

STATE OF TENNESSEE



DAVID H. LILLARD, JR.
STATE TREASURER

TREASURY DEPARTMENT

615.741.2956
David.Lillard@tn.gov

STATE CAPITOL
NASHVILLE, TENNESSEE 37243-0225

Sender's telephone: 615.253.3855
Sender's email: mary.roberts-krause@tn.gov

December 6, 2019

Fiscal Review Committee
The Honorable Ron Travis, Chair
The Honorable Todd Gardenhire, Vice-Chair
G-102 Cordell Hull Building
425 5th Avenue North
Nashville, Tennessee 37243

To the Distinguished Members of the Fiscal Review Committee,

The Treasury Department respectfully requests to procure a contract with Leidos Digital Solutions, Inc. ("Leidos") through non-competitive negotiation. Under the contract, Leidos would provide to the Department an integrated information technology solution to track internal and external phone calls, email inquiries, issues, documents and interactions to ensure efficient and effective communications within and outside the Department.

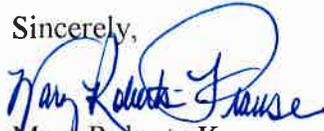
Leidos provides this solution through the Intranet Quorum ("IQ") system. This IQ solution would allow the Department to determine if members of the public as well as external stakeholders have inquiries or issues that may affect more than one program area within the Department. Utilizing this solution will also allow the Department to communicate effectively with the Governor's office and the executive branch agencies, all of which utilize the IQ system. To the extent a member of the public or an external stakeholder has an issue or an inquiry in common with another state agency or various programs within the Department, Department staff will be able to centralize the tracking of the matter with the IQ system.

If the Department pursued this service competitively through an RFP process, the Department could obtain a system that may not be compatible with the executive branch, which would undermine the Department's pursuit of effective communication tracking. Consequently, it would not be in the best interest of the Department to engage in a competitive procurement that might yield a contractor that cannot achieve the Department's goals.

The proposed term of the contract would be for a five-year period commencing on February 28, 2020 and ending on February 27, 2025. The maximum liability of the contract would be \$377,302.25. The Department arrived at the cost based on its documented conversations with Leidos along with a comparison of the rates paid by the Governor's office for the same system sought by the Department. The rates quoted by Leidos for the Department's use of the system are comparable to the rates paid by the Governor's office.

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

Sincerely,



Mary Roberts-Krause
Senior Treasury Counsel

Supplemental Documentation Required for
Fiscal Review Committee

*Contact Name:	Mary Roberts-Krause	*Contact Phone:	(615) 253-3855		
*Presenter's names(s):	Kevin Bradley				
Edison Contract Number: <i>(if applicable)</i>	N/A	RFS Number: <i>(if applicable)</i>	30901-42219		
*Original or Proposed Contract Begin Date:	February 28, 2020	*Current or Proposed End Date:	February 27, 2025		
Current Request Amendment Number: <i>(if applicable)</i>	N/A				
Proposed Amendment Effective Date: <i>(if applicable)</i>	N/A				
*Department Submitting:	Tennessee Treasury Department				
*Division:	Treasurer's Office				
*Date Submitted:	December 6, 2019				
*Submitted Within Sixty (60) days:	Yes				
<i>If not, explain:</i>	N/A				
*Contract Vendor Name:	Leidos Digital Solutions, Inc.				
*Current or Proposed Maximum Liability:	\$377,302.25				
*Estimated Total Spend for Commodities:	N/A				
*Current or Proposed Contract Allocation by Fiscal Year: <i>(as Shown on Most Current Fully Executed Contract Summary Sheet)</i>					
FY: 2020	FY: 2021	FY: 2022	FY: 2023	FY: 2024	FY: 2025
\$75,809.33	\$174,626.67	\$34,263.30	\$34,507.60	\$34,756.41	\$23,338.94
*Current Total Expenditures by Fiscal Year of Contract: <i>(attach backup documentation from Edison)</i>					
FY:	FY:	FY:	FY:	FY:	FY:
N/A	N/A	N/A	N/A	N/A	N/A
IF Contract Allocation has been greater than Contract Expenditures, please give the reasons and explain where surplus funds were spent:			N/A		
IF surplus funds have been carried forward, please give the reasons and provide the authority for the carry forward provision:			N/A		
IF 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

*Contract Funding Source/Amount:			
State:	\$0.00	Federal:	\$0.00
<i>Interdepartmental:</i>	\$377,302.25	<i>Other:</i>	\$0.00
If "other" please define:		N/A	
If "interdepartmental" please define:		The cost for the services will be allocated among the various departmental program areas. Consequently, the revenue that will be used to pay for the services will be covered by our various program areas that are brought into the Treasury Department's administrative budget as interdepartmental revenue.	
Dates of All Previous Amendments or Revisions: <i>(if applicable)</i>		Brief Description of Actions in Previous Amendments or Revisions: <i>(if applicable)</i>	
N/A		N/A	
Method of Original Award: <i>(if applicable)</i>		N/A	
*What were the projected costs of the service for the entire term of the contract prior to contract award? How was this cost determined?		The projected costs of the services for the entire term of the contract is \$377,302.25. This cost was arrived based on the Treasury Department's documented conversations with the intended contractor along with a comparison of the rates paid by the Governor's office for the same system sought by the Department. The rates quoted by the contractor for the Department's use of the system are comparable to the rates paid by the Governor's office.	
*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 Department is seeking an integrated information technology solution to track internal and external phone calls, email inquiries, issues, documents and interactions to ensure efficient and effective communications within and outside the Department. The contractor provides this solution through the Intranet Quorum ("IQ") system. This IQ solution would allow the Department to determine if members of the public as well as external stakeholders have	

[Instructions](#) | **Form** | [Attachments](#)

Seq # 702

RER Standard

Subject Rule Exception Request 30901-42219 Leidos - modify contract language

Priority 3-Standard

Due Date 12/03/2019

Status Approved

Approver Status

Agency Request Tracking# 30901-42219

Procuring Agency 30901

Edison Contract ID TBD - new

Contractor Name Leidos Digital Solution, Inc

More Information

Requesting deviations to the standard contract language

[Return to Search](#) | [Notify](#)

[Instructions](#) | [Form](#) | [Attachments](#)

RER Standard

Subject Rule Exception Request 30901-42219 Leidos - modify contract language

Review/Edit Approvers

RER Standard

▼ **RER Standard: 702:Approved**

View/Hide Comments

RER Standard

Approved

✓ Keith H Brinkley
Agency Forms Approver
11/25/19 - 3:38 PM



Approved

✓ Kevin C Bartels
CPO Standard Forms Approver
11/25/19 - 3:40 PM



Approved

✓ Bryan S Chriske
COT Treasury Forms Approver
11/25/19 - 5:18 PM

▶ **Comments**

OK

Rule Exception Request

Use this document to request changes to Central Procurement Office templates, policies, or other procurement documents or to modify the "necessary contract clauses" identified in Tenn. Comp. R. & Reg. 0690-03-01-.17 ("CPO Rule 17"). Complete this document in conformity with CPO Rule 17, which is available [here](#). Upload the completed document and route for approvals by selecting the appropriate RER 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>. All Rule Exception Requests are subject to review and approval by the Chief Procurement Officer. Rule Exception Requests that propose to modify any of CPO Rule 17's necessary contract clauses shall be subject to review and approval by the Comptroller of the Treasury. Note: If the requested changes involve contracts under a delegation, please use the RER for the DA or DGA templates. Also, any change to the template language regarding the Limitation of Contractor's Liability shall be submitted using the Limitation of Contractor's Liability Request.

<p>APPROVED</p> <p>[Upload this RER to e-Forms in Edison. Approval will be captured in Edison Workflow.]</p> <hr/> <p>CHIEF PROCUREMENT OFFICER</p>	<p>APPROVED</p> <p>[Upload this RER to e-Forms in Edison. Approval will be captured in Edison Workflow.]</p> <hr/> <p>COMPTROLLER OF THE TREASURY</p>
<p>Agency request tracking #</p>	30901-42219
<p>1. Procuring Agency</p>	Tennessee Treasury Department
<p>2. Edison contract ID #</p>	Not yet assigned
<p>3. Please select Procurement or Contract Type. (This will be the RER e-Form for routing purposes.)</p>	<input type="checkbox"/> Grant Contract – for contracts involving Grants <input type="checkbox"/> Technology - for contracts involving technology <input type="checkbox"/> Risk Management - for changes to insurance or indemnification <input checked="" type="checkbox"/> Standard – Agency Term Contract or Statewide Contract (use for non-technology contracts for goods or services)
<p>4. Contractor or Grantee</p>	Leidos Digital Solutions, Inc.
<p>5. Contract's Effective Date</p>	December 16, 2019
<p>6. Contract or grant contract's Term (with ALL options to extend exercised)</p>	60 months
<p>7. Contract's Maximum Liability (with ALL options to extend exercised)</p>	\$377,302.25
<p>8. Citation and explanation of the rule(s) for which the exception is requested</p>	<p>Rule 0690-03-01-.17, which states in pertinent part that "(t)he form and content of all contract clauses shall be established by Central Procurement Office Policy". Further, the FA (fee for goods or services) contract template states that "changes to this template require a Rule Exception as set forth in Tenn. Comp. R. & Regs. 0690-03-01-.17 and the <i>Procurement Procedures Manual of the Central Procurement Office.</i>"</p>
<p>9. Description of requested changes If adding new provisions or modifying existing provisions, insert the new or modified provisions in their entirety. Please provide red-lines or track changes to highlight any deviations from template language.</p> <p>The requested deviations are shown through yellow highlights as follows:</p>	
<p>C.6. <u>Payment of Invoice.</u> A payment by the State shall not prejudice the State's right to object to or question any payment, invoice, or other matter. A payment by the State shall not be construed as acceptance of</p>	

goods delivered, any part of the services provided, or as approval of any amount invoiced. Payment shall be made as set forth in Tennessee's Prompt Pay Act of 1985, which is codified in Tennessee Code Annotated, Title 12, Chapter 4, Part 7.

D.5. Termination for Convenience. The State may terminate this Contract for convenience without cause and for any reason. The State shall give the Contractor at least thirty (30) calendar days written notice before the termination date. The Contractor shall be entitled to compensation for all conforming goods delivered and accepted by the State or for satisfactory, authorized services completed as of the termination date. In no event shall the State be liable to the Contractor for compensation for any goods neither requested nor accepted by the State or for any services neither requested by the State nor satisfactorily performed by the Contractor. In no event shall the State's exercise of its right to terminate this Contract for convenience relieve the Contractor of any liability to the State for any damages or claims arising under this Contract.

D.32. Insurance. Contractor shall maintain insurance coverage as specified in this Section. The State reserves the right to amend or require additional insurance coverage, coverage amounts, and endorsements required under this Contract upon written notice. Contractor's failure to maintain or submit evidence of insurance coverage, as required, is a material breach of this Contract. If Contractor loses insurance coverage, fails to renew coverage, or for any reason becomes uninsured during the Term, Contractor shall immediately notify the State. All insurance companies providing coverage must be: (a) acceptable to the State; (b) authorized by the Tennessee Department of Commerce and Insurance ("TDCI"); and (c) rated A- / VII or better by A.M. Best. All coverage must be on a primary basis and noncontributory with any other insurance or self-insurance carried by the State. Contractor agrees to name the State as an additional insured on any insurance policy with the exception of workers' compensation (employer liability) and professional liability (errors and omissions) insurance. All policies must contain an endorsement for a waiver of subrogation in favor of the State. Any deductible or self insured retention ("SIR") over fifty thousand dollars (\$50,000) must be approved by the State. The deductible or SIR and any premiums are the Contractor's sole responsibility. The Contractor agrees that the insurance requirements specified in this Section do not reduce any liability the Contractor has assumed under this Contract including any indemnification or hold harmless requirements.

10. Scope of Goods or Services Caption: Treasurer's Office Correspondence Tracking System

11. Justification The vendor requested these modifications, which the Treasury Department believes are reasonable. The requested revision to Section C.6 is already a requirement the State must meet by Tennessee State law; namely, complying with the Prompt Pay Act of 1985. The Act requires the State when it acquires property or services pursuant to a contract to pay for each completed item of property or service within 45 days after receipt of the invoice covering the delivered items or services. The proposed revision to Section D.5 merely clarifies that the thirty-day period is calculated based on calendar versus business days. The proposed modification to Section C.32 clarifies that the vendor will provide any additional or amended insurance coverage, coverage amounts and endorsements required under the Contract upon written notice from the State.

Signature of Agency head or designee and date


DAVID H. LILLARD, JR., STATE TREASURER

NOV. 22, 2019
DATE

Approved for signature by ac 11/19/19

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.

<p>APPROVED</p> <p>Michael F. Perry-CS</p> <p><small>Digitally signed by Michael F. Perry-CS DN: cn=Michael F. Perry-CS, o=CPO, ou=32101, email=Chris.Salita@tn.gov, c=US Date: 2019.04.29 14:52:21 -05'00'</small></p>	<p>APPROVED</p> <p>Bryan Chriske on behalf of Comptroller Justin P. Wilson</p> <p><small>Digitally signed by Bryan Chriske on behalf of Comptroller Justin P. Wilson Date: 2019.04.30 11:15:26 -05'00'</small></p>
CHIEF PROCUREMENT OFFICER	COMPTROLLER OF THE TREASURY
DATE	DATE

Request Tracking #	30901-42219
1. Contracting Agency	Department of Treasury
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	Alison Cleaves; Assistant Treasurer for Legal, Compliance and Audit; Department of Treasury; 502 Deaderick Street; Nashville, Tennessee 37243.
4. Brief Goods or Services Caption	Installation and implementation of an integrated information tracking system.
5. Description of the Goods or Services to be Acquired	The Department is seeking an information technology solution to track internal and external phone calls, email inquiries, issues, documents and interactions for the Department of Treasury.
6. Proposed Contractor	Leidos Digital Solutions, Inc.
7. Name & Address of the Contractor's principal owner(s) <i>- NOT required for a TN state education institution</i>	Howard Langston; 2700 Prosperity Avenue, Suite 200; Fairfax, Virginia 22031.

Request Tracking #	30901-42219
8. Proposed Contract Period – with ALL options to extend exercised The proposed contract start date shall follow the approval date of this request.	60 months
9. Strategic Technology Solutions ("STS") Pre-Approval Endorsement Request – information technology (N/A to THDA)	<input checked="" type="checkbox"/> Not Applicable <input type="checkbox"/> Attached
10. eHealth Pre-Approval Endorsement Request – health-related professional, pharmaceutical, laboratory, or imaging	<input checked="" type="checkbox"/> Not Applicable <input type="checkbox"/> Attached
11. Human Resources Pre-Approval Endorsement Request – contracts with an individual, state employee training, or services related to the employment of current or prospective state employees	<input checked="" type="checkbox"/> Not Applicable <input type="checkbox"/> 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.	<input checked="" type="checkbox"/> NO <input type="checkbox"/> YES,
13. Maximum Contract Cost – with ALL options to extend exercised	\$ 377,302.25
14. Was there an initial government estimate? If so, what amount?	<input type="checkbox"/> NO <input checked="" type="checkbox"/> YES, \$377,302.25
15. Cost Determination Used- How did agency arrive at the estimate of expected costs?	The Department arrived at the estimated cost based on its documented conversations with the intended Contractor along with a comparison of the rates paid by the Governor's office for the same system sought by the Department. The rates quoted by the Contractor for the Department's use of the system are comparable to the rates paid by the Governor's office.
16. Explanation of Fair and Reasonable Price- Explain how agency determined that price is fair and reasonable	The Department determined that the Contractor's cost is fair and reasonable based on a comparison with the cost for other similar type products as the IQ system sought by the Department. Based on this market research, the cost of the IQ system is comparable to the cost of other systems similar to IQ.
17. Documentation of Discussions with Contractor- How did agency document discussions with Contractor? Attach documentation to this request as applicable.	The agency documented all conversations with the Contractor by email or handwritten notations to the file.

Request Tracking #	30901-42219
18. Explanation of Need for or requirement placed on the State to acquire the goods or services	<p>The Department is seeking an integrated information technology solution to track internal and external phone calls, email inquiries, issues, documents and interactions to ensure efficient and effective communications within and outside the Department. The Contractor provides this solution through the Intranet Quorum ("IQ") system. This IQ solution would allow the Department to determine if members of the public as well external stakeholders have inquiries or issues that may affect more than one (1) program area within the Department. Utilizing this solution will also allow the Department to communicate effectively with the Governor's office and the executive branch agencies all of which also utilize the IQ system. To the extent that a member of the public or an external stakeholder has an issue or an inquiry in common with another state agency or various programs within the Department, Department staff will be able to centralize the tracking of the matter with the IQ system.</p>
19. Proposed contract impact on current State operations	<p>It is anticipated that the proposed Contract will encourage efficient communications within and outside of the Department, including, communications with other state agencies.</p>
20. Justification – Specifically explain why the goods or services should be acquired through the procurement method or contract type selected.	<p>The Department is attempting to procure Leidos's services noncompetitively because it would like to secure the same information tracking solution that is currently utilized by the executive branch of State government. By using the same system, the Department will be able to communicate efficiently with the Governor's office as well as the executive branch agencies. Additionally, the information from each IQ system can be transferred from one to the other for follow-up and tracking. If the Department pursued these services competitively through an RFP process, the Department could obtain a system that may not be compatible with the executive branch which would undermine the Department's pursuit of effective communication tracking.</p>
For No Cost and Revenue Contracts Only	

Request Tracking #	30901-42219
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	
For Sole Source and Proprietary Procurements Only	
25. Evidence of Contractor's experience & length of experience providing the goods or services to be procured.	The Contractor has approximately 49 years of experience providing information technology systems such as the one sought by the Department. The Contractor provides or has provided the IQ system to forty-one percent (41%) of the governors, state legislatures, and state agencies throughout the nation. The Contractor also provides or has provided the IQ system to various federal agencies, such as the U.S. Department of State; Department of Justice; Homeland Security; Veteran's Administration; and Department of Transportation.
26. 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 checked="" type="checkbox"/> NO <input type="checkbox"/> YES, Method: Name/Address:
27. Contractor selection process and efforts to identify reasonable, competitive, procurement alternatives	Because the Department would like to obtain an information technology system that is compatible with one that is used by the Governor's office and the executive branch agencies for efficient and effective matter tracking and communications, it would not be in the best interest of the Department to engage in a competitive procurement that might yield a Contractor that cannot achieve the Department's goals.
Signature Required for all Special Contract Requests	

Request Tracking #	30901-42219
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)	
Signature: 	Date: MARCH 13, 2018



CONTRACT

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

Begin Date February 28, 2020	End Date February 27, 2025	Agency Tracking # 30901-42219	Edison Record ID
Contractor Legal Entity Name Leidos Digital Solutions, Inc.			Edison Vendor ID 41161

Goods or Services Caption (one line only)
Installation and implementation of an integrated information tracking system.

Contractor <input checked="" type="checkbox"/> Contractor	CFDA #
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Funding —					
FY	State	Federal	Interdepartmental	Other	TOTAL Contract Amount
2020			\$75,809.33		\$75,809.33
2021			\$174,626.67		\$174,626.67
2022			\$34,263.30		\$34,263.30
2023			\$34,507.60		\$34,507.60
2024			\$34,756.41		\$34,756.41
2025			\$23,338.94		\$23,338.94
TOTAL:			\$377,302.25		\$377,302.25

Contractor Ownership Characteristics:

Minority Business Enterprise (MBE):
 African American Asian American Hispanic American Native American

Woman Business Enterprise (WBE)

Tennessee Service Disabled Veteran Enterprise (SDVBE)

Disabled Owned Business (DSBE)

Tennessee Small Business Enterprise (SBE): \$10,000,000.00 averaged over a three (3) year period or employs no more than ninety-nine (99) employees.

Government Non-Minority/Disadvantaged Other:

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

Competitive Selection

Other Sole source through an approved Special Contract Request.

Budget Officer Confirmation: There is a balance in the appropriation from which obligations hereunder are required to be paid that is not already encumbered to pay other obligations.

Kerry Haney

Speed Chart (optional)	Account Code (optional)
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**CONTRACT
BETWEEN THE STATE OF TENNESSEE,
DEPARTMENT OF TREASURY
AND
LEIDOS DIGITAL SOLUTIONS, INC.**

This Contract, by and between the State of Tennessee, Department of Treasury ("State") and Leidos Digital Solutions, Inc. ("Contractor"), is for the provision of a Treasurer's Office Correspondence Tracking System (TOCTS), as further defined in the "SCOPE." State and Contractor may be referred to individually as a "Party" or collectively as the "Parties" to this Contract.

The Contractor is a For-Profit Corporation.
Contractor Place of Incorporation or Organization: Virginia
Contractor Edison Registration ID # 41161

A. SCOPE:

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

A.2. Definitions. For purposes of this Contract, definitions shall be as follows and as set forth in the Contract:

- (a) "Added Functionality" means a configured system using the Software that is in addition to TOCTS and is developed to support or assist the boards, commissions, committees, programs or divisions administratively attached to the State.
- (b) "Authorized Users" means individuals employed by the State or the State of Tennessee who are permitted to have access to the Software as configured by the Contractor and/or the State, pursuant to the terms of this Contract.
- (c) "Data" means information inputted, processed or stored through the State's use of the Software.
- (d) "License" means use of the Software.
- (e) "Software" means the Intranet Quorum® software system and includes computer programs that are owned by and proprietary to the Contractor and computer programs developed by third parties that are licensed to the Contractor and sublicensed to the State by the Contractor under this Contract, including all modifications, translations, adaptations, upgrades, and enhancements thereto.
- (f) "TOCTS" means the Treasurer's Correspondence Tracking System which is a configured system using the Software.

A.3. Grant of License. The Contractor grants to the State a perpetual, nonexclusive, nontransferable license to use the Software under the terms and conditions contained in this Contract for the State's own use. The State acknowledges that the License granted herein transfers no title or right to the State other than the right to use the Software as provided in this Contract, and the State may not:

- (a) copy, distribute, or otherwise permit individuals other than Authorized Users to use or otherwise access the Software, except as permitted under the terms of this Contract;
- (b) decompile, disassemble, reverse engineer, or otherwise attempt to discover the source code for the Software; provided, however, that this will not prohibit the State from configuring the Software into the TOCTS product or any other product for use by the State;
- (c) sell, sublicense, lease, assign, barter, loan, or otherwise transfer the Software or any interest in the Software to a third party, except as otherwise provided in this Contract;
- (d) remove, alter or obscure any copyright or other proprietary notices on the Software or copies of the Software;

- (e) provide use of the Software or functions of the Software to any third party through a service bureau or application services provider arrangement or through timesharing, subscription services or the rental use of the Software; and
- (f) use the Software for any purposes or in any manner directly or indirectly in violation of the law, regulation or court order in which the State is a party.

- A.4. Installation and Configuration. The Contractor shall install the Software on the State's servers. The Contractor shall also configure the Software into TOCTS in accordance with the business requirements and statement of work, which are attached hereto as Attachments A and B, respectively. The business requirements and statement of work may be amended from time to time by the State and provided to the Contractor without requiring an amendment to the Contract. The State may, on its own or through assistance from the Contractor, configure the Software to provide Added Functionality. The Contractor shall allow and in no way prohibit or inhibit the State from configuring the Added Functionality to the Software.
- A.5. Administrator Rights. After the installation of the Software and the configuration of the TOCTS system, the State shall have administrator rights for the operation of the Software and TOCTS, including, but not limited to the ability to add and remove Authorized Users. The State may allow the Contractor limited administrator rights to assist the State in developing Added Functionality. The Contractor shall have adequate and appropriate security in exercising these limited administrator rights in accordance with Section A.14. in the Contract.
- A.6. Initial Users. Through the use of the License, the Contractor shall provide a minimum of twenty-six (26) user licenses to Authorized Users so that each Authorized User can use the Software, the TOCTS and any other configured system for the State with a separate login. Each Authorized User shall be able to access and use the Software, the TOCTS system and any other configured system simultaneously. No additional site licenses, central server licenses, or their equivalent shall be required in order for Authorized Users to access or use the Software, the TOCTS and any other configured system. The Contractor shall provide the State with system support for the twenty-six (26) Authorized User licenses.
- A.7. Additional Users. At the request of the State, the Contractor shall provide the State with additional licenses to Authorized Users. The State may add additional Authorized Users at any point during the life of this Contract, and the Contractor shall provide system support to the State for these additional Authorized User licenses in the same manner as it does for the initial Authorized User licenses referenced in Section A.4. of this Contract.
- A.8. Technical Support. The Contractor shall provide technical support to the State through online interface or toll-free telephone number for problem reporting, problem resolution and inquiries about the Software, TOCTS and any other Added Functionality. Such support shall be available Monday through Friday, excluding State holidays, between the hours of 7:00 AM and 5:00 PM Central Time. The Contractor's personnel, including, but not limited to, employees, contractors or subcontractors, responding to these requests and providing this support shall be trained to enable them to address questions and solve problems themselves, without having to refer the questions elsewhere. The Contractor shall also provide the capability to accept problem reports during those times when the Contractor's problem resolution personnel is not available.
- A.9. Consulting Services. At the State's request, the Contractor shall provide professional consulting services to the State. The Parties will mutually agree on the consulting services to be provided by the Contractor; the individual or individuals who will provide the services to the State on the Contractor's behalf; whether the services will be provided on or off-site (meaning at the State's official work station or remotely); whether the services will require the Contractor to travel; and the length of time the services will be provided. The types of professional services provided may include, but not be limited to, on-site implementation support and on-site technical support, such as analysis and programming for system modifications. Should the Parties mutually agree that travel is necessary for the provision of these services, the State will reimburse the Contractor for travel expenses in accordance with Section C.4. of this Contract.
- A.10. Maintenance and Enhancements. The Contractor shall maintain the Software and shall furnish to the State the following support and services:

- (a) any improvements, enhancements, patches and new releases of the Software developed by the Contractor that are generally made available to other licensees of the Software along with the explanatory reference documentation. Should the State choose to install such improvements, enhancements, patches or releases, the Contractor shall include the Added Functionality within such upgrades or new releases, at no additional cost to the State, such that the State loses no functionality through the process of upgrading or installing the new release. Documentation of the existing Software shall be changed as the Contractor deems necessary for purposes of removing errors, providing consistency of interpretation or documenting improvements. All such improvements, enhancements, patches and new releases shall be considered part of the Software and apply to TOCTS and Added Functionality. Such modifications to the Software, TOCTS or Added Functionality shall not degrade current performance levels and shall, in all respects, be compatible with then-existing State uses for the Software, TOCTS and Added Functionality;
- (b) updates to any portions of the Software released at no cost to the Contractor by other software suppliers. Such updates shall be tested by the Contractor prior to furnishing the same to the State;
- (c) access to the Contractor's online support documentation;
- (d) diagnosis, verification and correction of errors, malfunctions and defects in the Software proactively and at the request of the State; and
- (e) any future Software plug-in modules commercially available that may be determined necessary in support of changes and enhancements to the State's architecture.

A.11. System Documentation.

- (a) The Contractor shall assist with the following Software documentation for upgrades implemented by the State:
 - (1) User Manual. This manual shall provide complete information and instructions in the day-to-day, non-technical business use of the TOCTS.
 - (2) User Quick Reference Guide. This guide shall provide a reference for casual or infrequent users that will enable them to quickly access major functions of this system without having to refer to the user manual.
 - (3) Operations Manual. This manual shall provide complete information and instructions in the technical operation, maintenance and administration of the TOCTS.
- (b) The Contractor shall give the State access to the Software documentation including a configuration manual. The configuration manual shall provide complete information for the configuration of the Software to create tasks, workflows, reports, database fields and other standard configurations of the Software.

A.12. Training. At the request of the State, the Contractor shall provide the State with training on the Software, TOCTS and any Added Functionality. This training shall consist of classroom or individual one-on-one training, as well as web-based training, at the State's option, and shall take place at a location mutually agreed upon by the Parties.

A.13. IS Security Certification and Accreditation. The State shall receive the results of any security audits that are performed by a third-party on behalf of the Contractor or its sub-contractors that are pertinent to the Software provided that the Contractor or its sub-contractors, as applicable, may redact any information that may lead to the identity of other customers of the Contractor or its sub-contractors. The State may request that a third-party conduct a security audit of the applications according to the Federal Government program and guidelines (NIST Special Publication 800-37, Guide for the Security Certification and Accreditation of Federal Information Systems). The cost of that effort (if undertaken) will be the responsibility of the State; however, should that effort result in errors or findings, it is the Contractor's responsibility to research and correct such items at the Contractor's discretion, provided that if a significant security flaw is identified, the Contractor shall be responsible for researching and correcting such flaw(s).

A.14. Security and Data Retention/Ownership.

- (a) The Contractor shall provide security functions within its application. The Contractor shall provide reasonable risk control procedures as well as appropriate physical, technical and administrative safeguards to protect the integrity, confidentiality and availability of the Data.

The Contractor warrants to the State that it is familiar with the requirements of the State of Tennessee Enterprise Information Security Policies. The State of Tennessee Information Security policy can be found at the following link: <http://www.tn.gov/finance/oir/security/secpolicy.html>. The Contractor warrants that it will cooperate with the State in the course of performance of this Contract so that both Parties will be in compliance with State Enterprise Information Security Policies requirements, that may be amended from time to time, and any other state and federal computer security regulations including cooperation and coordination with State computer security officials and other compliance officers required by its regulations.

- (b) All Data uploaded or inputted by the State using the Software will be owned by the State. If the Contractor has access to this Data in assisting the State with obtaining Added Functionality, the Contractor shall ensure that it has adequate security relative to the Software, such that the State's Data, TOCTS or Added Functionality is not accessed, compromised, altered, or disseminated or used by an unauthorized third party.
- (c) The Contractor shall allow State security staff to add, update, and terminate users, grant privileges, and report on activity.
- (d) The Contractor shall allow the State's audit staff to monitor activity and create reports.

A.15. Back-Up and Disaster Recovery. The Contractor shall assist and provide guidance to both the State and to the Department of Finance and Administration's Division of Strategic Technology Solutions (STS) relative to the planning, testing and actual execution of the State's normal system back-up and recovery execution.

A.16. Applicable Gifts and Solicitations Policy. The Contractor shall not offer to give, or give, any gift to any employee of the Treasury Department or to any member of a Board, Commission or Committee administratively attached to the Treasury Department that would violate the Treasury Department's Gifts and Solicitations Policy, attached hereto as **Attachment "C"**.

A.17. Warranty. Contractor represents and warrants that the term of the warranty ("Warranty Period") shall be the greater of the Term of this Contract or any other warranty generally offered by Contractor, its suppliers, or manufacturers to customers of its goods or services. The goods or services provided under this Contract shall conform to the terms and conditions of this Contract throughout the Warranty Period. Any nonconformance of the goods or services to the terms and conditions of this Contract shall constitute a "Defect" and shall be considered "Defective." If Contractor receives notice of a Defect during the Warranty Period, then Contractor shall correct the Defect, at no additional charge.

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

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

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

A.18. Inspection and Acceptance. The State shall have the right to inspect all goods or services provided by Contractor under this Contract. If, upon inspection, the State determines that the goods or services are Defective, the State shall notify Contractor, and Contractor shall re-deliver the goods or provide the services at no additional cost to the State. If after a period of thirty (30) days following delivery of goods or performance of services the State does not provide a notice of any Defects, the goods or services shall be deemed to have been accepted by the State.

B. TERM OF CONTRACT:

B.1. This Contract shall be effective on February 28, 2020 ("Effective Date") and extend for a period of sixty (60) months after the Effective Date ("Term"). The State shall have no obligation for goods or services provided by the Contractor prior to the Effective Date.

C. PAYMENT TERMS AND CONDITIONS:

C.1. Maximum Liability. In no event shall the maximum liability of the State under this Contract exceed three hundred seventy-seven thousand three hundred two dollars and twenty-five cents (\$377,302.25) ("Maximum Liability"). This Contract does not grant the Contractor any exclusive rights. The State does not guarantee that it will buy any minimum quantity of goods or services under this Contract. Subject to the terms and conditions of this Contract, the Contractor will only be paid for goods or services provided under this Contract after a purchase order is issued to Contractor by the State or as otherwise specified by this Contract.

C.2. Compensation Firm. The payment methodology in Section C.3. of this Contract and the Travel Compensation provided in Section C.4. shall constitute the entire compensation due shall constitute the entire compensation due the Contractor for all goods or services provided under this Contract regardless of the difficulty, materials or equipment required. The payment methodology includes all applicable taxes, fees, overhead, and all other direct and indirect costs incurred or to be incurred by the Contractor.

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

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

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

Part	Item Description	Unit Price	UOM
GOV-U-IQGOV	IQ Government On-Premise (21-49 User Level) Right to Use Software License with embedded [REDACTED]	\$1,200.00	Unit
GOV-U-IQGOV	IQ Government On-Premise (50-149 User Level) Right to Use Software License with embedded [REDACTED]	\$1,080.00	Unit
GOV-U-AUS	Annual IQ Government Software Maintenance per user (Recurring Annually)	20% of total On-Premise License purchased	Unit
GOV-U-ASGD	Annual Tennessee State Local Geo-Code Subscription (Recurring Annually)	\$2,000.00	Unit

Year 1 Initial Implementation & Support Service			
Part	Item Description	Unit Price	UOM
GOV-H-PMS	Project Manager/Supervisor	\$186.13	Hourly
GOV-H-SNE	Senior Network Engineer - Software Installation & Configuration	\$186.13	Hourly
GOV-H-ISS	IQ Support Specialist	\$148.89	Hourly

GOV-H-ISD	Consulting Services – Software Development	\$186.13	Hourly
GOV-D-IQT	Onsite Support/Training/Project Management	\$1,691.99	Daily

Year 2 Support Service			
Part	Item Description	Unit Price	UOM
GOV-H-PMS	Project Manager/Supervisor	\$189.86	Hourly
GOV-H-ISS	IQ Support Specialist	\$189.86	Hourly
GOV-H-ISD	Consulting Services – Software Development	\$151.87	Hourly

Year 3 Support Service			
Part	Item Description	Unit Price	UOM
GOV-H-PMS	Project Manager/Supervisor	\$193.66	Hourly
GOV-H-ISS	IQ Support Specialist	\$154.91	Hourly

Year 4 Support Service			
Part	Item Description	Unit Price	UOM
GOV-H-PMS	Project Manager/Supervisor	\$197.53	Hourly
GOV-H-ISS	IQ Support Specialist	\$158.01	Hourly

Year 5 Support Service			
Part	Item Description	Unit Price	UOM
GOV-H-PMS	Project Manager/Supervisor	\$201.48	Hourly
GOV-H-ISS	IQ Support Specialist	\$161.17	Hourly

The Contractor shall not be compensated for travel time to the primary location of service provision. The payment methodology contained in this Section C.3. is for the full five (5)-year Term of the Contract.

- C.4. Travel Compensation. Compensation to the Contractor for travel, meals, or lodging shall be subject to amounts and limitations specified in the current "State Comprehensive Travel Regulations."

The Contractor must include (in addition to other invoice requirements of this Contract) a complete itemization of requested travel compensation and appropriate documentation and receipts as required by the "State Comprehensive Travel Regulations."

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

Carla Farris, Information Systems Manager
Tennessee Department of Treasury
502 Deaderick Street
Andrew Jackson Building, 14th Floor
Nashville, Tennessee 37243
(615) 532-1698
Carla.R.Farris@tn.gov

- a. Each invoice, on Contractor's letterhead, shall clearly and accurately detail all of the following information (calculations must be extended and totaled correctly):
- (1) Invoice number (assigned by the Contractor);
 - (2) Invoice date;
 - (3) Contract number (assigned by the State);
 - (4) Customer account name: Tennessee Department of Treasury; Information Systems Division;

- (5) Customer account number (assigned by the Contractor to the above-referenced Customer);
- (6) Contractor name;
- (7) Contractor Tennessee Edison registration ID number;
- (8) Contractor contact for invoice questions (name, phone, or email);
- (9) Contractor remittance address;
- (10) Description of delivered goods or services provided and invoiced, including identifying information as applicable;
- (11) Number of delivered or completed units, increments, hours, or days as applicable, of each good or service invoiced;
- (12) Applicable payment methodology (as stipulated in Section C.3.) of each good or service invoiced;
- (13) Amount due for each compensable unit of good or service; and
- (14) Total amount due for the invoice period.

b. Contractor's invoices shall:

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

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

C.6. Payment of Invoice. A payment by the State shall not prejudice the State's right to object to or question any payment, invoice, or other matter. A payment by the State shall not be construed as acceptance of goods delivered, any part of the services provided, or as approval of any amount invoiced. Payment shall be made as set forth in Tennessee's Prompt Pay Act of 1985, which is codified in Tennessee Code Annotated, Title 12, Chapter 4, Part 7.

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

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

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

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

D. MANDATORY TERMS AND CONDITIONS:

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

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

The State:

Carla Farris, Information Systems Manager
Tennessee Department of Treasury
502 Deaderick Street
Andrew Jackson Building, 14th Floor
Nashville, Tennessee 37243
(615) 532-1698
Carla.R.Farris@tn.gov

The Contractor:

Chris Hart, Technical Sales Manager
Leidos Digital Solutions, Inc.
2700 Prosperity Avenue, Suite 200
Fairfax, Virginia 22031
Telephone # (703) 208-5037
Chris.Hart@leidos.com

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

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

D.4. Subject to Funds Availability. The Contract is subject to the appropriation and availability of State or federal funds. In the event that the funds are not appropriated or are otherwise unavailable, the State reserves the right to terminate this Contract upon written notice to the Contractor. The State's exercise of its right to terminate this Contract shall not constitute a breach of Contract by the State. Upon receipt of the written notice, the Contractor shall cease all work associated with the Contract. If the State terminates this Contract due to lack of funds availability, the Contractor shall be entitled to compensation for all conforming goods requested and accepted by the State and for all satisfactory and authorized services completed as of the termination date. Should the State exercise its right to terminate this Contract due to unavailability of funds, the Contractor shall have no right to recover from the State any actual, general, special, incidental, consequential, or any other damages of any description or amount.

D.5. Termination for Convenience. The State may terminate this Contract for convenience without cause and for any reason. The State shall give the Contractor at least thirty (30) calendar days written notice before the termination date. The Contractor shall be entitled to compensation for all conforming goods delivered and accepted by the State or for satisfactory, authorized services completed as of the termination date. In no event shall the State be liable to the Contractor for compensation for any goods neither requested nor accepted by the State or for any services neither requested by the State nor satisfactorily performed by the Contractor. In no event shall

the State's exercise of its right to terminate this Contract for convenience relieve the Contractor of any liability to the State for any damages or claims arising under this Contract.

- D.6. Termination for Cause. If the Contractor fails to properly perform its obligations under this Contract in a timely or proper manner, or if the Contractor materially violates any terms of this Contract ("Breach Condition"), the State shall have the right to immediately terminate the Contract and withhold payments in excess of compensation for completed services or provided goods. Notwithstanding the above, the Contractor shall not be relieved of liability to the State for damages sustained by virtue of any Breach Condition and the State may seek other remedies allowed at law or in equity for breach of this Contract.
- D.7. Assignment and Subcontracting. The Contractor shall not assign this Contract or enter into a subcontract for any of the goods or services provided under this Contract without the prior written approval of the State. Notwithstanding any use of the approved subcontractors, the Contractor shall be the prime contractor and responsible for compliance with all terms and conditions of this Contract. The State reserves the right to request additional information or impose additional terms and conditions before approving an assignment of this Contract in whole or in part or the use of subcontractors in fulfilling the Contractor's obligations under this Contract.
- D.8. Conflicts of Interest. The Contractor warrants that no part of the Contractor's compensation shall be paid directly or indirectly to an employee or official of the State of Tennessee as wages, compensation, or gifts in exchange for acting as an officer, agent, employee, subcontractor, or consultant to the Contractor in connection with any work contemplated or performed under this Contract.

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

- D.9. Nondiscrimination. The Contractor hereby agrees, warrants, and assures that no person shall be excluded from participation in, be denied benefits of, or be otherwise subjected to discrimination in the performance of this Contract or in the employment practices of the Contractor on the grounds of handicap or disability, age, race, creed, color, religion, sex, national origin, or any other classification protected by federal or state law. The Contractor shall, upon request, show proof of nondiscrimination and shall post in conspicuous places, available to all employees and applicants, notices of nondiscrimination.
- D.10. Prohibition of Illegal Immigrants. The requirements of Tenn. Code Ann. § 12-3-309 addressing the use of illegal immigrants in the performance of any contract to supply goods or services to the state of Tennessee, shall be a material provision of this Contract, a breach of which shall be grounds for monetary and other penalties, up to and including termination of this Contract.
- a. The Contractor agrees that the Contractor shall not knowingly utilize the services of an illegal immigrant in the performance of this Contract and shall not knowingly utilize the services of any subcontractor who will utilize the services of an illegal immigrant in the performance of this Contract. The Contractor shall reaffirm this attestation, in writing, by submitting to the State a completed and signed copy of the document at Attachment D, semi-annually during the Term. If the Contractor is a party to more than one contract with the State, the Contractor may submit one attestation that applies to all contracts with the State. All Contractor attestations shall be maintained by the Contractor and made available to State officials upon request.
- b. Prior to the use of any subcontractor in the performance of this Contract, and semi-annually thereafter, during the Term, the Contractor shall obtain and retain a current, written attestation that the subcontractor shall not knowingly utilize the services of an illegal immigrant to perform work under this Contract and shall not knowingly utilize the services of any subcontractor who will utilize the services of an illegal immigrant to perform work under this Contract. Attestations obtained from subcontractors shall be maintained by the Contractor and made available to State officials upon request.

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

D.18. Limitation of Contractor's Liability. In accordance with Tenn. Code Ann. § 12-3-701, the Contractor's liability for all claims arising under this Contract shall be limited to an amount equal to two (2) times the Maximum Liability amount detailed in Section C.1. and as may be amended, PROVIDED THAT in no event shall this Section limit the liability of the Contractor for: (i) intellectual property or any Contractor indemnity obligations for infringement for third-party intellectual property rights; (ii) any claims covered by any specific provision in the Contract providing for liquidated damages; or (iii) any claims for intentional torts, criminal acts, fraudulent conduct, or acts or omissions that result in personal injuries or death.

D.19. Hold Harmless. The Contractor agrees to indemnify and hold harmless the State of Tennessee as well as its officers, agents, and employees from and against any and all claims, liabilities, losses, and causes of action which may arise, accrue, or result to any person, firm, corporation, or other entity which may be injured or damaged as a result of acts, omissions, or negligence on the part of the Contractor, its employees, or any person acting for or on its or their behalf relating to this Contract. The Contractor further agrees it shall be liable for the reasonable cost of attorneys' fees, court costs, expert witness fees, and other litigation expenses for the State to enforce the terms of this Contract.

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

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

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

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

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

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

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

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

- D.26. Governing Law. This Contract shall be governed by and construed in accordance with the laws of the State of Tennessee, without regard to its conflict or choice of law rules. The Tennessee Claims Commission or the state or federal courts in Tennessee shall be the venue for all claims, disputes, or disagreements arising under this Contract. The Contractor acknowledges and agrees that any rights, claims, or remedies against the State of Tennessee or its employees arising under this Contract shall be subject to and limited to those rights and remedies available under Tenn. Code Ann. §§ 9-8-101 - 408.
- D.27. Entire Agreement. This Contract is complete and contains the entire understanding between the Parties relating to its subject matter, including all the terms and conditions of the Parties' agreement. This Contract supersedes any and all prior understandings, representations, negotiations, and agreements between the Parties, whether written or oral.
- D.28. Severability. If any terms and conditions of this Contract are held to be invalid or unenforceable as a matter of law, the other terms and conditions of this Contract shall not be affected and shall remain in full force and effect. The terms and conditions of this Contract are severable.
- D.29. Headings. Section headings of this Contract are for reference purposes only and shall not be construed as part of this Contract.
- D.30. Incorporation of Additional Documents. Each of the following documents is included as a part of this Contract by reference. In the event of a discrepancy or ambiguity regarding the Contractor's duties, responsibilities, and performance under this Contract, these items shall govern in order of precedence below:
- a. any amendment to this Contract, with the latter in time controlling over any earlier amendments;
 - b. this Contract with any attachments or exhibits (excluding the items listed at subsections c. through f., below), which includes Attachments A - D;
 - c. any clarifications of or addenda to the Contractor's proposal seeking this Contract;
 - d. the State solicitation, as may be amended, requesting responses in competition for this Contract;
 - e. any technical specifications provided to proposers during the procurement process to award this Contract; and
 - f. the Contractor's response seeking this Contract.
- D.31. Iran Divestment Act. The requirements of Tenn. Code Ann. § 12-12-101, *et seq.*, addressing contracting with persons as defined at Tenn. Code Ann. §12-12-103(5) that engage in investment activities in Iran, shall be a material provision of this Contract. The Contractor certifies, under penalty of perjury, that to the best of its knowledge and belief that it is not on the list created pursuant to Tenn. Code Ann. § 12-12-106.
- D.32. Insurance. Contractor shall maintain insurance coverage as specified in this Section. The State reserves the right to amend or require additional insurance coverage, coverage amounts, and endorsements required under this Contract upon written notice. Contractor's failure to maintain or submit evidence of insurance coverage, as required, is a material breach of this Contract. If Contractor loses insurance coverage, fails to renew coverage, or for any reason becomes uninsured during the Term, Contractor shall immediately notify the State. All insurance companies providing coverage must be: (a) acceptable to the State; (b) authorized by the Tennessee Department of Commerce and Insurance ("TDCI"); and (c) rated A- / VII or better by A.M. Best. All coverage must be on a primary basis and noncontributory with any other insurance or self-insurance carried by the State. Contractor agrees to name the State as an additional insured on any insurance policy with the exception of workers' compensation (employer liability) and professional liability (errors and omissions) insurance. All policies must contain an endorsement for a waiver of subrogation in favor of the State. Any deductible or self insured retention ("SIR") over fifty thousand dollars (\$50,000) must be approved by the State. The deductible or SIR and any premiums are the Contractor's sole responsibility. The Contractor agrees that the insurance requirements specified in this Section do not reduce any liability the Contractor has assumed under this Contract including any indemnification or hold harmless requirements.

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

Contractor shall provide the State a certificate of insurance ("COI") evidencing the coverages and amounts specified in this Section. The COI must be on a form approved by the TDCI (standard ACORD form preferred). The COI must list each insurer's National Association of Insurance Commissioners (NAIC) number and be signed by an authorized representative of the insurer. The COI must list the State of Tennessee – CPO Risk Manager, 312 Rosa L. Parks Ave., 3rd floor Central Procurement Office, Nashville, TN 37243 as the certificate holder. Contractor shall provide the COI ten (10) business days prior to the Effective Date and again thirty (30) calendar days before renewal or replacement of coverage. Contractor shall provide the State evidence that all subcontractors maintain the required insurance or that subcontractors are included under the Contractor's policy. At any time, the State may require Contractor to provide a valid COI. The Parties agree that failure to provide evidence of insurance coverage as required is a material breach of this Contract. If Contractor self-insures, then a COI will not be required to prove coverage. Instead Contractor shall provide a certificate of self-insurance or a letter, on Contractor's letterhead, detailing its coverage, policy amounts, and proof of funds to reasonably cover such expenses. The State reserves the right to require complete, certified copies of all required insurance policies, including endorsements required by these specifications, at any time.

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

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

a. Commercial General Liability ("CGL") Insurance

- 1) The Contractor shall maintain CGL, which shall be written on an ISO Form CG 00 01 occurrence form (or a substitute form providing equivalent coverage) and shall cover liability arising from property damage, premises and operations products and completed operations, bodily injury, personal and advertising injury, and liability assumed under an insured contract (including the tort liability of another assumed in a business contract).

The Contractor shall maintain single limits not less than one million dollars (\$1,000,000) per occurrence. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this policy or location of occurrence or the general aggregate limit shall be twice the required occurrence limit.

b. Workers' Compensation and Employer Liability Insurance

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

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

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

d. Crime Insurance

- 1) The Contractor shall maintain crime insurance, which shall be written on a "loss sustained form" or "loss discovered form" providing coverage for third party fidelity, including cyber theft and extortion. The policy must allow for reporting of circumstances or incidents that may give rise to future claims, include an extended reporting period of no less than two (2) years with respect to events which occurred but were not reported during the term of the policy, and not contain a condition requiring an arrest or conviction.

Any crime insurance policy shall have a limit not less than one million dollars (\$1,000,000) per claim and one million dollars (\$1,000,000) in the aggregate. Any crime insurance policy shall contain a Social Engineering Fraud Endorsement with a limit of not less than two hundred and fifty thousand dollars (\$250,000). This insurance may be written on a claims-made basis, but in the event that coverage is cancelled or non-renewed, the Contractor shall purchase an extended reporting or "tail coverage" of at least two (2) years after the Term.

- D.33. Major Procurement Contract Sales and Use Tax. Pursuant to Tenn. Code Ann. § 4-39-102 and to the extent applicable, the Contractor and the Contractor's subcontractors shall remit sales and use taxes on the sales of goods or services that are made by the Contractor or the Contractor's subcontractors and that are subject to tax.
- D.34. Confidentiality of Records. Strict standards of confidentiality of records and information shall be maintained in accordance with applicable state and federal law. All material and information, regardless of form, medium or method of communication, provided to the Contractor by the State or acquired by the Contractor on behalf of the State that is regarded as confidential under state or federal law shall be regarded as "Confidential Information." Nothing in this Section shall permit Contractor to disclose any Confidential Information, regardless of whether it has been disclosed or made available to the Contractor due to intentional or negligent actions or inactions of agents of the State or third parties. Confidential Information shall not be disclosed except as required or permitted under state or federal law. Contractor shall take all necessary steps to safeguard the confidentiality of such material or information in conformance with applicable state and federal law.

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

E. SPECIAL TERMS AND CONDITIONS:

- E.1. Conflicting Terms and Conditions. Should any of these special terms and conditions conflict with any other terms and conditions of this Contract, the special terms and conditions shall be subordinate to the Contract's other terms and conditions.
- E.2. Intellectual Property Indemnity. The Contractor agrees to indemnify and hold harmless the State of Tennessee as well as its officers, agents, and employees from and against any and all claims or suits which may be brought against the State concerning or arising out of any claim of an alleged patent, copyright, trade secret or other intellectual property infringement. In any such claim or action brought against the State, the Contractor shall satisfy and indemnify the State for the amount of any settlement or final judgment, and the Contractor shall be responsible for all legal or other fees or expenses incurred by the State arising from any such claim. The State shall give the Contractor notice of any such claim or suit, however, the failure of the State to give such notice shall only relieve Contractor of its obligations under this Section to the extent Contractor can demonstrate actual prejudice arising from the State's failure to give notice. This Section shall not grant the Contractor, through its attorneys, the right to represent the State of Tennessee in any legal matter, as provided in Tenn. Code Ann. § 8-6-106.
- E.3. Software License Warranty. Contractor grants a license to the State to use all software provided under this Contract in the course of the State's business and purposes.
- E.4. Software Support and Maintenance Warranty. Contractor shall provide to the State all software upgrades, modifications, bug fixes, or other improvements in its software that it makes generally available to its customers.

E.5. Personally Identifiable Information. While performing its obligations under this Contract, Contractor may have access to Personally Identifiable Information held by the State ("PII"). For the purposes of this Contract, "PII" includes "Nonpublic Personal Information" as that term is defined in Title V of the Gramm-Leach-Bliley Act of 1999 or any successor federal statute, and the rules and regulations thereunder, all as may be amended or supplemented from time to time ("GLBA") and personally identifiable information and other data protected under any other applicable laws, rule or regulation of any jurisdiction relating to disclosure or use of personal information ("Privacy Laws"). Contractor agrees it shall not do or omit to do anything which would cause the State to be in breach of any Privacy Laws. Contractor shall, and shall cause its employees, agents and representatives to: (i) keep PII confidential and may use and disclose PII only as necessary to carry out those specific aspects of the purpose for which the PII was disclosed to Contractor and in accordance with this Contract, GLBA and Privacy Laws; and (ii) implement and maintain appropriate technical and organizational measures regarding information security to: (A) ensure the security and confidentiality of PII; (B) protect against any threats or hazards to the security or integrity of PII; and (C) prevent unauthorized access to or use of PII. Contractor shall immediately notify State: (1) of any disclosure or use of any PII by Contractor or any of its employees, agents and representatives in breach of this Contract; and (2) of any disclosure of any PII to Contractor or its employees, agents and representatives where the purpose of such disclosure is not known to Contractor or its employees, agents and representatives. The State reserves the right to review Contractor's policies and procedures used to maintain the security and confidentiality of PII and Contractor shall, and cause its employees, agents and representatives to, comply with all reasonable requests or directions from the State to enable the State to verify or ensure that Contractor is in full compliance with its obligations under this Contract in relation to PII. Upon termination or expiration of the Contract or at the State's direction at any time in its sole discretion, whichever is earlier, Contractor shall immediately return to the State any and all PII which it has received under this Contract and shall destroy all records of such PII.

E.6. Lobbying. The Contractor certifies, to the best of its knowledge and belief, that:

- a. No federally appropriated funds have been paid or will be paid, by or on behalf of the Contractor, to any person for influencing or attempting to influence an officer or employee of an agency, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with the awarding of any federal contract, the making of any federal grant, the making of any federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal contract, grant, loan, or cooperative agreement.
- b. If any funds other than federally appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with any contract, grant, loan, or cooperative agreement, the Contractor shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.
- c. The Contractor shall require that the language of this certification be included in the award documents for all sub-awards at all tiers (including subcontracts, sub-grants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into and is a prerequisite for making or entering into this transaction imposed by 31 U.S.C. § 1352.

E.7. Survival. The terms, provisions, representations, and warranties contained in this Contract which by their sense and context are intended to survive the performance and termination of this Contract, shall so survive the completion of performance and termination of this Contract.

IN WITNESS WHEREOF,

LEIDOS DIGITAL SOLUTIONS, INC.:

CONTRACTOR SIGNATURE

DATE

PRINTED NAME AND TITLE OF CONTRACTOR SIGNATORY (above)

TENNESSEE DEPARTMENT OF TREASURY:

DAVID H. LILLARD, JR., STATE TREASURER

DATE

ATTACHMENT A
BUSINESS REQUIREMENTS

BR-REQ-001	Ability to capture contact information for the Treasurer's office and senior staff to promote better communication and accountability.
BR-REQ-002	Ability to capture, record, assign and track all complaints, requests, inquiries to show actions and record resolution and date of resolution.
BR-REQ-003	A customer record will be created for each person initiating the contact
BR-REQ-004	Ability to have multiple type of contacts. This includes but not limited to email, phone call, meeting, and visits.
BR-REQ-005	Ability to to assign tasks from a contact regardless of intake.
BR-REQ-006	Ability to create custom workflows to resolve a task
BR-REQ-007	Ability to set custom statuses of a task by step in a workflow
BR-REQ-008	Ability to assign tasks to IQ user within steps of a workflow
BR-REQ-009	Ability to set deadlines for resolution by category for a task. Contact categories will include but will not be limited to complaint, records request, general inquiry, visit, meeting, and other contact types the Treasurer's office deems necessary to capture.
BR-REQ-010	Ability to link documents, written correspondence, and other material pertaining to the contact or task
BR-REQ-011	Ability to run contact or task reports based on demographic location and date range
BR-REQ-012	Ability to create and configure dashboards based on Treasury needs such as but not limited to aging report of outstanding tasks
BR-REQ-013	Ability to fully integrate the product with Outlook.
BR-REQ-014	Ability to customize a standard letter and/ or email that is sent out from Treasury as a response
BR-REQ-015	Ability to record and update content of standard response letters as templates. When a template is selected, the system will automatically populate the template with specific information provided by Treasury.
BR-REQ-016	Ability to create an event, attach supporting documentation and add search criteria for easy retrieval
BR-REQ-017	Ability to provide role based security
BR-REQ-018	Ability to create ad-hoc reporting and schedule reports - example: daily, weekly, monthly, etc.
BR-REQ-019	Ability to provide "Search" functionality that is not case sensitive
BR-REQ-020	Allow Treasury users to add notes in a freeform text field where needed
BR-REQ-021	Ability to customize alerts based on different criteria. Example – an alert can be created if no response has been initiated to correspondence received after 48 hours.
BR-REQ-022	Ability to flag/ mark items that are urgent.
BR-REQ-023	Allow users to access from mobile device, through email link, and/or web browser

BR-REQ-024	Ability to to integrate with current file repository to retain initial contact/matter, final resolution document, and history.
BR-REQ-025	Ability to secure any and all PII and restrict security access using AD or other authentication required by Treasury.
BR-REQ-026	Allow Treasury users to share contact information, attachments and notes.
BR-REQ-027	Allow authorized users to restrict security at field level if needed.
BR-REQ-028	Allow Treasury users to send/ share documents with other state/ government entities that are using the Intranet Quorum (IQ) system.
BR-REQ-029	Allow Treasury users to load contacts into the system for any type of officials. The system must allow authorized users the to edit the information or to load a new list of contacts.
BR-REQ-030	The system must provide functionality that can keep up with all the Treasurer's events and all the contacts associated with a particular event. All the events then, must be displayed on the map based on legislative districts.
BR-REQ-031	Allow authorized Treasury users to create and/ or customize HTML emails. System must have the capability to auto adjust emails based on different devices – example: desktop, phone, tablet, etc.
BR-REQ-032	Ability to capture information related to communications sent out by Treasury, and provide analytics regarding confirmation received and when opened.
BR-REQ-033	System must keep all historical information and provide version control.

ATTACHMENT B
STATEMENT OF WORK

1. Introduction

The Tennessee Department of Treasury (Treasury) seeks to identify scope of work and project objectives in this statement of work (SOW) for the development of a 5-Year contract and price quote. This draft SOW identifies the products and services required to establish the implementation of the Intranet Quorum (IQ) System, including licenses, annual software upgrade maintenance, technical support, system Implementation, data migration, training, and professional services related to the implementation.

2. Background/Purpose

The Tennessee Department of Treasury has a requirement to acquire and implement Intranet Quorum, a comprehensive, highly-configurable Casework Management\ Customer Service Interaction Tracking\Correspondence Management\Workflow solution, in support of Treasury's entire organization. Treasury seeks a department-wide solution for up to 90 named, IQ licensed users.

3. Scope of Work

This SOW will define the processes and procedures necessary to prepare, deliver, and initiate a new IQ installation of the IQ software for the Tennessee Department of Treasury. The overall contract scope will include a phased, multi-year approach. This SOW will primarily address Phase one which will include IQ licensing, installation, migration of legacy data, system configuration and any/all related professional services. Phase Two will include multi-year sustainment and support of the IQ system.

➤ **PHASE ONE**

- A. Planning Stage:** The Planning Stage include collaboration and communication with stakeholders to position the Vendor/Treasury to install, and configure two instances of Intranet Quorum in separate testing and production environments, and any additional configuration changes requested by the Treasury. Also included is identifying assigned staff resources for both the Vendor and Treasury.

Deliverable(s) will include:

- Kick-off Meeting
- Project Schedule
- Weekly Status Meeting
- Staff Resourcing

The Vendor will provide the following resources:

- Project Manager
- Consultant
- Trainer
- Engineer
- Help Desk Support personnel

Staff Resourcing and Onboarding Deliverable(s) will include:

- Pass and adhere to any/all security trainings required by the Treasury.
- Pass a successful background check for clearance.
- Badged Vendors will stay compliant with Treasury badging and security compliance.
- Retain Vendor status checks for virtual private network (VPN) access.

B. Implementation Stage: Upon availability of the software infrastructure provided by Treasury, the Vendor will complete installation of the software application and related system components.

1. The Vendor will remotely support an on-premise server installation of the IQ software on Treasury-provided Testing and Production servers. Project planning will account for up to 60 business days from time of order to "go-live" availability. The Vendor will work collaboratively with designated Tennessee Department of Treasury contacts to perform installation of the software on the Tennessee Department of Treasury-provided servers. The Treasury requires that this installation is conducted during normal business hours (Monday through Friday, 8:00am – 4:00pm (CST), excluding state and federal holidays. Upon completion of the installation, the Vendor will provide a detailed "as-built" document in a folder on the servers for future reference. The Tennessee Department of Treasury will be responsible for installing a pre-configured server which meets specific Vendor guidance prior to the installation date. The Treasury will provide all required hardware and an SSL Certificate if desired.

Deliverable(s) will include:

- Application installed on customer-provided servers
- Architecture Document
- "As-Built" Document
- Installation of SSL Certificate
- MS Active Directory Single Sign-On integration

C. Application Configuration Stage: The software application configuration will consist of two (2) distinct tasks:

1. **Business Process Analysis (BPA):** The Vendor will work collaboratively with Treasury contacts to capture and document the Treasury business processes which are desired to be initially tracked in the IQ Software. The Vendor will review both existing business and future processes, as well as reporting and dashboard requirements. The Vendor will conduct interviews; collect and review documents, forms and work samples provided by the Treasury; and demonstrate a proof of concept, in support of the successful implementation of the solution. The solution is intended to track incoming and outgoing inquiries, complaints and requests from citizens, state legislators and state agencies.
2. **System Configuration:** The Vendor will configure the software based on the Treasury's specific business process needs. IQ Service Templates will be created by the Vendor's Consultant to accommodate the unique and specific procedures that are part of the tracking solution which include incoming and outgoing messages, document management, calendar coordination, IQ Webform management if desired, proactive Outreach or any other specific business process defined by Treasury. The requirements definition will facilitate a quote for the provision of the specific solution referenced above and will also be used during the solution design for high level business process steps and information management requirements.

Deliverable(s) will include:

- Business Process Analysis (BPA) Design Meetings
- Creation of Service (or Workflow) Templates
- Publically-facing IQ Webforms (*optional*)
- Test scripts based on the use case/business requirements. Government will provide acceptance or comments within 10 business days. Vendor will have 10 business days for final edits and submission of User Acceptance Testing (UAT) Final Scripts. (*optional*)

- One (1) Vendor-led UAT event with process owners conducted remotely *(optional)*
- Third-party software integration *(optional)*
- Custom Reports and Dashboards *(optional)*

D. Legacy Data Export and Migration: It is not anticipated that there will be any legacy data which will need to be exported and migrated to the IQ solution at this time.

E. Training: The Vendor will provide training services in support of the IQ software application implementation at the Tennessee Department of Treasury for identified staff and end-user training for all named users. In addition to offering on-site classroom training sessions, the Vendor will also offer other training options via webinar, remote learning (ex. WebEx training), teleconference or a combination which the Tennessee Department of Treasury specifically chooses. End user training will include basic software fundamentals and navigation for users to operate the system. In addition, the Vendor will provide advanced, administrative training to a select group of users so that those users will have knowledge on creating and modifying Service Templates, User Security, Adding and Modifying System Codes and creating limited reports and dashboards. The cost will be inclusive of training preparation time.

Deliverable(s) will include:

- Onsite classroom user training
- Onsite administrator training

F. Ongoing Support:

1. Help Desk Support: The Vendor will provide Tier 1 and Tier 2 help desk support to remotely handle all application-related user questions and to provide remote diagnostics. These resources will be available Monday through Friday, 7:00 a.m. to 5:00 p.m. CST, excluding federal holidays. Any application support issues that arise after normal business hours will be reported by the Treasury by email. Calls related to normal use of the application will be provided using Tier One Help Desk support. Tier Two Help Desk support will be as an escalation resource. The Vendor will utilize help desk ticketing software to track calls, document the process to resolve open calls and to report on trends.

Deliverable(s) will include:

- On-site Support
- Help Desk Support

G. Maintenance:

The Vendor will provide software maintenance, or Annual Upgrade Subscription, to ensure that the Treasury will have license to all upgrades of the software application product. It is understood that additional charges may apply if Vendor assistance is needed to apply upgrades and patching. These upgrades will include both enhancements and service patches designed to keep the application current with evolving operating systems and desktop applications.

4. Requirements

- A. Standup of On-Premise Testing and Production Environments
- B. Training for up to 90 users on IQ Software
- C. Additional Training of Treasury IQ System Administrators

5. Project Tasks

The Vendor will follow a project schedule, as shown below, for phase one implementation of IQ, which will include contract performance tasks, resources identified, and location as agreed upon by the Treasury and the Vendor.

Task	Description	Resources	Location
Task Order Award	Upon Purchase Order, the Vendor will request a kickoff meeting to be scheduled with the appropriate staff.	Treasury/ Vendor	Remote
Kickoff Meeting	The initial meeting with stakeholders and technical staff is vital to the success of the project. Outcomes of this meeting will be a project plan and timeline, an understanding of any special scheduling requirements, a list of users and project participants, a list of deliverables, an understanding of training facilities and resources, and a list of any other project dependencies.	Treasury/ Vendor	Remote via Internet based platform and conference line
Consulting	The Vendor will provide consulting services. Project Deliverable will include a fully configured application.	Treasury/ Vendor	Remote via internet based platform and conference line
Data Analysis AND Migration	N/A	N/A	N/A
System Configuration Review	Once the analysis is complete and the software is configured, the Vendor will meet with the Treasury to vet the design and insure the configuration is accepted.	Treasury	Remote
On Premise Installation	The software components including database and application software will be installed in two new environments once the server and operating system are configured.	Vendor	Remote
User Training	Following implementation, the Vendor will begin classroom training with up to 90 users at the Treasury facility.	Treasury/ Vendor	Onsite/ Remote
System Administrator Training	The Vendor trainers will work with Treasury's IT site managers and system administrators to complete knowledge transfer and insure a deeper level of product knowledge to include template creation and modification	Treasury/ Vendor	Onsite/ Remote
Live Usage	When training is completed, Treasury users will begin live operation with Vendor staff available for remote support, during which lessons learned, configuration changes, and general support questions can be answered on a one-on-one basis.	Treasury/ Vendor	Onsite/ Remote
Implementation Complete	Once the extended on-site or live usage support is complete, the implementation is complete.	Treasury	Onsite/ Remote

Ongoing Support and Maintenance	The Vendor will continue to provide help desk support and maintenance services throughout the life of the contract.	Treasury/ Vendor	Onsite/ Remote
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6. Acceptance Criteria

The Vendor will present all deliverables as defined in section 5 of this SOW for inspection and acceptance. Acceptance will be granted upon receipt of the above deliverables to identified Treasury staff. Unless otherwise agreed in writing at time of award, acceptance for all software deliverables will be granted upon receipt of deliverable and all services will be accepted upon 30 days of performance unless the Vendor has received prior written notification stating deliverable has been identified as unacceptable. If a deliverable is identified as unacceptable, a written explanation of non-acceptance will be provided by the Treasury so that the Vendor can remediate any issues promptly.

The Vendor will activate software billing for On Premise server install within 30 days of completed server install.

7. Period of Performance

The period of performance (POP) covers five years in two phases. Additional PO's with associated SOW's can be provided once a complete project plan is in place.

8. Place of Performance

Work will be performed on-site at the Tennessee Department of Treasury located in Nashville, TN and remotely off-site at the Vendor's facilities, as required. The Treasury will provide office space and equipment for Vendor's staff while on premises; equipment will be the responsibility of the Treasury. Treasury will provide Vendor with limited remote access to server for installation and ongoing technical support.

9. Personnel Requirements

The Vendor will staff qualified personnel to provide the full scope of expertise and capabilities required to perform the tasks outlined in this SOW. These individuals will have access to Treasury systems, facility, and users as required in the SOW in support of mission goals.

The Treasury will provide a staff member who will serve as a point of contact (POC) to coordinate implementation activities and resources at the Treasury's location.

10. Type of Contract

This is a Hybrid Firm Fixed-Price (Software and Maintenance) and Time-and-Materials Contract. Detailed Price Proposal to be provided once SOW is finalized between Treasury and vendor.

11. Payment & Invoicing Terms

Invoicing for Software and Software Maintenance to occur within 30 days of Kickoff Meeting. Invoicing for Services to be issued monthly as services are provided.

Payments are due 30 days upon delivery of invoice (see Acceptance Criteria).

ATTACHMENT C

TREASURY DEPARTMENT GIFTS AND SOLICITATION POLICY

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

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

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

- A gift given for nonbusiness purpose and motivated by a close personal friendship and not by the position of the employee, and specifically authorized and defined by the Ethics Commission;
- Informational materials in the form of books, articles, periodicals, other written materials, audiotapes, videotapes, or other forms of communication;
- Sample merchandise, promotional items, and appreciation tokens if they are routinely given to customers, suppliers or potential customers or suppliers in the ordinary course of business;
- Unsolicited tokens or awards of appreciation, honorary degrees, or bona fide awards in recognition of public service in the form of a plaque, trophy, desk item, wall memento, and similar items, provided that any such item shall not be in a form which can readily be converted to cash;
- Benefits resulting from business, employment, or other outside activities of the employee or the employee's immediate family, if such benefits are customarily provided to others in similar circumstances and are not enhanced due to the status of the employee;
- Opportunities and benefits made available to all members of an appropriate class of the general public, including but not limited to, discounts afforded to the general public or prizes and awards given out in public contests;
- Expenses of out-of-state travel, if such expenses are paid for or reimbursed by a governmental entity or an established and recognized organization of elected or appointed state government officials;
- Food, refreshments, amenities, goody bags, entertainment, or beverages provided as part of a meal, reception or similar event including tradeshows and professional meetings; and
- Food, refreshments, meals, foodstuffs, entertainment, beverages that are provided in connection with the following: an event where the employee is a speaker or part of a panel discussion at a scheduled meeting of an established or recognized membership organization which regularly meets at in-state events in which invitations are extended to legislative or executive branch employees. The value of the items shall not exceed fifty dollars (\$50.00) per person, per day.*

* The amount may be increased to reflect the percentage of change in the average consumer price index. The Ethics Commission publishes the increased amount on its website.

For other gifts offered which are not included in the exceptions above, the employee must obtain the written approval of the Assistant Treasurer for Legal, Compliance, and Audit.

ATTESTATION RE PERSONNEL USED IN CONTRACT PERFORMANCE

SUBJECT CONTRACT NUMBER:	
CONTRACTOR LEGAL ENTITY NAME:	Leidos Digital Solutions, Inc.
EDISON VENDOR IDENTIFICATION NUMBER:	41161

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

CONTRACTOR SIGNATURE

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

PRINTED NAME AND TITLE OF SIGNATORY

DATE OF ATTESTATION