TN Division of TennCare

November 26, 2019

Ms. Krista Lee Carsner, Executive Director
Fiscal Review Committee
8th Floor, Rachel Jackson Bldg.
Nashville, TN 37243

RE: TALX Corporation – Amendment #1

Dear Ms. Lee Carsner:

The Department of Finance and Administration, Division of TennCare, is submitting for consideration by the Fiscal Review Committee the required documentation for one (1) Amendment as follows:

1) **TALX Corporation**: The original TALX Corporation Contract was entered into in 2016. This was done as a contract of adhesion and procured through Edison as a Sole Source Event (See FRC Packet for Supporting Documentation). TALX allows TennCare to locate accurate data when verifying enrollee employment status, employment verification, and income verification in order to determine eligibility for receipts of Medicaid. Recently TEDS, TennCare's Eligibility system, went live causing a surge in new income validation requests due to an increase in renewals, automated eligibility determination replacing FFM eligibility determination, and automated verification of reported changes. Each applicant must be verified before they can obtain the needed services, which drove the increase of usage for the TALX Contract. In anticipation of a future CPO procured State Wide Contract for these services, TennCare is requesting an increase in the Maximum Liability to accommodate the increased eligibility verification and to allow for services to continue throughout the next yearly cycle.

TennCare respectfully submits the above referenced contract amendment for consideration and approval by the Fiscal Review Committee. We look forward to promptly providing any additional information as may be requested by the Committee.

Sincerely,

William Aaron
Chief Financial Officer

cc: Gabe Roberts, Director of TennCare

Amendment Request

This request form is not required for amendments to grant contracts. Upload the completed document and route for approvals by selecting the Amendment Request e-Form in Edison. For additional guidance, please see the e-Forms Job Aid available online at the following: https://www.teamtn.gov/cpo/learning-development/cpo-job-aids.html.

APPROVED	
CHIEF PROCUREMENT OFFICER	DATE

Agency request tracking #	**31865-00511**
1. Procuring Agency	**Department of Finance and Administration, Division of TennCare**
2. Contractor	**TALX Corporation**
3. Edison contract ID #	**48683**
4. Proposed amendment #	**1**
5. Contract's Original Effective Date	**January 1, 2016**
6. Current end date	**December 31, 2020**
7. Proposed end date	**December 31, 2020**
8. Current Maximum Liability or Estimated Liability	**$ 5,290,020.00**
9. Proposed Maximum Liability or Estimated Liability	**$ 6,790,020.00**
10. Strategic Technology Solutions Pre-Approval Endorsement Request *– information technology service (N/A to THDA)*	☒ **Not Applicable** ☐ **Attached**
11. eHealth Pre-Approval Endorsement Request *– health-related professional, pharmaceutical, laboratory, or imaging*	☒ **Not Applicable** ☐ **Attached**
12. Human Resources Pre-Approval Endorsement Request *– state employee training service*	☒ **Not Applicable** ☐ **Attached**

13. Explain why the proposed amendment is needed

The original TALX Corporation Contract was entered into in 2016. This was done as a contract of adhesion and procured through Edison as a Sole Source Event (See FRC Packet for Supporting Documentation). TALX allows TennCare to locate accurate data when verifying enrollee employment status, employment verification, and income verification in order to determine eligibility for receipts of Medicaid. Recently TEDS, TennCare's Eligibility system, went live causing a surge in new income validation requests due to an increase in renewals, automated eligibility determination replacing FFM eligibility determination, and automated verification of reported changes. Each applicant must be

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verified before they can obtain the needed services, which drove the increase of usage for the TALX Contract. In anticipation of a future CPO procured State Wide Contract for these services, TennCare is requesting an increase in the Maximum Liability to accommodate the increased eligibility verification and to allow for services to continue throughout the next yearly cycle.	
14. If the amendment involves a change in Scope, describe efforts to identify reasonable, competitive, procurement alternatives to amending the contract. **N/A**	
Signature of Agency head or authorized designee, title of signatory, and date (the authorized designee may sign his or her own name if indicated on the Signature Certification and Authorization document)	

AMENDMENT #1 TO #48683
BETWEEN THE STATE OF TENNESSEE,
DEPARTMENT OF FINANCE AND ADMINISTRATION,
DIVISION OF TENNCARE
AND
TALX CORPORATION

This Amendment is made and entered by and between the State of Tennessee, Department of Finance and Administration, Division of TennCare, hereinafter referred to as the "State", and TALX Corporation, hereinafter referred to as the "Contractor" for provision of Quality Applications Services to Support TennCare's Payment Reform Initiative, as further defined in the "SCOPE". For good and valuable consideration, the sufficiency of which is hereby acknowledged, it is mutually understood and agreed by and between said, undersigned contracting parties that the subject contract is hereby amended as follows:

1. Edison Contract Maximum Amount is deleted in its entirety and replaced with the following:

Current Maximum Amount:	$5,290,020.00
New Maximum Amount:	$6,790,020.00

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

Amendment Effective Date. The revisions set forth herein shall be effective once all required approvals are obtained. All other terms and conditions of this Contract not expressly amended herein shall remain in full force and effect.

IN WITNESS WHEREOF,
TALX CORPORATION:

CONTRACTOR SIGNATURE **DATE**

PRINTED NAME AND TITLE OF CONTRACTOR SIGNATORY (above)

DEPARTMENT OF FINANCE AND ADMINISTRATION
DIVISION OF TENNCARE:

STUART C. MCWHORTER, COMMISSIONER **DATE**

Supplemental Documentation Required for Fiscal Review Committee

*Contact Name:	Matt Brimm	*Contact Phone:	615-687-5811
*Presenter's name(s):	William Aaron		
Edison Contract Number: (*if applicable*)	48683	RFS Number: (*if applicable*)	31865-00511
*Original or Proposed Contract Begin Date:	January 1, 2016	*Current or Proposed End Date:	December 31, 2020

Current Request Amendment Number: (*if applicable*)	1
Proposed Amendment Effective Date: (*if applicable*)	February 1, 2020
*Department Submitting:	Department of Finance and Administration, Division of TennCare
*Division:	TennCare
*Date Submitted:	November 26, 2019
*Submitted Within Sixty (60) days:	Yes
If not, explain:	N/A
*Contract Vendor Name:	TALX Corporation
*Current or Proposed Maximum Liability:	$5,290,020.00
*Estimated Total Spend for Commodities:	N/A

*Current or Proposed Contract Allocation by Fiscal Year:
(as Shown on Most Current Fully Executed Contract Summary Sheet)

FY:2016	FY:2017	FY:2018	FY:2019	FY:2020	FY2021
$1,058,004.00	$1,058,004.00	$1,058,004.00	$1,058,004.00	$1,058,004.00	

*Current Total Expenditures by Fiscal Year of Contract:
(attach backup documentation from Edison)

FY:2016	FY:2017	FY:2018	FY:2019	FY2020	FY2021
$440,835.00	$969,837.00	$1,146,171.00	$969,837.00	$352,668.00	

IF Contract Allocation has been greater than Contract Expenditures, please give the reasons and explain where surplus funds were spent:	N/A This type of contract, done through an Event in Edison, has a Maximum Liability that extends the life of the contract. The dollar amounts listed above were divided over a five-year period and spend variations are due to an increase in enrollee's stemming from the implementation of TennCares TEDs enrollment system.
IF surplus funds have been carried forward, please give the reasons and provide the authority for the carry forward provision:	N/A This type of contract, done through an Event in Edison, has a Maximum Liability that extends the life of the contract. The dollar amounts listed above were divided

Supplemental Documentation Required for Fiscal Review Committee

	over a five-year period and variations are due to an increase in enrollee's stemming from the implementation of TennCares TEDs enrollment system.
IF Contract Expenditures exceeded Contract Allocation, please give the reasons and explain how funding was acquired to pay the overage:	N/A This type of contract, done through an Event in Edison, has a Maximum Liability that extends the life of the contract. The dollar amounts listed above were divided over a five-year period and variations are due to an increase in enrollee's stemming from the implementation of TennCares TEDs enrollment system.

*Contract Funding Source/Amount:			
State:	$1,322,505.00	Federal:	$3,967,515.00
Interdepartmental:		*Other*:	
If "*other*" please define:			
If "*interdepartmental*" please define:			

Dates of All Previous Amendments or Revisions: (*if applicable*)	Brief Description of Actions in Previous Amendments or Revisions: (*if applicable*)

Method of Original Award: (*if applicable)*	
*What were the projected costs of the service for the entire term of the contract prior to contract award? How was this cost determined?	$5,290,020.00 Sole Source Contract
*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.	This contract was done as a Sole Source procurement through Edison.
*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.	No disciplinary actions identified.

Supplemental Documentation Required for Fiscal Review Committee

*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.	TennCare conducted online research of this contractor and did not identify any illegal activity. This contract was reviewed and approved by the CPO office prior to awarding.

48483

UNIVERSAL MEMBERSHIP AGREEMENT
for
The Work Number® Social Services

This **Universal Membership Agreement** (the "Agreement') is entered into by and between TALX Corporation (a provider of Equifax Verification Services), a Missouri Corporation, located at 11432 Lackland Road, St. Louis, Missouri ("EVS"), and Healthcare and Finance Administration "Agency", located at 310 Circle Road Nashville, TN 37243 ("Agency").

RECITALS:

A. EVS operates The Work Number®, a service used to verify employment and income information about an individual ("Consumers"), and various other services used to verify certain Consumer information (EVS's services are collectively referred to herein as the "Service"); and

B. Agency wishes to use the Service to verify certain Consumer information.

NOW, THEREFORE, the parties agree as follows:

1. **SCOPE OF THE AGREEMENT.** This Agreement consists of the general terms set forth in the body of this Agreement, Exhibit 1, Exhibit 2, and each Schedule A executed by the parties which may contain additional terms. If there is a conflict between the general terms and conditions of this Agreement and any Exhibit or Schedule, the provisions of the Exhibit or Schedule will govern and control. This Agreement specifically supersedes and replaces any agreement between the parties that predates this Agreement and which relates to the Service as provided in each Schedule A, even if the prior agreement contains an "entire agreement" or "merger" clause, and any such agreements are terminated.

2. **EVS OBLIGATIONS.** The Service will provide Agency with automated access to certain employment and/or income data ("Data") furnished to EVS by employers.

3. **AGENCY OBLIGATIONS.**
   a. Agency shall comply with the terms set forth in this Agreement which includes Exhibits 1 and 2, and also each Schedule A executed by the parties which may contain additional terms.

   b. Agency shall pay for the Services as set forth in an applicable Schedule attached hereto. Unless otherwise provided for in such schedule, EVS may change the price of the Service and/or the Service Schedule and/or Description with thirty (30) days notice. Agency's use of the Service after such thirty (30) day period shall constitute its agreement to such change(s), without prejudice to its right to terminate this Agreement as provided in Section 7 below.

   c. Agency certifies that it will order Data from the Service only when Agency intends to use the Data (i) in accordance with the Fair Credit Reporting Act ("FCRA") and all state law FCRA counterparts as though the Data is a consumer report, and (ii) for one of the following FCRA permissible purposes: (1) in connection with a credit transaction involving the Consumer on whom the Data is to be furnished and involving the extension of credit to, or review or collection of an account of, the consumer, (2) in connection with a determination of the consumer's eligibility for a license or other benefit granted by a governmental instrumentality required by law to consider an applicant's financial responsibility or status, or (3) when Agency otherwise has a legitimate business need for the information either in connection with a business transaction that is initiated by the Consumer, or to review an account to determine whether the Consumer continues to meet the terms of the account; and for no other purpose.

      Agency agrees to only use the Data consistent with the obligations of users of consumer reports as provided for in the Consumer Financial Protection Bureau (the "CFPB")'s Notice Form attached as Exhibit 1.

   d. Agency certifies that it will comply with applicable provisions under Vermont law. In particular, Agency certifies that it will order Data relating to Vermont residents only after Agency has received prior Consumer consent in accordance with VFCRA Section 2480e and applicable Vermont Rules. Agency further certifies that the attached copy of VFCRA Section 2480e applicable Vermont Rules as referenced in Exhibit 2 was received from EVS.

e. Agency may use the Data provided through the Service only as described in this Agreement. Agency may reproduce or store the Data obtained from the Service solely for its own use in accordance with this Agreement, and will hold all Data obtained from the Service under this Agreement in strict confidence and will not reproduce, reveal, or make it accessible in whole or in part, in any manner whatsoever, to any others unless required by law, or unless Agency first obtains EVS's written consent; provided, however, that Agency may discuss Consumer Data with the Data subject when Agency has taken adverse action against the subject based on the Data. Agency will not provide a copy of the Data to the Consumer, except as may be required or permitted by law or approved in writing by EVS, except in any state where this contractual prohibition would be invalid. Agency will refer the Consumer to EVS whenever the Consumer disputes the Data disclosed by Agency. Agency will not interpret the failure of EVS to return Data as a statement regarding that consumer's credit worthiness, because the failure may result from one or more factors unrelated to credit worthiness.

f. Agency may access, use and store the Data only at or from locations within the territorial boundaries of the United States, Canada, and the United States territories of Puerto Rico, Guam and the Virgin Islands (the "Permitted Territory"). Agency may not access, use or store the Data or EVS Confidential Information at or from, or send the Data or Confidential Information to, any location outside of the Permitted Territory without Agency first obtaining EVS's written permission.

g. Agency represents it (i) is administering a government funded benefit or program, (ii) has been given the legal authority to view the Data by the Consumer or by operation of law, and iii) is requesting the Data in compliance with all laws.

h. Agency acknowledges it shall employ decision making processes reasonable and appropriate to the nature of the transaction and will utilize the Data as part of its process.

i. Agency represents it has written authorization from the Consumer to verify income. Agency need not use any particular form of authorization or obtain a separate signature for verifying income provided that the form constitutes Consumer authorization. Notwithstanding the foregoing, in the event Agency is using the Service to collect on defaulted child support obligations, Agency is not required to obtain such authorization.

j. Agency may not allow a third party service provider (hereafter "Service Provider") to access, use, or store the Service or Data on its behalf without first obtaining EVS's written permission and without the Service Provider first entering into a Client Service Provider Information Use and Nondisclosure Agreement with EVS.

k. In order to ensure compliance with this Agreement, applicable law and EVS policies, EVS may conduct reviews of Agency activities, from time to time, during normal business hours, at all locations containing relevant records, with respect to Agency's requests for Data and/or its use of Data. Agency shall provide documentation within a reasonable time to EVS as reasonably requested for purposes of such review. Agency (i) shall cooperate fully with any and all investigations by EVS of allegations of abuse or misuse of the Services and allow EVS to access its premises, records, and personnel for purposes of such investigations if EVS deems such access is necessary to complete such investigation(s), (ii) agrees that any failure to cooperate fully and promptly in the conduct of any audit constitutes grounds for immediate suspension of the Service and/or termination of the Agreement, and (iii) shall promptly correct any discrepancy revealed by such investigation(s). Agency shall include the name and email address of the appropriate point of contact to whom such request should be made in the space provided below. Agency may change its contact information upon written notice:

Audit Contact Name	Audit Contact E-mail Address
Kelvin X. Meeks	Kelvin.x.meeks@tn.gov

l. Additional representations and warranties as may be set forth in each Schedule A.

4. **AGENCY USE OF SERVICE.**

Data on the Service may be accessed by Agency to verify Consumer's employment status ("The Work Number® Employment Verification") or income ("The Work Number® Income Verification") for the purposes

of determining eligibility for receipt of public aid or assistance, prevention or identification of fraud, overpayments associated with the receipt of public aid or assistance, or collecting on defaulted child support obligations that are in effect and valid.

5. **DATA SECURITY**. This Section 5 applies to any means through which Agency orders or accesses the Service including, without limitation, system-to-system, personal computer or the Internet. For the purposes of this Section 5, the term "Authorized User" means a Agency employee that Agency has authorized to order or access the Service and who is trained on Agency's obligations under this Agreement with respect to the ordering and use of the Service, and the Data provided through same, including Agency's FCRA and other obligations with respect to the access and use of Data.

   a. Agency will, with respect to handling any Data provided through the Service:

      1. ensure that only Authorized Users can order or have access to the Service,
      2. ensure that Authorized Users do not order Data for personal reasons or provide Data to any third party except as permitted by this Agreement,
      3. inform Authorized Users that unauthorized access to Data may subject them to civil and criminal liability under the FCRA punishable by fines and imprisonment,
      4. ensure that all devices used by Agency to order or access the Service are placed in a secure location and are accessible only by Authorized Users, and that such devices are secured when not in use through such means as screen locks, shutting power controls off, or other security procedures and controls which are standard practice in the data protection industry ("Industry Standard Practices"), for example compliance with ISO 27001 standards,
      5. take all necessary measures to prevent unauthorized ordering of or access to the Service by any person other than an Authorized User for permissible purposes, including, without limitation, (i) limiting the knowledge of the Agency security codes, user names, User IDs, and any passwords Agency may use, to those individuals with a need to know. In addition, the User IDs must be unique to each person, and the sharing of User IDs or passwords is prohibited.
      6. change Agency's user passwords when prompted by the system, or sooner if Agency suspects an unauthorized person has learned the password or disabling the account if an Authorized User is no longer responsible for accessing the Service. Additionally, perform at least quarterly entitlement reviews to recertify and validate Authorized User's access privileges,
      7. adhere to all security features in the software and hardware Agency uses to order or access the Services, including the use of IP restriction,
      8. implement secure authentication practices when providing User ID and passwords to Authorized Users, including but not limited to using individually assigned email addresses and not shared email accounts,
      9. in no event access the Services via any unsecured wireless hand-held communication device, including but not limited to, web enabled cell phones, interactive wireless pagers, personal digital assistants (PDAs), mobile data terminals and portable data terminals
      10. <u>not</u> use non-agency owned assets such as personal computer hard drives or portable and/or removable data storage equipment or media (including but not limited to laptops, zip drives, tapes, disks, CDs, and DVDs) to store the Data. In addition, Data must be encrypted when not in use and all printed Data must be stored in a secure, locked container when not in use, and must be completely destroyed when no longer needed by cross-cut shredding machines (or other equally effective destruction method) such that the results are not readable or useable for any purpose. In either case, Industry Standard Practices for the type of Data received from EVS must be employed,
      11. if Agency sends, transfers or ships any Data, encrypt the Data using the following minimum standards, which standards may be modified from time to time by EVS: Advanced Encryption Standard (AES), minimum 128-bit key or Triple Data Encryption Standard (3DES), minimum 168-bit key, encrypted algorithms,

12. not ship hardware or software between Agency's locations or to third parties without deleting all EVS Agency number(s), security codes, User IDs, passwords, Agency user passwords, and any consumer information, or Data,

13. monitor compliance with the obligations of this Section 5, and immediately notify EVS if Agency suspects or knows of any unauthorized access or attempt to access the Service, including, without limitation, a review of EVS invoices for the purpose of detecting any unauthorized activity,

14. if, subject to the terms of this Agreement, Agency uses a Service Provider to establish access to the Service, be responsible for the Service Provider's use of Agency's user names, security access codes, or passwords, and Agency will ensure the Service Provider safeguards Agency's security access code(s), User IDs, and passwords through the use of security requirements that are no less stringent than those applicable to Agency under this Section 5,

15. use Industry Standard Practices to assure data security when disposing of any Data obtained from EVS. Such efforts must include the use of those procedures issued by the federal regulatory agency charged with oversight of Agency's activities (e.g. the Federal Trade Commission, the applicable banking or credit union regulator) applicable to the disposal of consumer report information or records,

16. use Industry Standard Practices to secure Data when stored on servers, subject to the following requirements: (i) servers storing Data must be separated from the Internet or other public networks by firewalls which are managed and configured to meet industry accepted best practices, (ii) Data must be protected through multiple layers of network security, including but not limited to, industry-recognized firewalls, routers, and intrusion detection/prevention devices (IDS/IPS), (iii) access (both physical and network) to systems storing Data must be secure, which must include authentication and passwords that are changed at least every ninety (90) days; and (iv) all servers must be kept current and patched on a timely basis with appropriate security-specific system patches, as they are available,

17. <u>not</u> allow Data to be displayed via the Internet unless utilizing, at a minimum, a three-tier architecture configured in accordance with industry best practices,

18. use Industry Standard Practices to establish procedures and logging mechanisms for systems and networks that will allow tracking and analysis in the event there is a compromise, and maintain an audit trail history for at least three (3) months for review,

19. provide immediate notification to EVS of any change in address or office location and are subject to an onsite visit of the new location by EVS or its designated representative, and

20. in the event Agency has a security incident involving EVS Confidential Information, Agency will fully cooperate with EVS in a security assessment process and promptly remediate any finding.

b. If EVS reasonably believes that Agency has violated this Section 5, EVS may, in addition to any other remedy authorized by this Agreement, with reasonable advance written notice to Agency and at EVS's sole expense, conduct, or have a third party conduct on its behalf, an audit of Agency's network security systems, facilities, practices and procedures to the extent EVS reasonably deems necessary, including an on-site inspection, to evaluate Agency's compliance with the data security requirements of this Section 5.

6. **CONFIDENTIALITY.** Each party acknowledges that all materials and information disclosed by a party ("Disclosing Party") to another party ("Recipient") in connection with performance of this Agreement, consist of confidential and proprietary data ("Confidential Information"). Each Recipient will hold those materials and that information in strict confidence, and will restrict its use of those materials and that information to the purposes anticipated in this Agreement. Notwithstanding the foregoing, EVS acknowledges that Agency may be subject to a public records request under the [insert State's FOIA provisions](the "Act"). In such event, Agency shall promptly and without unreasonable delay notify EVS of the request so that EVS may seek protection of its Confidential Information which may be exempt from disclosure under the Act. In addition, if any other law or legal process requires Recipient to disclose confidential and proprietary data, Recipient will notify the Disclosing Party of the request. Thereafter, the Disclosing Party may seek a protective order or waive the confidentiality requirements of this Agreement, provided that Recipient may only disclose the minimum amount of information necessary to comply with the requirement. Recipient will not be obligated to hold confidential any information from the Disclosing Party

which (a) is or becomes publicly known, (b) is received from any person or entity who, to the best of Recipient's knowledge, has no duty of confidentiality to the Disclosing Party, (c) was already known to Recipient prior to the disclosure, and that knowledge was evidenced in writing prior to the date of the other party's disclosure, or (d) is developed by the Recipient without using any of the Disclosing Party's information. The rights and obligations of this Section 6 with respect to (i) confidential and proprietary data that constitutes a "trade secret" (as defined by applicable law), will survive termination of this Agreement for so long as such confidential and proprietary information remains a trade secret under applicable law; and (ii) all other confidential and proprietary data, will survive the termination of this Agreement for the longer of two (2) years from termination, or the confidentiality period required by applicable law.

7. **TERM AND TERMINATION.** This Agreement shall be for an annual term, and shall be automatically renewed for successive one year terms. Either EVS or Agency may terminate this Agreement or any Schedule(s), at any time upon thirty (30) days prior written notice to the other. If EVS believes that Agency has breached an obligation under this Agreement, EVS may, at its option and reserving all other rights and remedies, terminate this Agreement and/or any Schedules immediately upon notice to Agency.

8. **RIGHTS TO SERVICE.** The Service and the Data, including all rights thereto, are proprietary to EVS.

9. **WARRANTY.** EVS warrants that the Service will be performed in all material respects in a reasonable and workmanlike manner and in compliance with laws and regulations applicable to EVS's performance thereof. Agency acknowledges that the ability of EVS to provide accurate information is dependent upon receipt of accurate information from employers. EVS does not warrant that the Service will be error free. EXCEPT FOR THE EXPRESS WARRANTIES SET FORTH HEREIN, EVS MAKES NO OTHER WARRANTIES AS TO THE SERVICE OR THE DATA, EXPRESSED OR IMPLIED, INCLUDING ANY IMPLIED WARRANTY OF GOOD TITLE, MERCHANTABILITY, AND/OR FITNESS FOR A PARTICULAR PURPOSE EVEN IF EVS KNOWS OF SUCH PURPOSE.

10. **INDEMNIFICATION.** Agency and EVS recognize that every business decision represents an assumption of risk and that neither party in furnishing Confidential Information, Data, or the Service to the other, underwrites or assumes the other's risk in any manner. To the extent permitted by laws applicable to the parties, each party agrees to indemnify, defend and hold harmless ("Indemnify") the other party and its affiliates, and their directors, officers and employees (each, an "Indemnified Party"), from and against claims, demands, liabilities, suits, damages, expenses and costs, including reasonable attorneys', experts' and investigators' fees and expenses ("Claims") brought by third parties against the Indemnified Party and arising from the indemnifying party's, or its affiliates', directors', officers' or employees' ("Indemnifying Party") (i) breach of this Agreement, (ii) negligent or intentional, wrongful act or omission, (iii) infringement on third party proprietary rights. Further, each party agrees to Indemnify the other from and against the Indemnifying Party's (i) violation of applicable law, or (ii) breach of Section 6 Confidentiality.

11. **LIMITATION OF LIABILITY.** In no event shall EVS or its officers, agents or employees be liable for loss of profits or for indirect, special, incidental or consequential damages arising out of or related to the performance of this Agreement, even if that party has been advised of the possibility of such damages. In no event shall damages of any kind payable by EVS hereunder exceed the sum paid by Agency for the item of service which causes Agency's claim.

12. **FORCE MAJEURE.** Neither party will be liable to the other for any delay, or interruption in performance as to any obligation hereunder resulting from governmental emergency orders, judicial or governmental action, emergency regulations, sabotage, riots, vandalism, labor strikes or disputes, acts of God, fires, electrical failure, major computer hardware or software failures, equipment delivery delays, acts of third parties, or delays or interruptions in performance beyond its reasonable control.

13. **MISCELLANEOUS.** This Agreement sets forth the entire agreement between the parties regarding the Service. Except as otherwise provided in this Agreement, this Agreement may be amended only by a subsequent writing signed by both parties. This Agreement may not be assigned or transferred by Agency without EVS's prior written consent. This Agreement shall be freely assignable by EVS and shall inure to the benefit of and be binding upon the permitted assignee of either Agency or EVS. If any provision of this Agreement is held to be invalid or unenforceable under applicable law in any jurisdiction, the validity or enforceability of the remaining provisions thereof shall be unaffected as to such jurisdiction and such holding shall not affect the validity or enforceability of such provision in any other jurisdiction. To the extent that any

provision of this Agreement is held to be invalid or unenforceable because it is overbroad, that provision shall not be void but rather shall be limited only to the extent required by applicable law and enforced as so limited. Any notice under this Agreement shall be effective upon personal delivery by an overnight or other courier or delivery service, or three (3) days after pre-paid deposit with the postal service, in either case to the party's address in the first sentence of this Agreement or any substitute therefore provided by notice.

14. **COUNTERPARTS/EXECUTION BY FACSIMILE.** For the convenience of the parties, copies of this Agreement and Schedules hereof may be executed in two or more counterparts and signature pages exchanged by facsimile. The parties intend that counterpart copies signed and exchanged as provided in the preceding sentence shall be fully binding as an original handwritten executed copy hereof and thereof and all of such copies together shall constitute one instrument.

By signing below, Agency acknowledges receipt of Exhibit 1, "Notice to Users of Consumer Reports Obligations of Users"; andAgency represents that Agency has read "Notice to Users of Consumer Reports Obligations of Users"which explains Agency's obligations under the FCRA as a user of consumer report information

IN WITNESS WHEREOF, the parties have executed this Agreement on the date indicated below.

Agency		**TALX Corporation, provider of Equifax Verification Services**	
By (signature):	Michael F Perry (NE)	By (signature):	Ellen Stanko
Name (print):	Michael F Perry	Name (print):	Ellen Stanko
Title:	Chief Procurement Officer	Title:	Vice President
Date:	1/13/16	Date:	1-14-16

UNIVERSAL MEMBERSHIP AGREEMENT
for
The Work Number® Verifier Services

Exhibit 1

All users of consumer reports must comply with all applicable regulations. Information about applicable regulations currently in effect can be found at the Consumer Financial Protection Bureau's website, www.consumerfinance.gov/learnmore.

NOTICE TO USERS OF CONSUMER REPORTS: OBLIGATIONS OF USERS UNDER THE FCRA

The Fair Credit Reporting Act (FCRA), 15 U.S.C. 1681-1681y, requires that this notice be provided to inform users of consumer reports of their legal obligations. State law may impose additional requirements. The text of the FCRA is set forth in full at the Consumer Financial Protection Bureau's (CFPB) website at www.consumerfinance.gov/learnmore. At the end of this document is a list of United States Code citations for the FCRA. Other information about user duties is also available at the CFPB's website.

Users must consult the relevant provisions of the FCRA for details about their obligations under the FCRA.

The first section of this summary sets forth the responsibilities imposed by the FCRA on all users of consumer reports. The subsequent sections discuss the duties of users of reports that contain specific types of information, or that are used for certain purposes, and the legal consequences of violations. If you are a furnisher of information to a consumer reporting agency (CRA), you have additional obligations and will receive a separate notice from the CRA describing your duties as a furnisher.

I. OBLIGATIONS OF ALL USERS OF CONSUMER REPORTS

A. *Users Must Have a Permissible Purpose*

Congress has limited the use of consumer reports to protect consumers' privacy. All users must have a permissible purpose under the FCRA to obtain a consumer report. Section 604 contains a list of the permissible purposes under the law. These are;

- As ordered by a court or a federal grand jury subpoena. *Section 604(a)(1)*
- As instructed by the consumer in writing. *Section 604(a)((2)*
- For the extension of credit as a result of an application from a consumer, or the review or collection of a consumer's account. *Section 604(a)(3)(A)*
- For employment purposes, including hiring and promotion decisions, where the consumer has given written permission. *Sections 604(a)(3)(B) and 604(b)*
- For the underwriting of insurance as a result of an application from a consumer. *Section 604(a)(3)(C)*
- When there is a legitimate business need, in connection with a business transaction that is *initiated* by the consumer. *Section 604(a)(3)(F)(i)*
- To review a consumer's account to determine whether the consumer continues to meet the terms of the account. *Section 604(a)(3)(F)(ii)*
- To determine a consumer's eligibility for a license or other benefit granted by a governmental instrumentality required by law to consider an applicant's financial responsibility or status. *Section 604(a)(3)(D)*
- For use by a potential investor or servicer, or current insurer, in a valuation or assessment of the credit or prepayment risks associated with an existing credit obligation. *Section 604(a)(3)(E)*
- For use by state and local officials in connection with the determination of child support payments, or modifications and enforcement thereof. *Sections 604(a)(4) and 604(a)(5)*

In addition, creditors and insurers may obtain certain consumer report information for the purpose of making "prescreened" unsolicited offers of credit or insurance. *Section 604(c)*. The particular obligations of users of "prescreened" information are described in Section VII below.

B. *Users Must Provide Certifications*

Section 604(f) prohibits any person from obtaining a consumer report from a consumer reporting agency (CRA) unless the person has certified to the CRA the permissible purpose(s) for which the report is being obtained and certifies that the report will not be used for any other purpose.

C. *Users Must Notify Consumers When Adverse Actions Are Taken*

The term "adverse action" is defined very broadly by Section 603. "Adverse actions" include all business, credit, and employment actions affecting consumers that can be considered to have a negative impact as defined by Section 603(k) of the FCRA - such as denying or canceling credit or insurance, or denying employment or promotion. No adverse action occurs in a credit transaction where the creditor makes a counteroffer that is accepted by the consumer.

1. Adverse Actions Based on Information Obtained From a CRA

If a user takes any type of adverse action as defined by the FCRA that is based at least in part on information contained in a consumer report, Section 615(a) requires the user to notify the consumer. The notification may be done in writing, orally, or by electronic means. It must include the following:

- The name, address, and telephone number of the CRA (including a toll-free telephone number, if it is a nationwide CRA) that provided the report.
- A statement that the CRA did not make the adverse decision and is not able to explain why the decision was made.
- A statement setting forth the consumer's right to obtain a free disclosure of the consumer's file from the CRA if the consumer makes a request within 60 days.
- A statement setting forth the consumer's right to dispute directly with the CRA the accuracy or completeness of any information provided by the CRA.

2. Adverse Actions Based on Information Obtained From Third Parties Who Are Not Consumer Reporting Agencies

If a person denies (or increases the charge for) credit for personal, family, or household purposes based either wholly or partly upon information from a person other than a CRA, and the information is the type of consumer information covered by the FCRA, Section 615(b)(1) requires that the user clearly and accurately disclose to the consumer his or her right to be told the nature of the information that was relied upon if the consumer makes a written request within 60 days of notification. The user must provide the disclosure within a reasonable period of time following the consumer's written request.

3. Adverse Actions Based on Information Obtained From Affiliates

If a person takes an adverse action involving insurance, employment, or a credit transaction initiated by the consumer, based on information of the type covered by the FCRA, and this information was obtained from an entity affiliated with the user of the information by common ownership or control, Section 615(b)(2) requires the user to notify the consumer of the adverse action. The notice must inform the consumer that he or she may obtain a disclosure of the nature of the information relied upon by making a written request within 60 days of receiving the adverse action notice. If the consumer makes such a request, the user must disclose the nature of the information not later than 30 days after receiving the request. If consumer report information is shared among affiliates and then used for an adverse action, the user must make an adverse action disclosure as set forth in I.C.1 above.

D. *Users Have Obligations When Fraud and Active Duty Military Alerts are in Files*

When a consumer has placed a fraud alert, including one relating to identity theft, or an active duty military alert with a nationwide consumer reporting agency as defined in Section 603(p) and resellers, Section 605A(h) imposes limitations on users of reports obtained from the consumer reporting agency in certain circumstances, including the establishment of a new credit plan and the issuance of additional credit cards. For initial fraud alerts and active duty alerts, the user must have reasonable policies and procedures in place to form a belief that the user knows the identity of the applicant or contact the consumer at a telephone number specified by the consumer; in the case of extended fraud alerts, the user must contact the consumer in accordance with the contact information provided in the consumer's alert.

E. *Users Have Obligations When Notified of an Address Discrepancy*

Section 605(h) requires nationwide CRAs, as defined in Section 603(p), to notify users that request reports when the address for a consumer provided by the user in requesting the report is substantially different from the addresses in the consumer's file. When this occurs, users must comply with regulations specifying the procedures to be followed. Federal regulations are available at www.consumerfinance.gov/learnmore.

F. *Users Have Obligations When Disposing of Records*

Section 628 requires that all users of consumer report information have in place procedures to properly dispose of records containing this information. Federal regulations have been issued that cover disposal.

II. CREDITORS MUST MAKE ADDITIONAL DISCLOSURES

If a person uses a consumer report in connection with an application for, or a grant, extension, or provision of, credit to a consumer on material terms that are materially less favorable than the most favorable terms available to a substantial proportion of consumers from or through that person, based in whole or in part on a consumer report, the person must provide a risk-based pricing notice to the consumer in accordance with regulations prescribed by the CFPB.

Section 609(g) requires a disclosure by all persons that make or arrange loans secured by residential real property (one to four units) and that use credit scores.

These persons must provide credit scores and other information about credit scores to applicants, including the disclosure set forth in Section 609(g)(1)(D) ("Notice to the Home Loan Applicant").

III. OBLIGATIONS OF USERS WHEN CONSUMER REPORTS ARE OBTAINED FOR EMPLOYMENT PURPOSES

A. *Employment Other Than in the Trucking Industry*

If information from a CRA is used for employment purposes, the user has specific duties, which are set forth in Section 604(b) of the FCRA. The user must:

- Make a clear and conspicuous written disclosure to the consumer before the report is obtained, in a document that consists solely of the disclosure, that a consumer report may be obtained.
- Obtain from the consumer prior written authorization. Authorization to access reports during the term of employment may be obtained at the time of employment.
- Certify to the CRA that the above steps have been followed, that the information being obtained will not be used in violation of any federal or state equal opportunity law or regulation, and that, if any adverse action is to be taken based on the consumer report, a copy of the report and a summary of the consumer's rights will be provided to the consumer.
- **Before** taking an adverse action, the user must provide a copy of the report to the consumer as well as the summary of consumer's rights. (The user should receive this summary from the CRA.) A Section 615(a) adverse action notice should be sent after the adverse action is taken.

An adverse action notice also is required in employment situations if credit information (other than transactions and experience data) obtained from an affiliate is used to deny employment. *Section 615(b)(2)*

The procedures for investigative consumer reports and employee misconduct investigations are set forth below.

B. *Employment in the Trucking Industry*

Special rules apply for truck drivers where the only interaction between the consumer and the potential employer is by mail, telephone, or computer. In this case, the consumer may provide consent orally or electronically, and an adverse action may be made orally, in writing, or electronically. The consumer may obtain a copy of any report relied upon by the trucking company by contacting the company.

IV. OBLIGATIONS WHEN INVESTIGATIVE CONSUMER REPORTS ARE USED

Investigative consumer reports are a special type of consumer report in which information about a consumer's character, general reputation, personal characteristics, and mode of living is obtained through personal interviews by an entity or person that is a consumer reporting agency. Consumers who are the subjects of such reports are given special rights under the FCRA. If a user intends to obtain an investigative consumer report, Section 606 requires the following:

- The user must disclose to the consumer that an investigative consumer report may be obtained. This must be done in a written disclosure that is mailed, or otherwise delivered, to the consumer at some time before or not later than three days after the date on which the report was first requested. The disclosure must include a statement informing the consumer of his or her right to request additional disclosures of the nature and scope of the investigation as described below, and the summary of consumer rights required by Section 609 of the FCRA. (The summary of consumer rights will be provided by the CRA that conducts the investigation.)
- The user must certify to the CRA that the disclosures set forth above have been made and that the user will make the disclosure described below.
- Upon the written request of a consumer made within a reasonable period of time after the disclosures required above, the user must make a complete disclosure of the nature and scope of the investigation. This must be made in a written statement that is mailed, or otherwise delivered, to the consumer no later than five days after the date on which the request was

received from the consumer or the report was first requested, whichever is later in time.

V. SPECIAL PROCEDURES FOR EMPLOYEE INVESTIGATIONS

Section 603(x) provides special procedures for investigations of suspected misconduct by an employee or for compliance with Federal, state or local laws and regulations or the rules of a self-regulatory organization, and compliance with written policies of the employer. These investigations are not treated as consumer reports so long as the employer or its agent complies with the procedures set forth in Section 603(x), and a summary describing the nature and scope of the inquiry is made to the employee if an adverse action is taken based on the investigation.

VI. OBLIGATIONS OF USERS OF MEDICAL INFORMATION

Section 604(g) limits the use of medical information obtained from consumer reporting agencies (other than payment information that appears in a coded form that does not identify the medical provider). If the information is to be used for an insurance transaction, the consumer must give consent to the user of the report or the information must be coded. If the report is to be used for employment purposes – or in connection with a credit transaction (except as provided in federal regulations) – the consumer must provide specific written consent and the medical information must be relevant. Any user who receives medical information shall not disclose the information to any other person (except where necessary to carry out the purpose for which the information was disclosed, or as permitted by statute, regulation, or order).

VII. OBLIGATIONS OF USERS OF "PRESCREENED" LISTS

The FCRA permits creditors and insurers to obtain limited consumer report information for use in connection with unsolicited offers of credit or insurance under certain circumstances. *Sections 603(l), 604(c), 604(e), and 615(d).* This practice is known as "prescreening" and typically involves obtaining from a CRA a list of consumers who meet certain preestablished criteria. If any person intends to use prescreened lists, that person must (1) before the offer is made, establish the criteria that will be relied upon to make the offer and to grant credit or insurance, and (2) maintain such criteria on file for a three-year period beginning on the date on which the offer is made to each consumer. In addition, any user must provide with each written solicitation a clear and conspicuous statement that:

- Information contained in a consumer's CRA file was used in connection with the transaction.
- The consumer received the offer because he or she satisfied the criteria for credit worthiness or insurability used to screen for the offer.
- Credit or insurance may not be extended if, after the consumer responds, it is determined that the consumer does not meet the criteria used for screening or any applicable criteria bearing on credit worthiness or insurability, or the consumer does not furnish required collateral.
- The consumer may prohibit the use of information in his or her file in connection with future prescreened offers of credit or insurance by contacting the notification system established by the CRA that provided the report. The statement must include the address and toll-free telephone number of the appropriate notification system.
  In addition, the CFPB has established the format, type size, and manner of the disclosure required by Section 615(d), with which users must comply. The relevant regulation is 12 CFR 1022.54.

VIII. OBLIGATIONS OF RESELLERS

A. *Disclosure and Certification Requirements*

Section 607(e) requires any person who obtains a consumer report for resale to take the following steps:

- Disclose the identity of the end-user to the source CRA.
- Identify to the source CRA each permissible purpose for which the report will be furnished to the end-user.
- Establish and follow reasonable procedures to ensure that reports are resold only for permissible purposes, including procedures to obtain:
  (1) the identity of all end-users;
  (2) certifications from all users of each purpose for which reports will be used;and
  (3) certifications that reports will not be used for any purpose other than the purpose(s) specified to the reseller. Resellers must make reasonable efforts to verify this information before selling the report.

B. *Reinvestigations by Resellers*

Under Section 611(f), if a consumer disputes the accuracy or completeness of information in a report prepared by a reseller, the reseller must determine whether this is a result of an action or omission on its part and, if so, correct or delete the information. If not,

the reseller must send the dispute to the source CRA for reinvestigation. When any CRA notifies the reseller of the results of an investigation, the reseller must immediately convey the information to the consumer.

C. *Fraud Alerts and Resellers*

Section 605A(f) requires resellers who receive fraud alerts or active duty alerts from another consumer reporting agency to include these in their reports.

IX. LIABILITY FOR VIOLATIONS OF THE FCRA

Failure to comply with the FCRA can result in state government or federal government enforcement actions, as well as private lawsuits. *Sections 616, 617, and 621.* In addition, any person who knowingly and willfully obtains a consumer report under false pretenses may face criminal prosecution. *Section 619.*

The CFPB's website, www.consumerfinance.gov/learnmore, has more information about the FCRA, including publications for businesses and the full text of the FCRA.

Citations for FCRA sections in the U.S. Code, 15 U.S.C. § 1681 et seq.:

Section 602 15 U.S.C. 1681
Section 603 15 U.S.C. 1681a
Section 604 15 U.S.C. 1681b
Section 605 15 U.S.C. 1681c
Section 605A 15 U.S.C. 1681cA
Section 605B 15 U.S.C. 1681cB
Section 606 15 U.S.C. 1681d
Section 607 15 U.S.C. 1681e
Section 608 15 U.S.C. 1681f
Section 609 15 U.S.C. 1681g
Section 610 15 U.S.C. 1681h
Section 611 15 U.S.C. 1681i
Section 612 15 U.S.C. 1681j
Section 613 15 U.S.C. 1681k
Section 614 15 U.S.C. 1681l
Section 615 15 U.S.C. 1681m
Section 616 15 U.S.C. 1681n
Section 617 15 U.S.C. 1681o
Section 618 15 U.S.C. 1681p
Section 619 15 U.S.C. 1681q
Section 620 15 U.S.C. 1681r
Section 621 15 U.S.C. 1681s
Section 622 15 U.S.C. 1681s-1
Section 623 15 U.S.C. 1681s-2
Section 624 15 U.S.C. 1681t
Section 625 15 U.S.C. 1681u
Section 626 15 U.S.C. 1681v
Section 627 15 U.S.C. 1681w
Section 628 15 U.S.C. 1681x
Section 629 15 U.S.C. 1681y

UNIVERSAL MEMBERSHIP AGREEMENT
for
The Work Number® Social Services

Exhibit 2

VERMONT FAIR CREDIT REPORTING CONTRACT CERTIFICATION

The undersigned, ~~Department of General Services~~ Division of Health Care Finance + Administration ("Agency"), acknowledges that it subscribes to receive various information services from TALX Corporation, provider of Equifax Verification Services ("EVS"), in accordance with the Vermont Fair Credit Reporting Statute, 9 V.S.A. § 2480e (1999), as amended (the "VFCRA"), and the federal Fair Credit Reporting Act, 15, U.S.C. 1681 et. seq., as amended (the "FCRA"), and its other state law counterparts. In connection with Agency's continued use of EVS services in relation to Vermont consumers, Agency hereby certifies as follows:

Vermont Certification. Agency certifies that it will comply with applicable provisions under Vermont law. In particular, Agency certifies that it will order Data relating to Vermont residents, that are credit reports as defined by the VFCRA, only after Agency has received prior consumer consent in accordance with VFCRA § 2480e and applicable Vermont Rules. Agency further certifies that the attached copy of VFCRA § 2480e applicable Vermont Rules were received from EVS.

Agency: ~~Department of General Services, Central Procurement Office, State of Tennessee on behalf of Tenncare~~ Division of Health Care Finance + Administration, Bureau of TennCare

Signed By: Darin J Gordon/cb

Printed Name and Title: Darin J Gordon, Deputy Commission

Account Number: ____

Date: 1-12-16

Please also include the following information:

Compliance Officer or Person Responsible for Credit Reporting Compliance

Name: Kelvin X. Meeks

Title: TennCare Member Services Deputy Director

Mailing Address: 310 Great Circle Road Nashville TN 37228

E-Mail Address: kelvin.x.meeks@tn.gov

Phone: 615-741-2898 Fax: ____

Vermont Fair Credit Reporting Statute, 9 V.S.A. § 2480e (1999)

§ 2480e. Consumer consent

(a) A person shall not obtain the credit report of a consumer unless:

(1) the report is obtained in response to the order of a court having jurisdiction to issue such an order; or

(2) the person has secured the consent of the consumer, and the report is used for the purpose consented to by the consumer.

(b) Credit reporting agencies shall adopt reasonable procedures to assure maximum possible compliance with subsection (a) of this section.

(c) Nothing in this section shall be construed to affect:

(1) the ability of a person who has secured the consent of the consumer pursuant to subdivision (a)(2) of this section to include in his or her request to the consumer permission to also obtain credit reports, in connection with the same transaction or extension of credit, for the purpose of reviewing the account, increasing the credit line on the account, for the purpose of taking collection action on the account, or for other legitimate purposes associated with the account; and

(2) the use of credit information for the purpose of prescreening, as defined and permitted from time to time by the Federal Trade Commission.

VERMONT RULES * CURRENT THROUGH JUNE 1999 *****
AGENCY 06. OFFICE OF THE ATTORNEY GENERAL
SUB-AGENCY 031. CONSUMER PROTECTION DIVISION
CHAPTER 012. Consumer Fraud--Fair Credit Reporting
RULE CF 112 FAIR CREDIT REPORTING
CVR 06-031-012, CF 112.03 (1999)
CF 112.03 CONSUMER CONSENT

(a) A person required to obtain consumer consent pursuant to 9 V.S.A. §§ 2480e and 2480g shall obtain said consent in writing if the consumer has made a written application or written request for credit, insurance, employment, housing or governmental benefit. If the consumer has applied for or requested credit, insurance, employment, housing or governmental benefit in a manner other than in writing, then the person required to obtain consumer consent pursuant to 9 V.S.A. §§ 2480e and 2480g shall obtain said consent in writing or in the same manner in which the consumer made the application or request. The terms of this rule apply whether the consumer or the person required to obtain consumer consent initiates the transaction.

(b) Consumer consent required pursuant to 9 V.S.A. §§ 2480e and 2480g shall be deemed to have been obtained in writing if, after a clear and adequate written disclosure of the circumstances under which a credit report or credit reports may be obtained and the purposes for which the credit report or credit reports may be obtained, the consumer indicates his or her consent by providing his or her signature.

(c) The fact that a clear and adequate written consent form is signed by the consumer after the consumer's credit report has been obtained pursuant to some other form of consent shall not affect the validity of the earlier consent.

UNIVERSAL MEMBERSHIP AGREEMENT
SCHEDULE A – THE WORK NUMBER® EXPRESS SOCIAL SERVICE
FEES AND SERVICE DESCRIPTION

Effective Date: December 11, 2015

I) AGENCY USE OF SERVICE:
The Work Number® is an employment verification service provided by TALX Corporation (a provider of Equifax Verification Services), a Missouri corporation ("EVS"), to its employer clients. Data on the Service may be accessed by agency to verify Consumer's employment status ("The Work Number® Employment Verification") or income ("The Work Number® Income Verification") for commercial purposes. EVS shall provide the Service in accordance with the Universal Membership Agreement ("Agreement"), Exhibits 1 and 2 to the Agreement and this Schedule A (which is part of this Agreement). All defined terms used herein shall have the meaning ascribed to them in the Agreement.

a) **Product.** The Work Number® Employment Verification includes the Consumer's (i) employer name and (ii) employment status. The Work Number® Income Verification may include, without limitation, the Consumer's (i) employer address, (ii) employment dates, where available, (iii) position title, (iv) medical and dental information, where available, (v) pay rate, (vi) up to three (3) years of YTD gross income details, and (vii) up to three (3) years of pay period detail.

b) **Delivery.** The Service provides automated access to requested Data via the Internet or phone. If Data is requested via the Internet, it will be delivered instantly via the same mode. If Data is requested via the phone, it will be delivered by fax within one (1) business day.

c) **Input Requirements.** An Agency may request access to Data by providing the Consumer's social security number. .

II) PRICING: Fees for Services provided under this Schedule include:

Verification Fees:

☒ **Annual Minimum Payment:**

Transaction Type	Fee/Month	Annual Transaction Ceiling	Cost Above Ceiling
Employment Summary *(SSN Search)*	FREE	UNLIMITED	FREE
The Work Number® Income Verification	$88,167.00 per month	184,000 The Work Number® Income Verifications	$5.75 each

- A monthly minimum payment is charged for all The Work Number® Income Verifications up to and including the Annual Transaction Ceiling. Total transactions are reconciled at the end of each month and any costs above ceiling applied. Fees will remain fixed for the initial term of the Schedule and Agreement. The sum total of a year of Monthly Minimum Payments shall be deemed the "Annual Amount." This agreement may be renewed at the State's discretion for up to four (4) additional one year terms.

III) PAYMENT TERMS AND TAXES: Invoices are due net thirty (30) days with one and a half (1.5%) percent interest per month applied over forty five (45) days. Invoices outstanding over forty five (45) days will result in loss of access to the Service. Except to the extent that Agency has provided an exemption certificate, direct pay permit or other such appropriate documentation, EVS shall add to each invoice any sales, use, excise, value-added, gross receipts, services, consumption and other similar transaction taxes however designated that are properly levied by any taxing authority upon the provision of the Services, excluding, however, any state or local privilege or franchise taxes, taxes based upon EVS's net income and any taxes or amounts in lieu thereof paid or payable by EVS as a result of the foregoing excluded items. If payment is made by credit card, EVS will charge the credit card each month for transactions completed in the prior month. Agency will be invoiced electronically through Equifax's Electronic Invoice Presentation & Payment (EIPP) program. Requests for paper billing are available upon Agency's request and are subject to additional monthly fees. Such fees are subject to modification by Equifax at intervals of no less than one year, upon prior written notice.

IV) MODIFICATION OF SERVICE DESCRIPTION: EVS may modify this Service Description on thirty (30) days' notice to Agency. Agency may terminate the Service within thirty (30) days after notice of a modification to the Service Description on written notice to EVS. Absence of such termination shall constitute Agency's agreement to the modification.

IN WITNESS WHEREOF, the parties have executed this Schedule A on the date indicated below.

Agency:		**TALX Corporation, provider of Equifax Verification Services:**	
By (signature):	Michael F Perry (NE)	By (signature):	Ellen Stanko
Name (print):	Michael F Perry	Name (print):	Ellen Stanko
Title:	Chief Procurement Officer	Title:	Vice President
Date:	1/13/16	Date:	1-14-16

CLIENT SERVICE PROVIDER AUTHORIZATION

This Client Authorization dated as of the 2nd day of December, 2015, is issued pursuant to, and incorporates herein, the Universal Membership Agreement, dated on or around September 9, 2014, (as at any time modified, amended or superseded by a subsequent agreement for service, the "Agreement"), by and between TALX Corporation, provider of Equifax Verification Services ("EVS") and State of Tennessee - Health Care Finance and Administration ("Client"), pursuant to which EVS provides and Client purchases various information services of EVS, and under which EVS allows Client to use the information and output provided through those information services (the "EVS Employment Information" or "Data"), subject to the terms and conditions of the Agreement. For purposes hereof, the term "Client" includes those entities that are expressly authorized to receive EVS Employment Information under the Agreement

Client represents that Maximus ("Service Provider") is authorized and entitled to receive the EVS Employment Information, acting as an agent on Client's behalf, for the purpose of performing certain services for Client which require the use of the EVS Employment Information ("Services"). Client will ensure that Service Provider will only use the EVS Employment Information strictly as necessary to perform the Services for Client, subject to the terms and conditions of the Agreement, and will not obtain or use the EVS Employment Information for any other purpose. Client represents that it has credentialed Service Provider in accordance with industry best practices. In addition, Client shall employ commercially reasonable oversight to ensure that Service Provider maintains adequate safeguards to ensure the security, confidentiality and protection of EVS Employment Information. That oversight will include, but not be limited to, entering into and maintaining an enforceable agreement with Service Provider for the provision of the Services. Notwithstanding anything to the contrary in the Agreement, Client will at all times be responsible for and remain liable to EVS for any and all damages of any kind or nature whatsoever that may arise from or relate to the acts or omissions of Service Provider. Client acknowledges and agrees that Client is solely liable to compensate Service Provider for the Services.

Client will immediately notify EVS in writing if Service Provider ceases to be an agent authorized to receive EVS Employment Information on Client's behalf.

[Client] Health Care Finance and Administration

By Larry B Martin

Name: Larry B Martin

Title: Commissioner

TALX Corporation

By Ellen Stanko

Name: Ellen Stanko

Title: Vice President

TN Department of General Services

MEMO

TO: Andy Kidd, Director of Sourcing
Kevin C. Bartels, Staff Attorney-Sourcing

FROM: Nick Edwards, Sourcing Analyst NE

DATE: November 17, 2015

SUBJECT: Recommendation of Special Contract Request 31865-00511 (cy15-5961)

The Department of Finance and Administration Division of Health Care Finance and Administration (HCFA) is requesting a sole source contract for instant employment and income verification.

Income verification is required when determining TennCare eligibility. The Work Number, a service of Equifax, is the only provider who offers automated, instant access to specific employer payroll records. The Work Number is the only service that obtains confidential data directly from employer's payroll system; whereas, other companies compile data from various sources.

Sourcing Analyst recommends the approval of this special contract request.

Andy T. Kidd

Digitally signed by Andy T. Kidd
DN: cn=Andy T. Kidd, o=CPO, ou=CPO - Sourcing, email=andy.kidd@tn.gov, c=US
Date: 2015.11.18 14:05:05 -06'00'

Director of Sourcing — Date

Kevin C. Bartels

Digitally signed by Kevin C. Bartels
DN: cn=Kevin C. Bartels, o, ou=CPO Legal, email=Kevin.C.Bartels@tn.gov, c=US
Date: 2015.11.17 10:19:15 -06'00'

Staff Attorney — Date

Central Procurement Office • Tennessee Tower, 3rd Floor
312 Rosa L. Parks Avenue, Nashville, TN 37243
Tel: 615-741-1035 • Fax: 615-741-0684 • tn.gov/generalservices/

Cy15-5961

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.

APPROVED	APPROVED
Michael F. Perry -AK — Digitally signed by Michael F Perry -AK DN: cn=Michael F. Perry -AK, o=CPO, ou=CPO, email=andy.kidd@tn.gov, c=US Date: 2015.11.16 14:05:15 -06'00'	Justin P. Wilson 11/19/2015
CHIEF PROCUREMENT OFFICER — DATE	COMPTROLLER OF THE TREASURY — DATE

Request Tracking #	31865-00511
1. Contracting Agency	HCFA TENNCARE
2. Type of Contract or Procurement Method	☐ No Cost ☐ Revenue ☒ Sole Source ☐ Proprietary ☐ Competitive Negotiation ☐ Other _____
3. Requestor Contact Information	James Ellis james.ellis@tn.gov (615) 507-6613
4. Brief Goods or Services Caption	• Instant employment and income verification • Researched employment and income verification • IRS tax transcript fulfillment (Form 4506-T)
5. Description of the Goods or Services to be Acquired	184,000 The Work Number® Income Verifications annually
6. Proposed Contractor	TALX Corporation *
7. Name & Address of the Contractor's principal owner(s) – *NOT required for a TN state education institution*	11432 Lackland Rd Saint Louis MO 63146
8. Proposed Contract Period – *with ALL options to extend exercised The proposed contract start date shall follow the approval date of this request.*	12 months

* Now owned by Equifax as Workforce Solutions

Request Tracking #	31865-00511
9. **Office for Information Resources Pre-Approval Endorsement Request** – *Information technology (N/A to THDA)*	☒ Not Applicable ☐ Attached
10. **eHealth Pre-Approval Endorsement Request** – *health-related professional, pharmaceutical, laboratory, or imaging*	☒ Not Applicable ☐ Attached
11. **Human Resources Pre-Approval Endorsement Request** – *state employee training*	☒ Not Applicable ☐ Attached
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.**	☒ NO ☐ YES,
13. **Maximum Contract Cost** – *with ALL options to extend exercised*	$ 1,058,004.00
14. **Was there an initial government estimate? If so, what amount?**	☒ NO ☐ YES, $
15. **Cost Determination Used**- How did agency arrive at the estimate of expected costs?	Vendor quote
16. **Explanation of Fair and Reasonable Price**- Explain how agency determined that price is fair and reasonable	
17. **Documentation of Discussions with Contractor**- How did agency document discussions with Contractor? Attach documentation to this request as applicable.	Email
18. **Explanation of Need for or requirement placed on the State to acquire the goods or services**	State must determine eligibility for TENNCARE enrolment using income verification as a factor
19. **Proposed contract impact on current State operations**	None

Request Tracking #	31865–00511
20. **Justification** – Specifically explain why the goods or services should be acquired through the procurement method or contract type selected.	Use as a Sole Source; Leveraging The Work Number database, Equifax Verification Services is the only sizeable provider of third-party income verifications who is under contract with its participating employers to: a) obtain updated employee wage data each payroll period b) release this data electronically to government entities for the purposes of eligibility determinations and fraud investigations. There is no other provider who offers automated, instant access to the specific employer payroll records available on The Work Number. Nor is there another third-party data supplier that hosts a sufficient amount of current, authentic data to meet state agencies' program needs. When viewed against other third-party data providers, such as a credit bureau or "data aggregators," The Work Number is unique because we provide confidential data direct from the employer's payroll system. Data aggregators compile data from other sources, such as credit applications filled out by the consumer, legal filings or public data sources. These companies are not contracted with employers to provide data directly to public assistance agencies as a trusted third-party. Market Position Employers of all sizes have elected to outsource the verification of their current and former employee's information via a third-party, like Equifax Verification Services. In recent years, many smaller employers have begun to outsource their human resource functions, which include employment verifications. The Work Number database of instant employment and income data has rapidly grown over the last 15 years and now includes data for 74% of Fortune 500 companies, covering 86% of employees working at Fortune 500 companies. For those applicants still not found on the database, our team of verification specialists can connect with their employer to obtain the employment or income verification.
For No Cost and Revenue Contracts Only	
21. What costs will the State incur as a result of this contract? If any, please explain.	

Request Tracking #	31865–00511
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.	☐ NO ☐ YES
24. Summary of State responsibilities under proposed contract	
For Sole Source and Proprietary Procurements Only	
25. Explanation of Need for or requirement placed on the State to acquire the goods or services	As part of the Medicaid financial eligibility determination process, income for applicants must be verified. In the past verification involved relying on documentation provided by the applicant or documentation completed by the applicant's employer. Access to the services provided by Talx Corporation, under the current Agency Term Contract, has allowed for immediate, web based verification of employment information providing a more efficient and accurate process not only in determining eligibility; but providing the ability to identify discrepancies in information provided by the applicant prompting additional review of data that could be used fraudulently to attempt to gain Medicaid eligibility.
26. Evidence of Contractor's experience & length of experience providing the goods or services to be procured.	ATC currently in place has provided this service satisfactorily
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.	☐ NO ☒ YES, Method: ATC #44446 Name/Address: Talx Corporation 11432 Lackland Rd Saint Louis MO 63146
28. Contractor selection process and efforts to identify reasonable, competitive, procurement alternatives	Sole Source
Signature Required for all Special Contract Requests	

Request Tracking #	31865–00511

Agency Head Signature and Date – *MUST be signed by the ACTUAL agency head as detailed on the current Signature Certification. Signature by an authorized signatory is acceptable only in documented circumstances*

Signature: Date: 11/16/2015

OIR Pre-Approval Endorsement Request
E-Mail Transmittal

TO : Mark Rampey, OIR Contracts
Department of Finance & Administration
E-mail : Mark.Rampey@tn.gov

FROM : James Ellis
E-mail : james.ellis@tn.gov

DATE : 12/9/15

RE : Request for OIR Pre-Approval Endorsement

Applicable RFS # 31865-00512

OIR Endorsement Signature & Date:

Mark Bengel (MR) 12/16/2015

Chief Information Officer

NOTE: Proposed contract/grant support is applicable to the subject IT service technical merit.

Office for Information Resources (OIR) pre-approval endorsement is required pursuant to procurement regulations pertaining to contracts with information technology as a component of the scope of service. This request seeks to ensure that OIR 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 OIR endorsement of the described procurement (with the appropriate signature above), and return this document via e-mail at your earliest convenience.

Contracting Agency	**HCFA (TennCare)**
Agency Contact (name, phone, e-mail)	**Thomas Grones (615) 687-7971** **thomas.k.grones2@tn.gov**

Attachments Supporting Request (mark all applicable)

Note: The complete draft procurement document and the applicable documents listed below must accompany this request when submitted to OIR. Special Contract Requests and Amendment Requests without Agency Head signature are acceptable. OIR is aware that these documents will not have CPO signature when submitted with this request.

- ☐ Solicitation Document
- ☒ Special Contract Request
- ☐ Amendment Request
- ☐ Proposed Contract/Grant or Amendment
- ☐ Original Contract/Grant and Previous Amendments (if any)

Applicable RFS # 31865-00512

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 necessary, agency IT staff should contact OIR Planning with questions concerning the need for an ISP project.

IT Director/Staff Name Confirming (required): Max Arnold max.arnold@tn.gov

☐ Applicable – Approved ISP Project#

☒ Not Applicable

Subject Information Technology Service Description

Provide a brief 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.

Request is for a web based subscription for Equifax/Talx that will not reside on the agency servers:

Using the The Work Number database, Equifax Verification Services is the only sizeable provider of third-party income verifications who is under contract with its participating employers to:

a) obtain updated employee wage data each payroll period

b) release this data electronically to government entities for the purposes of eligibility determinations and fraud investigations.

There is no other provider who offers automated, instant access to the specific employer payroll records available on The Work Number. Nor is there another third-party data supplier that hosts a sufficient amount of current, authentic data to meet state agencies' program needs.

When viewed against other third-party data providers, such as a credit bureau or "data aggregators," The Work Number is unique because we provide confidential data direct from the employer's payroll system. Data aggregators compile data from other sources, such as credit applications filled out by the consumer, legal filings or public data sources. These companies are not contracted with employers to provide data directly to public assistance agencies as a trusted third-party.

Market Position

Employers of all sizes have elected to outsource the verification of their current and former employee's information via a third-party, like Equifax Verification Services. In recent years, many smaller employers have begun to outsource their human resource functions, which include employment verifications.

The Work Number database of instant employment and income data has rapidly grown over the last 15 years and now includes data for 74% of Fortune 500 companies, covering 86% of employees working at Fortune 500 companies. For those applicants still not found on the database, our team of verification specialists can connect with their employer to obtain the employment or income verification.

Department of
General Services

December 2, 2015

Ian Hilton
TALX Corporation
11432 Lackland Road
St. Louis, MO. 63146

Transmitted via Email
ian.hilton@equifax.com

Re: Universal Membership Agreement for
The Work Number Social Services

Dear Mr. Hilton:

As you know, the above contract is for services that are required by the State of Tennessee, Health Care Finance and Administration. In submitting the "Universal Membership Agreement" ("Agreement") to the Central Procurement Office ("CPO"), TALX Corporation ("TALX") made a number of modifications to the State's Standard Terms and Conditions.

Since this service is immediately required by the State of Tennessee and your corporation is the only provider of this service, the CPO will agree to TALX's standard terms and conditions, to the extent that such terms and conditions do not contradict Tennessee law.

Sincerely,

General Services

Kevin C. Bartels | Attorney
Central Procurement Office
Tennessee Tower, 3rd Floor
312 Rosa L. Parks Ave., Nashville, TN. 37243
p: 615-253-4784 c. 615-351-9344
kevin.c.bartels@tn.gov
tn.gov/generalservices/

cc: Amber O'Connell, Sourcing Analyst Team Lead
Nicholas Edwards, Sourcing Analyst

GENERAL ASSEMBLY OF THE STATE OF TENNESSEE
FISCAL REVIEW COMMITTEE

320 Sixth Avenue, North – 8th Floor
NASHVILLE, TENNESSEE 37243-0057
615-741-2564

Rep. Mark White, Chairman
Representatives
Brenda Gilmore
Susan Lynn
Pat Marsh
Bill Sanderson
Johnny Shaw
David Shepard
Ron Travis
Tim Wirgau
Charles Sargent, *ex officio*
Speaker Beth Harwell, *ex officio*

Sen. Bill Ketron, Vice-Chairman
Senators
Sara Kyle
Doug Overbey
Steve Southerland
Reginald Tate
Ken Yager
Randy McNally, *ex officio*
Lt. Governor Ron Ramsey, *ex officio*

MEMORANDUM

TO: Mike Perry, Chief Procurement Officer
Department of General Services

FROM: Representative Mark White, Chairman
Senator Bill Ketron, Vice-Chairman

DATE: September 15, 2016

SUBJECT: Contract Comments
(Fiscal Review Committee Meeting 9/7/16)

After review, the Fiscal Review Committee voted to recommend approval of the attached Consent Calendar – September Statewide Contracts.

cc: Shannon Howell, Deputy Chief Procurement Officer

TALX Corporation
(a provider of Equifax Verification Services)
Edison Contract ID: 48683
Vendor #: 0000071923
CONTRACT EXPENDITURES BY FISCAL YEAR
(Payment Detail Attached)

FY2016	$440,835.00
FY2017	$969,837.00
FY2018	$1,146,171.00
FY2019	$969,837.00
FY2020	$352,668.00
TOTAL	$3,879,348.00

*No Liquidated Damages have been assessed at this time.

TALX Corporation
Edison Contract ID: 48683
Vendor ID: 0000071923

FY 2016 Payments

Fiscal Year	Unit	Voucher ID	Invoice	Pymt Date	Pymt Amt
2016	31865	01286771	2029641	3/11/2016	$88,167.00
2016	31865	01290569	2044939	4/4/2016	$88,167.00
2016	31865	01307431	2068714	5/3/2016	$88,167.00
2016	31865	01323445	2094222	6/2/2016	$88,167.00
2016	31865	01343057	2114670	7/5/2016	$88,167.00

Total FY 2016: $440,835.00

FY 2017 Payments

Fiscal Year	Unit	Voucher ID	Invoice	Pymt Date	Pymt Amt
2017	31865	01365555	2136139	8/3/2016	$88,167.00
2017	31865	01385068	2160763	9/2/2016	$88,167.00
2017	31865	01396758	2182517	10/4/2016	$88,167.00
2017	31865	01408225	2204378	11/2/2016	$88,167.00
2017	31865	01429965	2217316	12/5/2016	$88,167.00
2017	31865	01444222	2226853	12/30/2016	$88,167.00
2017	31865	01465968	2237045	2/3/2017	$88,167.00
2017	31865	01474861	2247011	3/7/2017	$88,167.00
2017	31865	01496091	2262015	4/4/2017	$88,167.00
2017	31865	01508417	2272895	5/3/2017	$88,167.00
2017	31865	01524259	2287265	6/2/2017	$88,167.00

Total FY 2017: $969,837.00

Contract Expenditures by Fiscal Year (Continued)
TALX Corporation - Edison #48683

FY 2018 Payments

Fiscal Year	Unit	Voucher ID	Invoice	Pymt Date	Pymt Amt
2018	31865	01561673	2298422	7/20/2017	$88,167.00
2018	31865	01561668	2307594	8/2/2017	$88,167.00
2018	31865	01573147	2318113	9/1/2017	$88,167.00
2018	31865	01591052	2326403	10/3/2017	$88,167.00
2018	31865	01605194	2334938	11/2/2017	$88,167.00
2018	31865	01633602	2351118	12/6/2017	$88,167.00
2018	31865	01637257	2354570	12/29/2017	$88,167.00
2018	31865	01654246	2364063	2/2/2018	$88,167.00
2018	31865	01669228	2374560	3/6/2018	$88,167.00
2018	31865	01684551	2383491	4/3/2018	$88,167.00
2018	31865	01699659	2391365	5/3/2018	$88,167.00
2018	31865	01713863	2401666	6/4/2018	$88,167.00
2018	31865	01730915	2409392	7/2/2018	$88,167.00

Total FY 2018: **$1,146,171.00**

FY 2019 Payments

Fiscal Year	Unit	Voucher ID	Invoice	Pymt Date	Pymt Amt
2019	31865	01744280	2416618	8/2/2018	$88,167.00
2019	31865	01757399	2426172	9/4/2018	$88,167.00
2019	31865	01773709	2435377	10/2/2018	$88,167.00
2019	31865	01786769	2441253	11/2/2018	$88,167.00
2019	31865	01802934	2448834	12/4/2018	$88,167.00
2019	31865	01815762	2455051	1/2/2019	$88,167.00
2019	31865	01827979	2460830	2/4/2019	$88,167.00
2019	31865	01844654	2468775	3/5/2019	$88,167.00
2019	31865	01859700	2475220	4/2/2019	$88,167.00
2019	31865	01873868	2481483	5/3/2019	$88,167.00
2019	31865	01887496	1000477660	6/4/2019	$88,167.00

Total FY 2019: **$969,837.00**

Contract Expenditures by Fiscal Year (Continued)
TALX Corporation - Edison #48683

FY 2020 Payments

Fiscal Year	Unit	Voucher ID	Invoice	Pymt Date	Pymt Amt
2020	31865	01916811	1000653700	8/2/2019	$88,167.00
2020	31865	01932861	1000736690	9/3/2019	$88,167.00
2020	31865	01945573	1000562933	9/27/2019	$88,167.00
2020	31865	01945642	1000824453	10/3/2019	$88,167.00

Total FY 2020: $352,668.00