above annually under the same terms and conditions for a period not to exceed 12 months each by the State. It is mutually understood and agreed that the State's commitment is limited to a base term contract, not to exceed twelve (12) months, which is subject to renewal annually at the State's sole option.

It is understood and agreed that the State reserves the right to extend the term contract period resulting from this solicitation an additional period of time, not to exceed 180 days beyond the normal expiration date of such contract, upon mutual written agreement by both parties, under the same terms and conditions. Provided, however, in no event shall the maximum term of a contract exceed a total of sixty (60) months.

## 3. Volume, Multi-Year

The total purchases of any individual item on the contract are not known. The Central Procurement Office has attempted to give an accurate estimate of probable purchases of each item from the current contract period and projected estimates for the new contract period. The Central Procurement Office does not guarantee that the state will buy any or all estimated amounts of any specified item or any total amount.

Purchases Current Contract Period \$ 1,500,000

Estimated Funding New Contract Period

1st 12 MONTHS \$ 300,000  
2nd 12 MONTHS \$ 300,000  
3rd 12 MONTHS \$ 300,000  
4th 12 MONTHS \$ 300,000  
5th 12 MONTHS \$ 300,000

The vendor/contractor will only be paid for products or services rendered hereunder pursuant to purchase order releases issued to vendor/contractor from the state. The vendor/contractor is not entitled to be paid the maximum liability for any one year under the contract or any extensions of the contract for product or service not requested by the state. Maximum liability represents available funds for payment to vendor/contractor and does not guarantee payment of any such funds to the vendor/contractor per year under this contract unless the state requests product or service and vendor/contractor provides said product or service. The state is under no obligation to request product or service from vendor/contractor in any specific dollar amounts per year under this contract and the state may not request any product or service at all from vendor/contractor during the contract period.

**4. Bids Requested on Standard State Specifications for Products and/or Services**

Unit price bids are requested on products or services that equal or exceed (unless specifications limit the dimensions or brand(s)/model(s) of products to be bid). The absence of detailed specifications or the omission of detail description shall be recognized as meaning that only the best commercial practices are to prevail and that only first quality materials and workmanship are to be used. All interpretations of specifications shall be made from this statement. It is understood that the specifications or references to available specifications shall be sufficient to make the terms of such specifications binding on the vendor/contractor. Bidders must submit for bid evaluation applicable cuts, sketches, descriptive literature, and technical specifications covering the product offered, when applicable. Reference to literature submitted previously will not satisfy this requirement.

Bids requested on architect/engineer/designer specifications, if applicable. Bids are requested per architect/ engineer/designer's specification attached. Bids are to be lump sum and/or unit prices as shown on the price sheet. Any errors or omissions in plans or specifications shall be resolved prior to submission of a bid. Submission of a bid shall constitute agreement and compliance with such specifications and plans. All shop drawings and product sheets required by specifications shall be submitted to architect/engineer/designer prior to fabrication and/or installation.

**5. Bid Offer Expiration**

Enter the expiration date of your bid offer in the space provided on this Invitation to Bid. A minimum period of thirty (30) days from the bid closing date is requested. The state shall have sixty (60) days to accept the bid if a minimum period is not stated.

**6. Debarment and Suspension**

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

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

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

**7. Delivery Time (On-Time)**

The contractor shall be required to maintain or to have available for their own use personnel, equipment, and products sufficient to perform "on-time" as specified in this Invitation to Bid.

**8. Freight F.O.B. State Agency (In-House)**

All quotations shall be F.O.B. destination. The term F.O.B. destination shall mean delivered and unloaded in-house or on-site service, with all charges for transportation and unloading prepaid by the vendor/contractor.

**9. Firm Bid Price Period (Price Increase Allowed After Time Frame)**

Prices quoted shall be firm for 30 days following the contract start date, except in the event an unexpected charge is imposed on the contractor holder by federal, state, county or city government entity during the term of the contract. The vendor/contractor may invoice the state for the imposed charge amount as long as it provides proof (invoice or statement, etc.) of the imposed charge to the user agency. The state shall also be advised of and receive the benefit of any price decrease in excess of five (5) percent automatically. The vendor/contractor holder must provide written price reduction information within ten (10) days of its effective date. Requests for price changes based on vendor/contractor's cost: Written requests for price changes based on vendor/contractor's actual cost for other than an imposed charge by federal, state, county, or city government entity after the firm price period shall be submitted in writing to the Central Procurement Office. Any increase shall be based on the vendor's/contractor's actual cost increase, may not constitute additional profit as shown in written cost documentation and must contain data establishing or supporting the general or industry wide nature of the change. At the option of the state, (1) request may be granted, (2) the contract may be canceled and awarded to the next low bidder, (3) the contract may be canceled and the commodity/service be re-advertised for award, or (4) continue the contract without change. The Central Procurement Office will accept or reject all such written requests within forty-five (45) working days of the date of receipt of complete and verified documentation. Approval of Price Increases: If approved, the Central Procurement Office will modify the contract to reflect the approved price increase and issue the revised contract. The vendor/contractor shall honor all purchase orders dated prior to the approved price increase acceptance date at the original contract price. Approval of any price increase renews the firm price period. Price Increase Rejection: When the state rejects a request for a price increase, the vendor/contractor will be notified in writing of the state's intention. If the contract is to be canceled, the vendor/contractor shall be notified of the cancellation date via certified mail. The vendor/contractor will be required to honor all purchase orders that were prepared and dated prior to the date of the cancellation, if received by the vendor/contractor within a thirty (30) days following the date of the cancellation.

**10. Bidder's Qualification**

Bidders must, upon request of the state, furnish satisfactory evidence of their ability to furnish products or services in accordance with the terms and conditions and specifications. The Assistant Commissioner, Department of General Services, Central Procurement Office, reserves the right to make the final determination as to a bidder's ability to perform.

**11. Insurance Required**

The successful bidder(s) shall procure and maintain for the duration of the contract, at their own cost and expense insurance against claims for injuries to persons or damages to property including contractual liability which, may arise in connection with the performance of the work performed by the contractor, his agents, representatives, employees or subcontractors under the contract.

The insurance carrier(s) must be licensed to conduct business in the State of Tennessee. The insurance will be evidenced by an original or .pdf format document certificate of insurance. The certificate shall list the State of Tennessee as the certificate holder and must list the company name and address on file with the State. Should any of the policy coverage(s) provided have a major change, expire, or be canceled before the expiration date the Contractor shall fax or email vendor.insurance@tn.gov, a copy

of their insurer's cancellation notice within two (2) business days of receipt. The State of Tennessee shall be held harmless for any injuries, claims or judgments against the contractor.

Certificates for liability coverages shall name the State of Tennessee Central Procurement Office as an additional insured. The following Insurance Coverages are required:

Workers' Compensation Insurance: a certificate shall be provided which indicates the contractor provides workers' compensation coverage in compliance with the state laws of Tennessee., and Employer's Liability with the following limits:

E.L. Each Accident\$500,000  
E.L. Disease- Each Employee\$500,000  
E.L. Disease - Policy Limit\$500,000

General Liability and Property Damage Insurance: Comprehensive General Liability Insurance, including but not limited to, bodily injury, property damage, contractual liability, products liability, with combined single limits of \$500,000 per occurrence with a minimum aggregate of \$1,000,000.

The successful bidder(s) shall provide the Central Procurement Office with an original certificate of insurance or .pdf format document as proof of insurance coverage, as stated above, naming the State of Tennessee, Central Procurement Office as additional insured, within ten (10) business days after request. If the certificate of insurance is in .pdf format, it must be received directly from the insurance company.

Upon award, failure to maintain insurance coverage for the duration of the contract period may result in cancellation of the contract. In the event that the insurance policy on file in the Central Procurement Office expires or is canceled, the contractor will be required to cease work until proof of insurance is presented.

## **12. Inspection/Facilities**

The Central Procurement Office may inspect the facilities of any bidder or may require additional information regarding a bidder's ability to perform the proposed contract. Bids may be rejected for lack of apparent ability to perform the proposed contract.

## **13. Inspection of Materials, Equipment and Products**

All materials, equipment, and products are subject to inspection and testing. Items that do not meet specifications will be rejected. Failure to reject upon receipt does not relieve the vendor/contractor of liability. When subsequent tests after receipt are conducted and when such tests reveal damage or failure to meet specifications, the state may seek damages regardless of whether a part or all of the merchandise has been consumed.

## **14. Bid Rejection**

The Central Procurement Office reserves the right to reject any bid that contains prices for individual items or services that are inconsistent or unrealistic when compared to other prices in the same or other bids, if such action would be in the best interest of the state.

Errors: Each correction made by the bidder on the bid response must be initialed in ink by each correction. No corrections will be made in pencil. No bid or line item shall be altered or amended after the bid opening. In the case of errors in the extension price, the unit price will govern. Failure to comply with the above may be cause for rejection of part or the entire bid.

## **15. Single Award**

A single contract for all line items will be awarded to the lowest responsive and responsible bidder whose bid meets the requirements and criteria set forth in the Invitation to Bid. Prices shall be calculated as follows: The bidders unit bid price shall be multiplied by the line item quantity to obtain

the line item total. If more than one line item is included in the bid document, each line item total shall be added together for a total price for all line items bid. The bidder must bid all line items to be considered for an award.

#### **16. Award Criteria**

An award shall be made to the lowest responsive and responsible bidder considering the following:

Ability to Perform  
Conformity to Specifications  
Lowest Composite Score

#### **17. State Contract Administrator**

Questions or problems arising from bid procedures or subsequent order and delivery procedures should be directed to:

State of Tennessee  
Department of General Services, Central Procurement Office  
3rd Floor, William R. Snodgrass, Tennessee Tower  
312 Rosa L. Parks Avenue  
Nashville, TN 37243-1102  
Attn:

#### **18. Purchase Order Releases (Agency Term Contract)**

Orders for products or services that are included on agency term contracts shall be prepared by agencies on Departmental Purchase Release Orders and forwarded to the vendor/contractor. These purchase orders, when received by the vendor/contractor, serve as authorization for shipment of product(s) or start of service.

Billing Instructions:

The vendor/contractor shall invoice the state only after product has been received by the user agency or upon completion of the service described in the purchase order/contract, unless otherwise authorized in writing by the user agency and as required below prior to any payment.

The contractor shall submit an invoice, with all necessary supporting documentation, to the state agency billing address. Such invoice shall clearly and accurately detail the following required information:

1. Invoice/reference number; (assigned by the contractor);
2. Invoice date;
3. Contract and/or purchase order number; (assigned by the state);
4. Account name;
5. Procuring state agency and division name;
6. Account/customer number (uniquely assigned by the vendor/contractor);
7. To the above-referenced account name;
8. Contractor name;
9. Contractor Identification Number; (as referenced in the contract);
10. Contractor contact (name, phone, and/or fax for the person to contact with billing questions);
11. Contractor remittance address;
12. Description of delivered product(s) or service; and
13. Total amount due for delivered product(s) or service.

The contractor understands and agrees that the invoice shall;

- Include only charges for service described in contract or Purchase Order and in accordance with payment terms and conditions set forth in the contract or purchase order;
- Not include any future work but will only be submitted for completed service, unless otherwise authorized in writing by the user agency; and
- not include sales tax or shipping charges (unless otherwise stipulated in the contract or purchase order).

Payment: The contractor agrees that timeframe for payment (and any discounts) begins when the state is in receipt of a correct invoice meeting the minimum requirements above. It shall be the responsibility of the "bill to" agency to make payment in accordance with the Prompt Payment Act of 1985. Any questions concerning payment should be addressed to the "bill to" agency and not to the Central Procurement Office.

## **19. Negotiations**

The State may elect to negotiate by requesting revised Cost Proposals from apparently responsive and responsible respondents. However, the State reserves the right to award a contract on the basis of initial responses received. Therefore, each response should contain the respondent's best terms from a price and technical standpoint. The State reserves the right to conduct multiple negotiation rounds. If the State exercises its right to enter into negotiations, it may identify areas of a response that may require further clarification or areas in which it is apparent that there may have been miscommunications or misunderstandings as to the State's specifications and/or requirements. The State may seek to clarify those identified issues during negotiations. All responsive respondents will be given equivalent information with respect to cost negotiations. All cost negotiations will be documented for the procurement file. Additionally, the State may conduct target pricing and other price or service level negotiations. Target pricing may be based on considerations such as current pricing, market considerations, benchmarks, budget availability, or other method that does not reveal individual respondent pricing. During target price negotiations respondents are not obligated to meet or beat target prices, but will not be allowed to increase prices. All communications, clarifications and negotiations shall be conducted in a manner that supports fairness in response improvement. Note that each clarification sought by the State may be unique to an individual respondent.

## **20. Contract Cancellation**

Termination for Convenience: The State may terminate this contract without cause. Said termination shall not be deemed a breach of contract by the State. The State shall give the vendor/contractor at least ninety (90) days written notice before the effective cancellation date.

The vendor/contractor shall be entitled to receive compensation for product(s) shipped or services satisfactorily completed as of the cancellation date, but in no event shall the state be liable to the vendor/contractor for compensation for any product(s) or services which have not been rendered.

Upon such termination, the vendor/contractor shall have no right to any actual general, special, incidental, consequential, or any other claims whatsoever of any description or amount.

Termination for Cause: If the vendor/contractor fails to fulfill its obligations under this contract in a timely or proper manner, or if the vendor/contractor violates any terms of this contract, the State shall have the right to immediately terminate the contract upon written notice of intent to cancel. The State shall have the right to withhold payment in excess of fair compensation for completed services. Notwithstanding the above, the contractor shall not be relieved of liability to the State for damages sustained by virtue of any breach of this contract by the contractor.

At the end of any fiscal year any contract may be canceled by the state without notice, in the event that funds to support the contract become unavailable.

The vendor/contractor will be required to honor all purchase orders that were prepared and dated prior to the date of the termination, if received by the vendor/contractor within a period of thirty (30) days following the date of cancellation.

### **21. 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 obtaining the prior written approval of the Central Procurement Office. Notwithstanding any use of approved subcontractors, the Contractor shall be the prime contractor and shall be responsible for all work provided.

### **22. Service Contracts: Conflict of Interest**

The contractor warrants that no part of the total contract amount shall be paid directly or indirectly to an employee or official of the State of Tennessee as wages, compensation, or gifts in exchange for acting as an officer, agent, employee, subcontractor, or consultant to the contractor in connection with any work contemplated or performed relative to this contract.

### **23. Clean-up**

Clean up shall be the responsibility of vendor/contractor. The vendor/contractor shall ensure that the work area is clean of nails, debris, etc. at the end of each day to ensure safety. The vendor/contractor will clean up and haul away all debris when the work is completed.

### **24. Damages**

If state property is damaged, stolen or lost as a result of vendor/contractor employees' negligence and that property has to be repaired or replaced by the state, the expense for such work or replacement will be deducted from the monies due the contractor. In addition to the foregoing, the State reserves the right to pursue claims for damages through any and all legal remedies available to the State.

### **25. On-Site Inspection**

All bidders should visit the site to take exact measurements and examine the premises to become familiar with any problems or unusual circumstances which might exist. No allowances will be made by the State for errors in quotations due to any bidder not visiting the site prior to submitting their bid. Bidders shall be responsible for their own measurements.

### **26. Proof of Cost for Parts, Materials, Supplies and Equipment**

All parts, materials, supplies and equipment will be billed at vendor/contractor's cost, minus any applicable sales or use tax pursuant to Tennessee Code Annotated, Section 67-6-209, plus fifteen percent (+15%). Reference Standard Term & Condition titled "Taxes".

The vendor shall submit as backup documentation a copy of the original purchase invoice(s) as proof of cost for parts, materials, supplies and equipment. This backup documentation must accompany the invoice in order for the agency to process payment. If the vendor/contractor cannot produce a copy of the original purchase invoice as proof of cost, the state may verify current market value and if necessary, adjust the invoice to reflect fair market price.

Discounts, including prompt payment discount offered by suppliers, must be credited to the state in determining the actual cost of the parts, materials, supplies and equipment used for this contract.

Estimated dollar volume for parts, materials, supplies and equipment based upon last fiscal year usage

\$ \$1,500,000

**STATE OF TENNESSEE**  
**DEPARTMENT OF GENERAL SERVICES**  
**CENTRAL PROCUREMENT OFFICE**

**INVITATION TO BID**  
**EFFORTS TO ACHIEVE DIVERSITY BUSINESS ENTERPRISE PARTICIPATION**

The Governor's Office of Diversity Business Enterprise (Go-DBE) is the state's central point of contact to attract and assist minority-owned, woman-owned, Tennessee service-disabled veteran owned, and small business enterprises interested in competing in the State of Tennessee's procurement and contracting activities. These diversity business enterprises are defined as follows:

**Minority Business Enterprise (MBE) and Woman Business Enterprise (WBE)**

Businesses that are a continuing, independent, for profit business which performs a commercially useful function, and is at least fifty-one percent (51%) owned and controlled by one (1) or more individuals in the minority or woman category who were impeded from normal entry into the economic mainstream because of past practices of discrimination based on race, ethnic background, or gender.

**Service-Disabled Veteran Business Enterprise (SDVBE)**

"Tennessee service disabled veteran owned business" means a service-disabled veteran owned business that is a continuing, independent, for profit business located in the state of Tennessee that performs a commercially useful function with at least a twenty percent (20%) disability that is service-connected meaning that such disability was incurred or aggravated in the line of duty in the active military, naval or air service.

**Small Business Enterprise (SBE)**

"Tennessee small business" means a business that is a continuing, independent, for profit business which performs a commercially useful function with residence in Tennessee and has total gross receipts of no more than ten million dollars (\$10,000,000) averaged over a three-year period or employs no more than ninety-nine (99) persons on a full-time basis".

For additional program eligibility information visit,  
[http://www.tn.gov/businessopp/program\\_elig.html](http://www.tn.gov/businessopp/program_elig.html).

**INVITATION TO BID INSTRUCTIONS**

As part of this Invitation to Bid, the Respondent should complete the Diversity Utilization Plan, which begins on the following page. To assist in your effort to seek and solicit the participation of diversity businesses on this solicitation, a directory of certified Diversity Business Enterprise firms may be found on the State's website at: <http://www.tn.gov/businessopp/regdivcomp.html> or by calling Go-DBE toll free at 866-894-5026.

**RESPONDENT'S  
DIVERSITY UTILAZATION PLAN**

Respondent's Company Name:		
Solicitation Event Name:		Event Number:
Respondent's Contact Name:	Phone: (    )	Email:
Does the Respondent qualify as the diversity business enterprise? <input type="checkbox"/> Yes <input type="checkbox"/> No		
If yes, which designation does the Respondent qualify? <input type="checkbox"/> MBE <input type="checkbox"/> WBE <input type="checkbox"/> SDVBE <input type="checkbox"/> SBE		
Certifying Agency:		

**Estimated level of participation by diversity businesses if awarded a contract pursuant to this ITB:**

<b>Diversity Business Information</b> (List all subcontractors, joint-ventures, and suppliers)	<b>Percent of Contract</b>	<b>Estimated Amount</b>	<b>MBE/ WBE/ SDVBE/ SBE Designation</b>	<b>Currently Certified (Yes or No)</b>
Business Name:				
Contact Name:				
Contact Phone:				
Business Name:				
Contact Name:				
Contact Phone:				

If awarded a contract pursuant to this ITB, we confirm our commitment to make reasonable business efforts to meet or exceed the commitment to diversity as represented in our Diversity Utilization Plan. We shall assist the State in monitoring our performance of this commitment by providing, as requested, a quarterly report of participation in the performance of this Contract by small business enterprises and businesses owned by minorities, women, and Tennessee service-disabled veterans. Such reports shall be provided to the State of Tennessee Governor's Office of Diversity Business Enterprise in form and substance as required by said office. We further agree to request in writing and receive prior approval from the Central Procurement Office for any changes to the use of the above listed diversity businesses.

Authorized Signature: \_\_\_\_\_ Date: \_\_\_\_\_  
 Printed Name and Title of Respondent Signatory (above) \_\_\_\_\_

**SOFTWARE PRODUCTS MAINTENANCE SERVICES AGREEMENT**

FROM

***NEOMETRICS***, a Division of Natus  
("NATUS")

FOR

Tennessee Department of Health  
("CUSTOMER")

July 1, 2017  
("Effective Date")

By the signature of the duly authorized representative below, NATUS agrees to provide all of the services included in this Maintenance Agreement for the period of one year beginning on the date noted above.

Signed:



**Name:** Kenneth M. Traverso

**Title:** Vice President – Sales and Marketing

## SOFTWARE PRODUCTS MAINTENANCE SERVICES AGREEMENT

### 1. GENERAL

**1.1. Background.** "Neometrics Software Products" is a suite of Proprietary Software Applications owned and offered exclusively by Neometrics, a Division of Natus. ("NATUS") for the use by CUSTOMER under the terms and provisions of the Software License Agreement.

**1.2. General.** This document establishes the conditions under which NATUS provides to CUSTOMER the maintenance services for NATUS' proprietary software applications ("SOFTWARE") identified on Schedule C.

**1.3. Term.** This agreement is effective the first day of this agreement "Effective Date" and shall be for a one-year period unless otherwise specified. This agreement may be renewed for subsequent periods, in accordance with Section 4 of this agreement, upon the written approval of both parties.

### 2. DEFINITONS

**DEFINITIONS:** For the purposes of this agreement, the following terms are defined as follows:

**Designated Locations:** The agreed upon physical location(s) where NATUS has installed computer servers and/or Neometrics™ Software Products for CUSTOMER.

**Documentation:** User manual(s) provided by NATUS for Neometrics™ Software products whether printed or electronic.

**Functional Specification:** A detailed document that describes the characteristics of the Software with regard to its intended capability.

**Latest Release:** The most current revision of a Neometrics™ software application or module as issued and released by NATUS.

**Optional Feature(s):** Software module(s) or enhancement(s) to the basic Neometrics™ application or module that is/are not included with our standard Software installation and can be purchased at additional cost.

**Professional Services:** Those services as offered by NATUS that include, but are not limited to, Software and Hardware installation, Software and Hardware Maintenance or Software customization of Neometrics™ Software module(s) or application(s).

**Remote Servicing:** The authorized process of logging in to CUSTOMER's computer network remotely via Internet or Dial-up connection and utilizing the installed third party software application of NATUS' choosing for the purposes of maintaining or troubleshooting CUSTOMER's installation of Neometrics™ Software module(s) or Application(s).

**Software Updates:** Those minor Software fixes and enhancements as defined by and made available from time to time by NATUS to CUSTOMER which are included in the fees under the Neometrics™ Software Maintenance Agreement and improve or enhance the basic operation of an existing Neometrics™ Software module or application.

**Support Services:** A variety of services as defined by and offered by NATUS to repair, enhance or otherwise service an installation of Neometrics™ Software including, but not limited to: trouble shooting, in-service user training, report creation or CUSTOMER requested changes and/or programming enhancements as agreed upon between CUSTOMER and NATUS in writing prior to the start of any agreed upon work.

**Software Upgrades:** Those major software revisions as defined by NATUS and offered to CUSTOMER that contains substantial new and/or additional functionality or features that are not included in the fees covered under the Neometrics Software Maintenance Agreement.

### 3. NATUS SUPPORT SERVICES

**3.1. Ongoing Support Services.** NATUS shall provide the following ongoing support services to CUSTOMER:

**3.1.1.** NATUS shall provide to CUSTOMER, during NATUS Business hours, ("Normal Business Hours" and "Extended Business Hours"), telephone assistance regarding CUSTOMER's proper and authorized use of the latest release of the

Software. NATUS shall not cover any Software that has been altered or modified by CUSTOMER unless such alterations or modifications have first been approved in writing by NATUS.

NATUS shall have a Technical Specialist available to handle support requests from CUSTOMER. Support coverage is scheduled during Normal Business Hours, 8am to 6pm Eastern, Monday through Friday (excluding holidays) and Extended Business Hours, 6pm to 8pm Eastern, Monday through Friday (excluding holidays).

**3.1.2.** NATUS shall provide to CUSTOMER, during NATUS Business Hours, commercially reasonable efforts in investigating and solving failures of the Software to conform to Documentation that arise in connection with CUSTOMER's proper and authorized use of CUSTOMER's Latest Release. CUSTOMER shall provide to NATUS reasonably detailed documentation and explanation, together with underlying data, to substantiate any such failures and to assist NATUS in its efforts to investigate, diagnose and correct the failure. These support services shall be provided by NATUS at CUSTOMER location(s) if and when NATUS determines that on-site services are necessary to diagnose or resolve the failure. In addition, NATUS reserves the right to charge a premium for any ongoing support services requested by Customer to be performed outside of Normal Business Hours.

**3.1.3.** At NATUS'S option, NATUS shall provide at no additional charge periodic Software Updates. CUSTOMER shall be eligible for all Software Updates provided to NATUS' general customer base as part of NATUS' general ongoing support services. All Software Updates shall be furnished by means of new releases of the Software and shall be accompanied by updates to the Documentation whenever NATUS determines, in its sole discretion, that such updates are necessary. CUSTOMER agrees to promptly install such Software Updates.

**3.1.4.** NATUS shall perform periodic database tunings included with this maintenance agreement twice yearly. Database tunings consist of a review of the current database configurations, verification of backups, verification of rollback segments, analyzing of database objects, database repair as required, clearing of log files and confirmation of the general health of the database.

**3.1.5.** NATUS shall provide, as part of this agreement, "Included Hours" of additional programming and Support Services not covered by Section 3.1.1, 3.1.2, 3.1.3 and 3.1.4. These "Included Hours", as described on Schedule C may include, but are not limited to, the creation of custom reports and requested additions and changes to database structure. Projects performed under your "Included Hours" are based solely on development hours for each change or enhancement you request and approve. Hours spent by Client Services, QA, DBA and IT teams are not included in the calculations that decrement the "Included Hours" that are part of your Maintenance Agreement. These services shall be rendered upon written request of CUSTOMER and approved by CUSTOMER on the Functional Specification and Project Plan. These documents shall outline work hours and estimated delivery of such programming or support. Any unused "Included Hours" at the end of each yearly term of this agreement shall expire.

**3.2. Optional Features.** NATUS shall offer to CUSTOMER the opportunity to purchase Optional Features and major software revisions (Upgrades) which are not included as part of this Maintenance Agreement.

**3.3. Additional Support Services.** NATUS shall offer to CUSTOMER the opportunity to purchase additional hours of programming and support services not covered by this agreement. These additional hours of support services shall be purchased in advance and unused hours expire at the end of each term. Additional support may be renegotiated at the beginning of each term of support. Such additional hours are specified in Schedule C.

**3.4. Professional Services.** NATUS shall offer to CUSTOMER the opportunity to purchase additional Professional Services, subject to the availability of NATUS personnel and including, but not limited to: additional installation services, additional training, consulting services, custom programming, assistance with data transfers or CUSTOMER system or database upgrades, system restarts and reinstallations and other specialized support services that are outside the scope of ongoing support services at NATUS' standard professional service fees for the type of service requested. In addition, NATUS reserves the right to charge a premium for any ongoing support services requested by Customer to be performed outside of Normal Business Hours.

#### **4. CUSTOMER OBLIGATIONS**

**4.1. Procurement of Computer Hardware.** CUSTOMER shall be responsible, at its own expense, for procuring and maintaining all desktop computer hardware, desktop systems software and other items which comprise the Specified Configuration described on Schedule B, and for updating the Specified Configuration in accordance with NATUS' published updates to Schedule B unless otherwise agreed in writing by both parties. NATUS shall provide Hardware Maintenance under a separate Hardware Maintenance Agreement for dedicated servers sold by Natus and running Neometrics software.

**4.2. Access to Facilities and Employees.** CUSTOMER shall provide to NATUS access to its Designated Location(s) and CUSTOMER's equipment and employees, and shall otherwise cooperate with NATUS, as reasonably necessary for NATUS to perform its installation, training, support and other obligations under this Agreement and CUSTOMER shall provide all other resources reasonably necessary to install the Neometrics Software and begin using the Software in production on a timely basis as contemplated by this Agreement.

4.3. CUSTOMER shall install, configure and provide connectivity in the form of a broadband VPN (Virtual Private Network) or equivalent connectivity for the purposes of providing NATUS customer support with access to hardware and software remotely for evaluation, configuration and support.

## 5. PAYMENTS

5.1. **Support Fees & Payments.** Beginning on the Effective Date of this agreement and continuing for the term of this agreement, CUSTOMER shall pay to NATUS support fees in the amount stated on Schedule C. On an annual basis, by giving at least ninety (90) days prior written notice to CUSTOMER, NATUS may increase the support fees payable under this Agreement.

5.2. **Payment Terms. Maintenance and Support Services fees** shall be invoiced by NATUS monthly, in advance in US Dollars. Terms shall be net thirty (30) days from date of invoice.

**SCHEDULE B  
SOFTWARE MAINTENANCE AGREEMENT**

**DATED July 1, 2017**

**NEOMETRICS SOFTWARE - HARDWARE AND SOFTWARE REQUIREMENTS**

NEOMETRICS HARDWARE AND OPERATING SYSTEM REQUIREMENTS METABOLIC SCREENING DATABASE SYSTEM (MSDS) AND CASE MANAGEMENT SYSTEM (CMS)			
		Minimum	Recommended
<b>CLIENT – Standard User</b>	<b>Hardware</b>	Intel Pentium Processor 500MHz / 256 MB RAM 40 GB Hard Drive Ethernet Connection **Natus does not recommend the use of AMD, Celeron or other processors	Intel Pentium Processor 2GHz or higher / 512 MB RAM
	<b>Operating System</b>	[REDACTED]	[REDACTED] is not a supported operating system
<b>CLIENT – Citrix user</b>	<b>Hardware</b>	Intel Pentium Processor 500MHz / 256 MB RAM **Natus does not recommend the use of AMD, Celeron or other processors	Intel Pentium Processor 2GHz or higher / 512 MB RAM
	<b>Operating System</b>	[REDACTED]	[REDACTED]
<b>DATABASE SERVER</b>	<b>Hardware</b>	Intel Pentium Processor / 1 GB RAM 40 GB Hard Drive **Natus does not recommend the use of AMD, Celeron or other processors	2.4 GHz or faster 2 GB RAM or more 120 GB Hard Drive Raid 0 +1
	<b>Database</b>	[REDACTED]	[REDACTED]
	<b>Operating System</b>	[REDACTED] issued Service Packs	[REDACTED]
	<b>Utilities</b>	Natus requires PCAnywhere Version [REDACTED] or newer, or equivalent remote access software for Remote Servicing of your system. All systems should be backed up with your regular system schedules. Natus will not be responsible for lost or damaged data due to system failure or failure to perform regular data backups.	

Note: MSDS, CMS and VRS modules can be combined into one single [REDACTED] Neometrics Web based software module requires a separate Oracle Server and Web Server.

[REDACTED] servers do not require Raid or [REDACTED] Database.

**Note that these requirements are indicative and have been prepared for the purposes of providing a general indication of hardware requirements. They do not constitute recommended configurations for a particular client implementation**

**NEOMETRICS HARDWARE AND OPERATING SYSTEM REQUIREMENTS  
VOICE RESPONSE SYSTEM (VRS)**

		Minimum	Recommended
<b>VRS WORKSTATION</b>	<b>Hardware</b>	Intel Pentium Processor 500MHz / 256 MB RAM 40 GB Hard Drive Ethernet Connection **Natus does not recommend the use of AMD, Celeron or other processors	Intel Pentium Processor 2GHz or higher / 512 MB RAM 80 GB Hard drive
	<b>Database</b>		
	<b>Operating System</b>		
	<b>Phone System</b>	Dialogic Board installed	
	<b>Utilities</b>	Natus requires PCAnywhere Version [redacted] or newer, or equivalent remote access software for Remote Servicing of your system. All systems should be backed up with your regular system schedules. Natus will not be responsible for lost or damaged data due to system failure or failure to perform regular data backups.	

**NEOMETRICS HARDWARE AND OPERATING SYSTEM REQUIREMENTS  
WEB BASED PRODUCTS**

		Minimal	Recommended
<b>DATABASE SERVER</b>	<b>Hardware</b>	Intel Pentium Processor 500MHz / 512 MB RAM 40 GB Hard Drive Ethernet Connection **Natus does not recommend the use of AMD, Celeron or other processors	Intel Pentium Processor 2GHz or higher / 1 GB RAM or more 80 GB Hard Drive
	<b>Database</b>	<p>Note: The [redacted] server must be able to access the relational database system through an ODBC connection established on the [redacted] server. [redacted] server must be accessible to the facility's web server, which in turn must be positioned to accept requests from the internet.</p>	
	<b>Operating System</b>		
<b>Web Server</b>	<b>Operating System</b>	[redacted] is the recommended Web Server.)	
	<b>Utilities</b>	Natus requires PCAnywhere Version [redacted] or newer, or equivalent remote access software for Remote Servicing of your system. All systems should be backed up with your regular system schedules. Natus will not be responsible for lost or damaged data due to system failure or failure to perform regular data backups.	

**SCHEDULE C  
SOFTWARE MAINTENANCE AGREEMENT**

**MAINTENANCE ORDER**

This schedule C, dated as of July 1, 2017, is made by and between Neometrics, a Division of Natus ("NATUS") and Tennessee Department of Health "CUSTOMER" which is attached to the Maintenance Agreement dated July 1, 2017 ("EFFECTIVE DATE")

SCHEDULE C EFFECTIVE DATE : July 1, 2017

DESIGNATED LOCATION(s) : Tennessee Department of Health

SOFTWARE PRODUCTS COVERED : MSDS IV, CMS III, iCMS, BDR, BDR-HL7

ANNUAL SUPPORT FEE : \$ 266,750.00

INCLUDED HOURS : MSDS IV 40 HRS \*  
CMS III 40 HRS  
iCMS 40 HRS  
BDR 20 HRS

\* Included hours of support may be used for in-service, report creation or changes, programming enhancements and other standard enhancement services as provided by NATUS. See a complete explanation under NATUS Support Services in section 3.1.5 in this document.

STANDARD PROFESSIONAL SERVICES  
IN EFFECT ON DATE OF AGREEMENT : \$250.00 PER HOUR

ADDITIONAL SUPPORT HOURS  
CONTRACTED FOR : \_\_\_\_\_ HRS @ \_\_\_\_\_ PER HOUR

NORMAL BUSINESS HOURS : 8AM TO 6PM EST  
Monday through Friday excluding NATUS holidays

Signed: 

Name: Kenneth M. Traverso

Title: Vice President – Sales and Marketing

## SCHEDULE D - SOFTWARE MAINTENANCE AGREEMENT

### NATUS SUPPORT PROCEDURES

**Ongoing Support Procedures.** Subject to NATUS' Software Maintenance Agreement Schedule C, NATUS shall provide the following ongoing support services to CUSTOMER:

All questions, problems, inquiries received will automatically be entered into the NATUS Service System and assigned a call tracking number. This call tracking number will be communicated to the CUSTOMER and will be used as a reference in all future communications between NATUS and the CUSTOMER.

NATUS may receive support tasks from a number of sources: telephone, fax, and e-mail. Each is handled as indicated:

#### Telephone

CUSTOMERS requiring support can contact NATUS via telephone to initiate a technical support call. If a Technical Specialist is not available, the client will be given the opportunity to leave a voicemail message. All support requests are entered into the NATUS Service System in the order received.

#### E-mail and Facsimile

Technical Specialists receiving a support request by e-mail or fax will enter the request in the NATUS Service System using the information supplied in the e-mail or fax. CUSTOMER will be notified of the call reference number by e-mail (if e-mail address is supplied) or by telephone. Support personnel will begin working on the request from the information supplied and will contact the CUSTOMER for any additional information that may be required.

#### Call Processing Procedure

Calls will be logged into the NATUS Service System in the order that they are received. The call is then assigned an initial priority determined by the reasonable report of the CUSTOMER describing the problem – see Priority definitions below. CUSTOMER agrees to provide reasonable documentation and information related to the reported problem at the time of the report to permit NATUS to diagnose the problem.

##### Priority Assignments:

- Priority 0 Not assigned
- Priority 1 Query on usage or potential enhancement
- Priority 2 Low - not substantially affecting usage of the system
- Priority 3 Medium - where usage is slightly affected.
- Priority 4 High - where usage is severely affected
- Priority 5 Mission Critical – production usage is halted

#### Response Times and Escalation

NATUS shall use commercially reasonable efforts to respond to Customer's initial report through telephone consultation, assistance and advice. All response times are calculated from the time that a CUSTOMER problem reported is logged into the Service System.

Calls of Priority 1 and 2 will be responded to within two hours during Normal Business Hours and the Technical Specialist will begin work within 1 business day.

Calls of a Priority 3 and 4 will be responded to within two hours during Normal Business Hours and immediately during Extended Business Hours. The Technical Specialist will immediately begin work on the issue. Those calls that cannot be solved by a Technical Specialist will be entered into the NATUS Development Tracking System as an open issue and prioritized accordingly. Prioritization and status of all issues will be sent to CUSTOMER on a regular basis.

Calls at Priority 5 will be immediately assigned to a support team consisting of senior support staff, Development and QA personnel. The team will immediately start work on resolving the issue. NATUS personnel shall be dedicated to resolving the issues until an acceptable work-around or correction is supplied or until it is determined between NATUS and CUSTOMER that a work-around or correction cannot be produced. A NATUS representative shall keep CUSTOMER regularly informed of the call status.

#### CUSTOMER'S OBLIGATIONS REGARDING SUPPORT

CUSTOMER shall ensure that its employees who operate the software and request support have been properly trained in the use of said software. CUSTOMER shall have installed a means of access for NATUS to allow the Technical Specialist to remotely perform troubleshooting within the CUSTOMER database through a standard utility program and a VPN (Virtual Private Network) or equivalent connectivity. CUSTOMER shall also allow NATUS to safely store a copy of their custom application patient data in an emergency situation where required to replicate a reported problem.



February 24, 2017

Karen Olive  
Newborn Screening Laboratory Services  
Tennessee Department of Health  
630 Hart Lane  
Nashville, TN 37247

**Re: Maintenance Agreement sent via e-mail at [Karen.Olive@tn.gov](mailto:Karen.Olive@tn.gov)**

Attachments: Attachment 1: Quotation Summary  
Attachment 2: Software Maintenance Agreement  
Attachment 3: Hardware Maintenance Agreement

Dear Ms. Olive:

Natus is pleased to provide you with the attached maintenance agreement for the Neometrics application software: MSDS IV, CMS III, VRS and the iCMS software which includes hearing, BDR, SRV, EDT, RDx, dCMS and VRR. This maintenance agreement will be effective for five years starting on July 1, 2017. This agreement is for a three-year initial contract with two options to renew for one year each for a total of five years.

The price for the HL7-BDR Implementation will be a one-time charge of \$120,000.00 noted for the first year of the agreement. The maintenance charge will be \$15,000 annually starting on acceptance of the HL7-BDR. The Annual Total (Year 1) on the attached quotation reflects the HL7-BDR Implementation pricing. The Annual Total (Years 2-5) on the attached quotation reflects the maintenance associated with the HL7-BDR.

Please review the attached quotation and supporting documents.

Below are the mailing, contact and remittance addresses for Neometrics, a division of Natus:

Mail	Remittance
Neometrics, a division of Natus 1501 Industrial Road San Carlos, CA 94070 Attn: Ken Traverso Phone: (800) 255-3901 Fax: (650) 802-0401	Natus Medical Inc PO Box 3604 Carol Stream, IL 60132-3604  Our FEIN is 77-0154833

If you have any questions concerning this quotation please do not hesitate to contact me at (512) 996-8515 or [walter.reichert@natus.com](mailto:walter.reichert@natus.com).

Sincerely,

Walter W. Reichert

cc: J. Amato



Quote: 43575TN1  
Date: February 24, 2017

To: Karen Olive  
Newborn Screening Laboratory Services  
Tennessee Department of Health  
630 Hart Lane  
Nashville, TN 37247

**Quotation: Neometrics Maintenance and Software Enhancements**

Description	Qty	Price	Extended
<i>Maintenance</i>			
MSDS IV	1	\$100,000.00	\$70,000.00
CMS III	1	\$80,000.00	\$57,500.00
BDR	1	\$50,000.00	\$25,000.00
HL7-BDR Maintenance	1	\$30,000.00	\$15,000.00
██████████ Server	1	\$15,000.00	\$11,750.00
ICMS(includes hearing, SRV, EDT, RDx, dCMS, VRR)	1	\$250,000.00	\$87,500.00
HL7-BDR Implementation (one-time charge)	1	\$150,000.00	\$120,000.00
<b>Subtotal</b>			<b>\$386,750.00</b>

Annual Total (Year 1) \$386,750.00  
Annual Total (Years 2-5) \$266,750.00  
Five Year Total \$1,453,750.00

Prices are in effect for 120 days from the date of this quotation.

## SPECIFICATIONS

### NATUS MEDICAL – NEOMETRICS NEW SOFTWARE AND SOFTWARE SUPPORT AND MAINTENANCE

MSDS4 shall be able to accurately report clinical lab results.

CMS3 shall be able to accurately document follow-up as well as accurately generate letters to providers and parents.

MSDS4 and CMS3 must be able to communicate with each other.

HL7-BDR software must be able to communicate with other health organizations.

Support and Repair of Crystal Report problems corrected within (24) hours or one working day. On site repairs within 24 hours or one working day. Vendor shall provide twenty-four (24) hour telephone support.

Vendor shall provide the following reports:

- Monthly statistical report – Lab

- Monthly abnormal hemoglobin report – Lab

- Monthly or quarterly missing demographic information report – WHG

- Monthly or quarterly unsatisfactory specimen report of Tennessee hospitals with year to date column – WHG

- Unsatisfactory report for each hospital with year to date column

Vendor will supply maintenance on the HL7 enhancements to the BDR and iCMS systems. Vendor shall document all maintenance and repairs to these modules.

Emergency repairs to all software must be made within 24 hours or 1 working date.

Shall provide all discs needed on site to properly maintain the software.

Shall be able to transfer data by modem or to a computer disc.

Shall be able to correct and document the correction to MSDS4 demographics or results and CMS3 files with an alert code to let others know a change has been made.

Shall keep an electronic copy of all reports made or updated.

Shall be able to assign a unique number to each specimen received utilizing year, julian date and a numbering system designated to identify young (<8 day old) infant specimens for ole (>8day old) infants as well as unsatisfactory specimens and Tennessee specimens.

Shall be able to edit (add, edit or delete) information and results as needed.

Shall be able to create reports easily, by an access to our data base and Crystal Reports as needed at any time. Crystal Reports should be maintained in good working order.

#### LIST OF EQUIPMENT

COM = Computer	RRI H = Printer hookup
MOD = Modem	Z D = Zip drive
F S = File Server	BU = Backup
MON = Monitor	D S = Data Storage
KEY = Keyboard	M = Mouse
PRI = Printer	HP = Hewlett Packard
APC = American Power Conversion	

F S	HP Vectra VL	VL6/350 Series 8MT	US83408239
BU	APC	Back ups 700	WS9833011227
MON	1566	1566	BCA080935752
KEY	HP	SK-2502	HR804004712
M	HP	M-S48	LZA81900808

Corrections must be documented by state personnel by testing the software function within one (1) working day for the emergency software repairs. (State testing would be performing data entry or verification, reporting lab results, creation of mailers or creation of CMS letters.)

Non-emergency software problems or repairs must be made within two (2) working days or 48 hours. Correction must be documented by state personnel by testing the software function within 48 hours or two (2) working days.