



April 28, 2017

Chairman  
Fiscal Review Committee  
Rachel Jackson Building, 8<sup>th</sup> Floor  
320 Sixth Avenue North  
Nashville, TN 37243

Attention: Ms. Krista Lee, Executive Director

RE: Abbott Informatics Corporation

Dear Chairman:

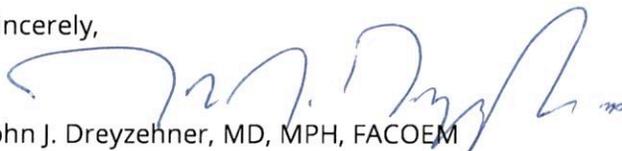
The Department of Health is requesting approval to establish a three (3) year, sole source contract with two (2) one-year options to renew for StarLIMS. The StarLIMS software is the current Laboratory Information System for public health laboratories across the state. The three-year term of the contract has an estimated liability of \$820,000.

The StarLIMS system is used for the reporting of data on test results at state labs. This data is then shared via StarLIMS with other facilities as research requires. As new tests are adopted by the lab, StarLIMS will need to be updated or modified to comply with new testing requirements. Additionally, the State may need to purchase additional user licenses.

Abbott Informatics Corporation is the only vendor that can provide the maintenance and updates necessary to maintain proper functionality and operation of the system. Abbott Informatics Corporation is also the only vendor that can sell user licenses for the StarLIMS system.

The Department of Health respectfully submits the above referenced contract for consideration and approval by the Fiscal Review Committee.

Sincerely,



John J. Dreyzehner, MD, MPH, FACOEM  
Commissioner

Supplemental Documentation Required for  
Fiscal Review Committee

*Contact Name:	Jim Gibson	*Contact Phone:	615-262-6303		
*Presenter's name(s):	Jim Gibson, Brandon Silby, Vincent Pinkney				
Edison Contract Number: <i>(if applicable)</i>	N/A	RFS Number: <i>(if applicable)</i>	34308-08318		
*Original or Proposed Contract Begin Date:	July 1, 2017	*Current or Proposed End Date:	June 30, 2020		
Current Request Amendment Number: <i>(if applicable)</i>	N/A				
Proposed Amendment Effective Date: <i>(if applicable)</i>	N/A				
*Department Submitting:	Department of Health				
*Division:	Laboratory Services				
*Date Submitted:	04/28/2017				
*Submitted Within Sixty (60) days:	Yes				
<i>If not, explain:</i>					
*Contract Vendor Name:	Abbott Informatics Corporation				
*Current or Proposed Maximum Liability:	\$820,000.00				
*Estimated Total Spend for Commodities:	\$820,000.00				
*Current or Proposed Contract Allocation by Fiscal Year: <i>(as Shown on Most Current Fully Executed Contract Summary Sheet)</i>					
FY:2018	FY:2019	FY:2020	FY	FY	FY
\$300,000	\$260,000	\$260,000	\$	\$	\$
*Current Total Expenditures by Fiscal Year of Contract: <i>(attach backup documentation from Edison)</i>					
FY:	FY:	FY:	FY:	FY	FY
\$	\$	\$	\$	\$	\$
<b>IF</b> Contract Allocation has been greater than Contract Expenditures, please give the reasons and explain where surplus funds were spent:			N/A		
<b>IF</b> surplus funds have been carried forward, please give the reasons and provide the authority for the carry forward provision:			N/A		
<b>IF</b> Contract Expenditures exceeded Contract Allocation, please give the reasons and explain how funding was acquired to pay the overage:			N/A		

Supplemental Documentation Required for  
Fiscal Review Committee

<b>*Contract Funding Source/Amount:</b>			
State:	40%	Federal:	40%
<i>Interdepartmental:</i>	20%	<i>Other:</i>	
If “ <i>other</i> ” please define:			
If “ <i>interdepartmental</i> ” please define:		Fees from Agriculture for lab services	
Dates of All Previous Amendments or Revisions: <i>(if applicable)</i>		Brief Description of Actions in Previous Amendments or Revisions: <i>(if applicable)</i>	
Method of Original Award: <i>(if applicable)</i>		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?		Vendor Quote	
*List number of other potential vendors who could provide this good or service; efforts to identify other competitive procurement alternatives; and the reason(s) a sole-source contract is in the best interest of the State.		StarLIMS is the Information System used in the public health laboratory system. Abbott is the only company that has the services that will meet the laboratory’s needs due to the compatibility of existing systems.	

# 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><b>APPROVED</b></p> <p style="font-size: 24pt; font-weight: bold;">Michael F. Perry-CS</p> <p style="font-size: 10pt;">Digitally signed by Michael F. Perry-CS DN: cn=Michael F. Perry-CS, o=CPO, ou=32101, email=Chris.Sallita@tn.gov, c=US Date: 2017.04.19 13:18:55 -05'00'</p>	<p><b>APPROVED</b></p> 
CHIEF PROCUREMENT OFFICER      DATE	COMPTROLLER OF THE TREASURY      DATE

<b>Request Tracking #</b>	34308-08318
<b>1. Contracting Agency</b>	Health
<b>2. Type of Contract or Procurement Method</b>	<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 _____
<b>3. Requestor Contact Information</b>	Jim Gibson Jim.gibson@tn.gov 615 262-6303
<b>4. Brief Goods or Services Caption</b>	StarLIMS software consultation services for configuration, maintenance, and additional licenses.
<b>5. Description of the Goods or Services to be Acquired</b>	Comprehensive contract for configuration of StarLIMS system for both Environmental and Microbiology labs. This will include a maintenance plan, the option to buy additional licenses, as well as consultation on configuration of current software and any possible additions in the case of new testing.
<b>6. Proposed Contractor</b>	Abbott Informatics Corp.
<b>7. Name &amp; Address of the Contractor's principal owner(s)</b> <i>- NOT required for a TN state education institution</i>	Jason Mazur Abbott Informatics Corp. 400 Hollywood Blvd Suite 333S Hollywood, FL 33021 Jason.mazur@abbott.com
<b>8. Proposed Contract Period</b> – with ALL options to extend exercised <i>The proposed contract start date shall follow the approval date of this request.</i>	60 months

<b>Request Tracking #</b>	34308-08318
<b>9. Office for Information Resources Pre-Approval Endorsement Request</b> – information technology (N/A to THDA)	<input type="checkbox"/> Not Applicable <input checked="" type="checkbox"/> Attached
<b>10. eHealth Pre-Approval Endorsement Request</b> – health-related professional, pharmaceutical, laboratory, or imaging	<input type="checkbox"/> Not Applicable <input checked="" type="checkbox"/> Attached
<b>11. Human Resources Pre-Approval Endorsement Request</b> – state employee training	<input checked="" type="checkbox"/> Not Applicable <input type="checkbox"/> Attached
<b>12. Are these goods or services currently available on a statewide contract? If YES, please explain why the current statewide contract is not being used for this procurement.</b>	<input checked="" type="checkbox"/> NO <input type="checkbox"/> YES,
<b>13. Maximum Contract Cost – with ALL options to extend exercised</b>	\$ 1,323,419.13
<b>14. Was there an initial government estimate? If so, what amount?</b>	<input type="checkbox"/> NO <input checked="" type="checkbox"/> YES, \$1,323,419.13
<b>15. Cost Determination Used-</b> How did agency arrive at the estimate of expected costs?	Vendor quote
<b>16. Explanation of Fair and Reasonable Price-</b> Explain how agency determined that price is fair and reasonable	Sole source vendor
<b>17. Documentation of Discussions with Contractor-</b> How did agency document discussions with Contractor? Attach documentation to this request as applicable.	Primarily email
<b>18. Explanation of Need for or requirement placed on the State to acquire the goods or services</b>	The StarLIMS application was purchased by the CDC through a grant direct assistance program to be implemented as the Laboratory Information System for the entire public health laboratory system. This contract is needed so that our system can be maintained, correctly configured, and so we can purchase additional user licenses, if they are needed.
<b>19. Proposed contract impact on current State operations</b>	StarLIMS is a critical part of the functioning of the Lab. It is the system used for the reporting of data on test results. This data is then shared within StarLIMS with other facilities as research requires. As new tests are adopted by Lab Services, StarLIMS will need to be configured correctly to be used in the particular way required. StarLIMS will also need to be maintained and kept up to date so that service is not interrupted. Additionally, we may require the option to purchase supplementary user licenses.

<b>Request Tracking #</b>	34308-08318
<b>20. Justification</b> – Specifically explain why the goods or services should be acquired through the procurement method or contract type selected.	<p>The StarLIMS software is the Laboratory Information System for public health laboratories across the state. In order to effectively run the StarLIMS software, maintenance is required to ensure that the system has the necessary upgrades and updates. Abbott is the only vendor that can provide the maintenance and upgrades necessary to upgrade the system to include additional tests that may be required in the future by CDC or other regulations and to upgrade the system for interoperability with future programs in which the lab may need StarLIMS to communicate.</p> <p>Abbott is also the only vendor that can sell licenses to the existing system. State users have extensive training and experience with the StarLIMS system and switching to a new vendor would require significant reorientation and training. In addition, compatibility with existing equipment is at issue as StarLIMS is an integral part of the functioning of the Lab network and has been installed at all lab locations.</p>
<b>For No Cost and Revenue Contracts Only</b>	
<b>21. What costs will the State incur as a result of this contract? If any, please explain.</b>	
<b>22. What is the total estimated revenue that the State would receive as a result of this contract?</b>	
<b>23. Could the State also contract with other parties interested in entering substantially the same agreement? Please explain.</b>	<input type="checkbox"/> NO <input type="checkbox"/> YES
<b>24. Summary of State responsibilities under proposed contract</b>	
<b>For Sole Source and Proprietary Procurements Only</b>	
<b>25. Explanation of Need for or requirement placed on the State to acquire the goods or services</b>	The StarLIMS application was purchased to be implemented as the Laboratory Information System for the entire public health laboratory system. This contract is needed so that our system can be maintained, correctly configured, and so that we can purchase additional user licenses if they are needed.
<b>26. Evidence of Contractor's experience &amp; length of experience providing the goods or services to be procured.</b>	StarLIMS (Abbott Informatics) has been a vendor with the State of Tennessee for over 10 years and also provides this service to the federal government (CDC) and 30+ other State and municipal public health department laboratories.

<b>Request Tracking #</b>	34308-08318
<b>27. Has the contracting agency procured the subject goods or services before? If yes, provide the method used to purchase the goods or services and the name and address of the contractor.</b>	<input type="checkbox"/> NO <input checked="" type="checkbox"/> YES, <b>Method:</b> Sole source contracts <b>Name/Address:</b> Jason Mazur Abbott Informatics Corp. 400 Hollywood Blvd Suite 333S Hollywood, FL 33021 Jason.mazur@abbott.com
<b>28. Contractor selection process and efforts to identify reasonable, competitive, procurement alternatives</b>	Abbott is the sole owner of the StarLIMS application and is the only authorized seller of licenses and maintenance.
<b>Signature Required for all Special Contract Requests</b>	
<b>Signature of Agency head or authorized designee, title of signatory, and date</b> (the authorized designee may sign his or her own name if indicated on the Signature Certification and Authorization document)	
<p style="font-size: 2em; margin: 0;"><b>Chris Salita</b></p> <p>Signature: _____</p>	<p>Digitally signed by Chris Salita  DN: cn=Chris Salita, o=CPO, ou=32101,  email=Chris.Salita@tn.gov, c=US  Date: 2017.04.19 13:18:26 -05'00'</p> <p>Date: _____</p>



## Information Technology Services Division Pre-Approval Endorsement Request

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

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

**DATE :** 4/3/2017

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

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

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

Is this a Fee-for-Service Contract?	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
Is this a Grant Contract?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
Is this a one-time purchase?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
Is this a subscription purchase?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>

<b>Division/Program Name:</b>	<b>Lab Services</b>
<b>Contact name and phone number/email address:</b>	<b>Simeon Ayton, 615 262-6460, simeon.ayton@tn.gov</b>
<b>Description of procurement and business need.</b>	<b>Comprehensive contract for StarLIMS informatics system. This contract will include configuration for both Clinical and Environmental systems, annual maintenance, and the option to purchase additional licenses.</b>

**Applicable RFS or Purchase Requisition #: ITB****Attachments Supporting Request** (mark all applicable)

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

**Relevant Attachments for Service Procurement**

Attached NA

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

**Relevant Attachments for Goods Procurement**

Attached NA

- Product Specifications
- Narrative Purchase Justification including Information Technology Impacted

***ITSD USE ONLY*****Information Systems Plan (ISP) Project Applicability**

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

- Applicable – Approved ISP Project#
- Not Applicable

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

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

## Key Terms and Definitions

Any procurement for services and /or product with information technology as a component of the scope of service/product requires review by the Information Technology Services Division to ensure the information technology component(s) of the scope of service/product meet the minimum requirements approved by the State of Tennessee for information technology architecture and standards. Listed below are some key terms and definitions of information technology components.

**Client:** Servers have clients. The "client-server" architecture is common in both local and wide area networks.

**Cloud/Cloud Computing:** Cloud computing refers to applications and services offered over the Internet. Examples include: SaaS (Software as a Service), PaaS (Platform as a Service)

**Database:** An organized collection of related information.

**DBMS:** Database Management System

**Domain:** The name of a particular Internet site.

**FTP:** File Transfer Protocol: Protocol used to transfer files between two computers.

**LAN:** Stands for "Local Area Network". A LAN is a computer network limited to a small area such as an office building

**Network:** Two or more computers connected together for the sharing of resources such as printers and drives.

**Program:** Program is a common computer term that can be used as both a noun and a verb. A program (noun) is executable software that runs on a computer. When "program" is used as verb, it means to create a software program.

**Software-as-a-Service (SaaS):** software licensing and delivery model in which software is licensed on a subscription basis and is centrally hosted; it is typically accessed by users using a thin client via a web browser.

**Server:** a computer that provides data to other computers.

**Software Programs:** a series of instructions that tell the computer hardware what to do; can also be the interface between the user and the computer system.

**Software license:** The terms and conditions under which a piece of software may be used.

**URL:** Uniform Resource Locator: an address on the Internet.

**WAN:** Stands for "Wide Area Network."



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

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

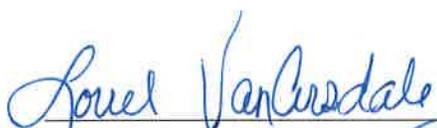
**FROM :** **Simeon Ayton**  
E-mail: [simeon.ayton@tn.gov](mailto:simeon.ayton@tn.gov)

**DATE :** 4/13/2017

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

### Applicable RFS #

### Office of e-Health Initiatives Endorsement Signature & Date:

  
Office of e-Health Initiatives 

4/21/17

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

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

<b>Contracting Agency</b>	<b>Health- Division of Lab Services</b>
<b>Agency Contact</b> (name, phone, e-mail)	<b>Simeon Ayton, 615-262-6460, <a href="mailto:simeon.ayton@tn.gov">simeon.ayton@tn.gov</a></b>
<b>Attachments Supporting Request</b> (as applicable – copies without signatures acceptable)	
<input type="checkbox"/> Solicitation Document <input checked="" type="checkbox"/> Special Contract Request <input type="checkbox"/> Amendment Request <input checked="" type="checkbox"/> Proposed contract or amendment	
<b>Subject Medical/Mental Health-Related Service Description</b> (Brief summary of eHealth services involved. As applicable, identify the contract and solicitation sections related to eHealth services.)	
<b>Comprehensive contract for StarLIMS informatics system. This contract will include configuration for both Clinical and Environmental systems, annual maintenance, and the option to purchase additional licenses.</b>	

# Contract Approval – Agency Legal Certification

A completed contract routed for Central Procurement Office (CPO) approval via Edison must be accompanied by this Agency Legal Certification template that has been signed and attached in PDF format.

1. Edison Contract ID #	
2. Contracting Agency Name	Tennessee Department of Health – Lab Services
3. Contractor Name	Abbott Informatics
4. Service Caption	Comprehensive StarLIMS Contract
5. Agency Contact (name, phone, e-mail)	<b>Jim Gibson (615) 262-6303</b> <a href="mailto:Jim.Gibson@tn.gov">Jim.Gibson@tn.gov</a>
<b>6. Legal Certification</b>  <i>By signing below, the department's legal staff certifies that:</i> <ol style="list-style-type: none"> <li>1) the contract as submitted includes only CPO template language (unless the agency has obtained an approved rule exception request);</li> <li>2) the contract is legally sufficient both in form and substance to protect the best interests of the State; and</li> <li>3) the contract does not contravene applicable law.</li> </ol>	
<hr/> <b>Agency Attorney Signature &amp; Date</b>	
<b>7. (Optional) Alternative to Legal Certification Request</b>  <p><b>Note:</b> If there are extenuating circumstances and a department's legal staff is unable to certify to a contract in the above manner, you must provide a written explanation with Agency Head signature, in the space provided below. Once the explanation is received by the CPO, instructions will be provided to the department as to what will be needed in order to gain approval of the contract, e.g., providing a Microsoft Word version of the contract, etc. <b><u>Please keep in mind that this alternative will slow down the approval process and should be the exception, not the rule.</u></b></p> <p><b>Justification</b></p>	
<hr/> <b>Agency Head Signature &amp; Date – contracting agency head or authorized signatory</b>	

# Abbott Informatics Corporation

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

**Abbott Informatics Corporation is considered an active/compliant entity within the Federal government; it is likewise considered an active entity in Florida, the company's state of incorporation. The State of Tennessee has not debarred nor otherwise suspended the company.**

2. In addition, please provide any information regarding the due diligence that the Department has taken to ensure that the vendor is not or has not been involved in any circumstances related to illegal activity, including but not limited to fraud.

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

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



# CONTRACT

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

<b>Begin Date</b> July 1, 2017	<b>End Date</b> June 30, 2020	<b>Agency Tracking #</b> 34308-08316	<b>Edison Record ID</b> 48268
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<b>Contractor Legal Entity Name</b> Abbott Informatics Corporation (a/k/a StarLIMS Corporation)	<b>Edison Vendor ID</b> 0000124049
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**Goods or Services Caption** (one line only)  
StarLIMS software consultation services for configuration, maintenance, and additional licenses.

<b>Contractor</b> <input checked="" type="checkbox"/> Contractor	<b>CFDA #</b>
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Funding —					
FY	State	Federal	Interdepartmental	Other	TOTAL Contract Amount
2018	\$125,000.00	\$125,000.00	\$50,000.00		\$300,000.00
2019	\$100,000.00	\$100,000.00	\$60,000.00		\$260,000.00
2020	\$100,000.00	\$100,000.00	\$60,000.00		\$260,000.00
<b>TOTAL:</b>	<b>\$325,000.00</b>	<b>\$325,000.00</b>	<b>\$170,000.00</b>		<b>\$820,000.00</b>

**Contractor Ownership Characteristics:**

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

Woman Business Enterprise (WBE)

Tennessee Service Disabled Veteran Enterprise (SDVBE)

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

Other: Corporation

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

Competitive Selection

Other Sole source

**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.

<b>Speed Chart</b> (optional) HL00000216	<b>Account Code</b> (optional) 72203000
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**CONTRACT  
BETWEEN THE STATE OF TENNESSEE,  
DEPARTMENT OF HEALTH  
AND  
ABBOTT INFORMATICS CORP.**

This Contract, by and between the State of Tennessee, Department of Health (“State”) and Abbott Informatics Corporation (“Contractor”), is for the implementation and configuration of StarLIMS for Microbiology and Environmental divisions of laboratory services, a StarLIMS annual maintenance plan, and the purchase of additional licenses, 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 Corporation.  
Contractor Place of Incorporation or Organization: Florida  
Contractor Edison Registration ID # 0000124049

**A. SCOPE:**

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

**A.2. DEFINITIONS:**

**a. Product Service Definitions**

1. “PAHPRA Reauthorization Act” means the Pandemic and All Hazards Preparedness Reauthorization Act of 2013, which is codified as 42 U.S.C. § 300hh-1, et seq and is the congressional reauthorization mandate for public health emergency preparedness activities;
2. “CDC” means the Centers for Disease Control and Prevention of the U.S. Department of Health and Human Services;
3. “EP” means the Emergency Preparedness section of the Tennessee Department of Health;
4. “PHEP” means Public Health Emergency Preparedness and is the name of the state program as well as the name of the funding source from the CDC;

**b. Security Service Definitions**

1. “AES” means Advanced Encryption Standard, which is a specification for the encryption of data established by NIST (National Institute of Standards and Technology).
2. “Database” means an organized collection of related information.
3. “EPI” means Electronic Patient Information, the modified and rebranded vxVista system used by the State of Tennessee’s health facilities.
4. “HIPAA” means the Health Insurance Portability and Accountability Act of 1996.
5. “HITECH” means The Health Information Technology for Economic and Clinical Health Act, enacted as part of the American Recovery and Reinvestment Act of 2007.

6. "HL7" Means Health Level Seven International which is a standards developing organization dedicated to providing a comprehensive framework and related standards for the exchange, integration, sharing, and retrieval of electronic health information.
7. "IPsec" means Internet Protocol Security, which is a protocol suite for securing Internet Protocol (IP) communications by authenticating and encrypting each IP packet of a communication session.
8. "NIST" means the National Institute of Standards and Technology, an agency of the U.S. Department of Commerce that develops technology, measurements, and standards.
9. "NIST SP800-52 Revision 1" means the National Institute of Standards and Technology's Special Publication regarding *Guidelines for the Selection, and Use of Transport Layer Security (TLS) Implementations*.
10. "NIST SP800-77" means the National Institute of Standards and Technology's Special Publication regarding *Guide to IPsec VPNs*.
11. "NIST SP800-88 Revision 1" means the National Institute of Standards and Technology's Special Publication regarding *Guidelines for Media Sanitization*.
12. "NIST SP800-111" means the National Institute of Standards and Technology's Special Publication regarding *Guide to Storage Encryption Technologies*.
13. "PHI" means Protected Health Information:
  - i. Information created or received by a health care provider, health plan, employer, or health care clearinghouse that relates to the past, present, or future physical, genetic, or mental health or condition of an individual;
  - ii. The provision of health care to an individual; or
  - iii. The past, present, or future payment for the provision of health care to an individual;
  - iv. That identifies the individual; or
  - v. For which there is a reasonable basis to believe the information can be used to identify the individual.
14. "PTBMIS" means the Patient Tracking Billing and Management Information System of the Department of Health.
15. "Pulse Secure/JVPN" means a SSL-VPN solution to securely connect to a private network over the internet.
16. "S/MIME" means Secure/Multipurpose Internet Mail Extensions which is a standard for encryption and signing of MIME data. MIME data is an extension of the original Internet Protocol that allows the exchange of different kinds of data files on the internet including audio, video, images, and applications.
17. "Secure Email" means the use of TLS/SSL to encrypt email messages, providing secure data integrity and confidentiality over computer networks.

18. "Server" means a computer that provides data to other computers.
19. "SFTP" means Secure File Transport Protocol, a computing network protocol for securely accessing, managing, and transferring files on remote file systems via command and data encryption.
20. "SHA" means Secure Hash Algorithm, which is a family of cryptography (SHA-1, 2, 3) published by the NIST addressing data encryption; used to verify that a file has been unaltered.
21. "SSL" means Secure Socket Layer, which is the standard security technology for establishing an encrypted link between a web server and a browser.
22. "SSL Certificate" means Secure Socket Layer Certificate, which is a type of digital certificate that binds the ownership details of a web server and website to cryptographic keys.
23. "SSL-VPN" means Secure Sockets Layer-Virtual Private Network, a technology that allows remote users secure access to web applications, client/server applications and internal network connections.
24. "TLS" means Transport Layer Security, which is a cryptographic protocol designed to provide communications security over computer networks; ensures privacy between communicating applications and their users on the Internet; ensures that no third party may eavesdrop or tamper with any message. TLS is the successor to the Secure Sockets Layer (SSL).
25. "Triple DES (3DES)" means Triple Data Encryption Standard, which is a type of encryption algorithm that encrypts data three (3) times.
26. "Trusted Certificate Authority" means a trusted entity that issues digital certificates that contain identity credentials to help represent an organization's online identity. "VPN" means Virtual Private Network, a virtual network built on top of existing physical networks that can provide a secure communications mechanism for data and control information transmitted between networks.
27. "vxVistA" means an open source version of the public domain VistA Electronic Health Record (EHR) system developed by the U.S. Department of Veterans Affairs (VA), modified and used in the State of Tennessee's health facilities.
28. "XML Encryption" means Extensible Markup Language Encryption, which is a specification that defines how to encrypt the contents of an extensible markup language element which is used in website development.
29. "Configuration" means the arrangement of a computer system or component as defined by the number, nature, and interconnections of its constituent parts. IEEE 610.12 - Standard Glossary of Software Engineering Terminology
30. "Integration testing" means the phase in software testing in which individual software modules are combined and tested as a group.
31. "System Migration" means the process of replaying actions from one system into another system. It normally involves installing newer software on a clean system and transferring data across. One of the key differences as compared to an upgrade is that a migration is a lower fidelity data transfer – reports and

numerous other pieces of metadata are not able to be migrated. In general, available migration tools have significantly less testing than the upgrade process, and most available tools have limited support.

32. "System Upgrade" means the process by which an existing system is moved from one version to a newer version. Upgrades are typically fully supported and are tested in many configurations before being released and tools are provided to move from older version to the newer version.

### A.3. **BACKGROUND:**

Laboratory interoperability is a key component in emergency preparedness and response and a core component of the CDC capabilities upon which our federal grants depend. Legally defensible data of documented accuracy is the primary service provided by TN Department of Health Environmental Labs. StarLIMS software is used as the Laboratory Information System for the State's public health laboratory system to do the following:

- a. **Laboratory Test Processing** - This business process encompasses the core of the State's public health and environmental lab work: receiving, initial processing, analytical laboratory testing and test result reporting for clinical and environmental specimens. Test result transmission includes verification and secure transmission of reports via hard copy, phone, FAX, electronic copy, HL7 lab result messaging to the submitting customer and other mandated recipients as well as posting results where they can be retrieved by authorized parties. The ability to share laboratory data during public health infectious disease outbreaks is vital to making rapid, well informed decisions to prevent the spread of disease and save lives.
- b. **Test Scheduling** – Prioritizes and schedules tests within the lab by specific instrument or bench. Scheduling factors include expedited test requests, the length of time a test takes, and holding/storage time requirements. In general, test requests are processed in the order in which they are received except during an event prioritization such as an emergency response to an outbreak.
- c. **Proactive Specimen/Sample Collection** – Receive prescheduled specimens in an efficient and timely manner.
- d. **Specimen and Sample Tracking/Audit Trail** - Specimens and samples are tracked from the time of receipt until disposal. The system uniquely identifies the samples and all of the aliquots/isolates required so that results can be matched back to the originating sample. The system helps to track and plan the actions to be taken after a specimen or sample is tested. For example if the specimen or sample must be held for further testing, must go for storage, or sent to a third party.
- e. **General Laboratory Reporting** – Creates timely and efficient general laboratory reports addressing all laboratory external obligations and internal management needs. Allows the application users, depending on application role, the ability to create data queries and generate data extraction files or reports.
- f. **Statistical Analysis and Surveillance** – Allows laboratory users to perform statistical analysis and surveillance activities to collaborate with internal and external customers in order to identify trends and sentinel events indicating emerging health problems, as well as participating in mitigation of adverse health events once they have been identified.
- g. **Billing for Laboratory Services** – Provides data for billing for the service provided to the customers of the Labs.

- h. Quality Control (QC) and Quality Assurance (QA) Management – Identification of QC and QA activities to be performed, the performance tracking and the management reporting. QA not only includes internal performance, but also relates to customer performance in meeting the requirements for proper test submittal and customer satisfaction with the lab's performance.
- i. Laboratory Mutual Assistance/Disaster Recovery – Identifying available capacity in an emergency to transfer existing test backlogs, as well as divert a portion of new test requests to alternate surge capacity laboratory locations. The system equips the State's lab with the capability to receive test backlogs and new test requests as an alternate surge capacity laboratory location.

**A.4. SERVICE DESCRIPTION:**

- a. The Contractor shall provide the Annual Maintenance Plan (AMP) to the State. The AMP includes the right to receive upgrades and updates that are issued by the Contractor during the life of the AMP. Related professional services and updates to third-party software are not included. The State will also receive unlimited telephone, e-mail, and web site operational support for up to two (2) named point-of-contacts. Phone support hours are from 9:00 am to 5:00 pm Eastern Standard Time (EST) Monday through Friday, other than national holidays. The Contractor shall respond within four (4) business hours. Support does not include the debugging of any code not provided by the Contractor, and does not include the configuration or support of network hardware/software or database software.
- b. Contractor shall provide the following to licenses available for purchase:
  - 1. StarLIMS Public Health Full-User Licenses, which allow additional concurrent users to full use of the application within a single session to all StarLIMS functions and wizards at the same time as a permitted number of other user sessions in the TDH's laboratory information management system.
  - 2. StarLIMS Public Health Data-User Licenses, which allow additional concurrent users to data consumer functions such as running queries and reports as well as printing lab reports at the same time as a permitted number of other data sessions in the TDH's laboratory information management system.
  - 3. StarLIMS Standard Designer License, which allows a named user to provide in-house maintenance of the application including the modification of queries and scripts allowing DLS to interface with other systems inside (and potentially outside) the department to receive electronic lab orders and send electronic lab results.
  - 4. StarLIMS Advanced Analytics Builder License, which provides named users with easy to use tools to create their own dashboards and visualizations. These can be published to enable Advanced Analytics End Users to gather new insights about their business.
  - 5. StarLIMS Advanced Analytics End User License, which allows a named user to view and interact with out of the box dashboards and visualizations and those newly created by the Advanced Analytics Builder License. Users can gain new insights into business operations through analyzing data in a powerful visual manner. This includes out of the box dashboards and KPIs, with drill down capabilities to visualize business process, find underlying trends, identify root causes of challenges and possible new opportunities.

- c. The Contractor shall configure, test, and implement custom lab panels of StarLIMS as required for the consulting services outlined in section C.3.
- d. The Contractor shall use a Pulse Secure/JVPN account provided by the State to access the StarLIMS software on the State network.
- e. The Contractor shall use Secure Email or SFTP to deliver any reports or information containing PHI to the State.
- f. The Contractor shall maintain and make available upon request, the information required to provide an accounting of disclosures to the State as necessary to satisfy covered entity's obligations under 45 CFR 164.528, Accounting of disclosures of Protected Health Information.
- g. The Contractor shall make its internal practices, books, and records available to the State upon request, for purposes of determining compliance with the HIPAA Rules.

**A.5. SUPPORT SERVICES:**

The Contractor shall provide support services for all purchased products and services to the State for the term of the contract. During this period, the State shall have the right to receive any upgrades and updates released by Contractor. All upgrades and updates shall be free of charge to the State. Contractor will also provide unlimited telephone, secure e-mail and secure website operational support for up to two named customer point-of-contacts (POC). Phone support hours are from 9:00 am to 5:00 pm EST in the USA. Monday through Friday, other than national holidays, and Contractor shall respond within four (4) business hours. Support does not include the debugging of any code not provided by Contractor, and does not include the configuration or support of network hardware/software or database software provided by the State.

**A.6. SANITIZATION:**

The Contractor shall upon expiration or termination of the Contract, for any reason, securely return all data received/created by the State or received/created by the Contractor, subcontractor or agents on behalf of the State, to the State Laboratory Director using a method mutually agreed upon by both parties at the time of termination. The Contractor will then destroy all residual data pertaining to this agreement, in accordance to the current NIST SP800-88 Sanitization guidelines. The Contractor shall provide a certificate of data destruction to the State within ten (10) business days of expiration or termination.

**A.7. PHI – PROTECTED HEALTH INFORMATION:**

- a. The Contractor shall implement technical security measures including mechanisms to encrypt and decrypt electronic protected health information (PHI) "at rest" and "during transmission" over an electronic communications network consistent with NIST Special Publications 800-52, 800-77 and Guidelines as appropriate to comply with Federal Information Processing Standards in the protection of Protected Health Information (PHI).
- b. The Contractor shall support protection of confidentiality of all PHI delivered over the internet or other known open networks via encryption using triple-DES (3DES) or the Advanced Encryption Standard (AES) and an open protocol such as TLS, SSL, IPSec, XML encryptions, or S/MIME or their successors.
- c. The Contractor shall support protection of integrity of all PHI delivered over the internet or other known open networks via SHA2 hashing and an open protocol such as TLS, SSL, IPSec, XML digital signature, or S/MIME or their successors..

- d. The Contractor shall, when storing PHI, support use of standards based encryption format using triple-DES (3DES), or the Advanced Encryption Standard (AES), or their successors.
- e. The Contractor shall use encryption that is in accordance with the Secretary of Health and Human Service's Guidance to Render Unsecured PHI Unusable, Unreadable, or Indecipherable to Unauthorized Individuals available at <http://www.hhs.gov/ocr/privacy/hipaa/administrative/breachnotificationrule/brguidance.html> and consistent with NIST Special Publication 800-111 Guide to Storage Encryption.

A.8. Warranty. Contractor represents and warrants that the term of the warranty ("Warranty Period") shall be the greater of the Term of this Contract or any other warranty general offered by Contractor, its suppliers, or manufacturers to customers of its goods or services. The goods or services provided under this Contract shall conform to the terms and conditions of this Contract throughout the Warranty Period. Any nonconformance of the goods or services to the terms and conditions of this Contract shall constitute a "Defect" and shall be considered "Defective." If Contractor receives notice of a Defect during the Warranty Period, then Contractor shall correct the Defect, at no additional charge.

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

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

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

A.9. 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 July 1, 2017 ("Effective Date") and extend for a period of thirty-six (36) months after the Effective Date ("Term"). The State shall have no obligation for goods or services provided by the Contractor prior to the Effective Date.

B.2. Renewal Options. This Contract may be renewed upon satisfactory completion of the Term. The State reserves the right to execute up to two (2) renewal options under the same terms and conditions for a period not to exceed twelve (12) months each by the State, at the State's sole option. In no event, however, shall the maximum Term, including all renewals or extensions, exceed a total of sixty (60) months.

## **C. PAYMENT TERMS AND CONDITIONS:**

C.1. Maximum Liability. In no event shall the maximum liability of the State under this Contract exceed eight hundred twenty thousand (\$820,000.00) ("Maximum Liability"). This Contract does

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

- C.2. Compensation Firm. The payment methodology in Section C.3. of this Contract shall constitute the entire compensation due the Contractor for all goods or services provided under this Contract regardless of the difficulty, materials or equipment required. The payment methodology includes all applicable taxes, fees, overhead, and all other direct and indirect costs incurred or to be incurred by the Contractor.
- C.3. Payment Methodology. The Contractor shall be compensated based on the payment methodology for goods or services authorized by the State in a total amount as set forth in Section C.1.
- a. The Contractor's compensation shall be contingent upon the satisfactory provision of goods or services as set forth in Section A.
  - b. The Contractor shall be compensated based upon the following payment methodology:

<b>Licenses</b>				
<i>Vendor ID</i>	<i>Description</i>	<i>License Type</i>	<i>UOM</i>	<i>Unit Price</i>
SL-PH-FCL	STARLIMS Public Health Full-User License	Concurrent	One-time Charge Per License	\$5,300.00
SL-PH-DCL	STARLIMS Public Health Data-User	Concurrent	One-time Charge Per License	\$2,450.00
SL-XFD	STARLIMS Standard Designer License	Named	One-time Charge Per License	\$4,000.00
SL-AAB	STARLIMS Advanced Analytics Builder License	Named	One-time Charge Per License	\$2,000.00
SL-AAE	STARLIMS Advanced Analytics End User License	Named	One-time Charge Per License	\$1,000.00

<b>Consulting Services</b>			
<i>Vendor ID</i>	<i>Description</i>	<i>UOM</i>	<i>Unit Price</i>
PS-COF	STARLIMS Per-Diem Off Site Consulting Services	Per Day	\$1,400.00

<b>Base Annual Maintenance</b>			
<i>Vendor ID</i>	<i>Description</i>	<i>UOM</i>	<i>Unit Price</i>
SL-AMP	Base Annual Maintenance and Support Fees for all licenses purchased through Dec. 31, 2016	Per Year	\$72,643.83

<b>Additional License Maintenance</b>			
<i>Vendor ID</i>	<i>Description</i>	<i>UOM</i>	<i>Unit Price</i>
SL-AMP-MTH-FCL	Monthly Maintenance and Support for Additional Licenses SL-PH-FCL	Per month/per license	\$79.50
SL-AMP-	Monthly Maintenance and Support for Additional	Per month/per	\$36.75

MTH-DCL	Licenses SL-PH-DCL	license	
SL-AMP-MTH-XFD	Monthly Maintenance and Support for Additional Licenses SL-XFD	Per month/per license	\$60.00
SL-AMP-MTH-AAB	Monthly Maintenance and Support for Additional Licenses SL-AAB	Per month/per license	\$30.00
SL-AMP-MTH-AAE	Monthly Maintenance and Support for Additional Licenses SL-AAE	Per month/per license	\$15.00

C.4. Travel Compensation. The Contractor shall not be compensated or reimbursed for travel time, travel expenses, meals, or lodging.

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

Andrew Johnson Tower, 6<sup>th</sup> Floor  
710 James Robertson Parkway, Nashville, TN 37243

a. Each invoice, on Contractor's letterhead, shall clearly and accurately detail all of the following information (calculations must be extended and totaled correctly):

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

b. Contractor's invoices shall:

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

- c. The timeframe for payment (or any discounts) begins only when the State is in receipt of an invoice that meets the minimum requirements of this Section C.5.
- C.6. Payment of Invoice. A payment by the State shall not prejudice the State's right to object to or question any payment, invoice, or other matter. A payment by the State shall not be construed as acceptance of goods delivered, any part of the services provided, or as approval of any amount invoiced.
- C.7. Invoice Reductions. The Contractor's invoice shall be subject to reduction for amounts included in any invoice or payment that is determined by the State, on the basis of audits conducted in accordance with the terms of this Contract, to not constitute proper compensation for goods delivered or services provided.
- C.8. Deductions. The State reserves the right to deduct from amounts, which are or shall become due and payable to the Contractor under this or any contract between the Contractor and the State of Tennessee, any amounts that are or shall become due and payable to the State of Tennessee by the Contractor.
- C.6. Payment of Invoice. A payment by the State shall not prejudice the State's right to object to or question any payment, invoice, or other matter. A payment by the State shall not be construed as acceptance of goods delivered, any part of the services provided, or as approval of any amount invoiced.
- C.7. Invoice Reductions. The Contractor's invoice shall be subject to reduction for amounts included in any invoice or payment that is determined by the State, on the basis of audits conducted in accordance with the terms of this Contract, to not constitute proper compensation for goods delivered or services provided.
- C.8. Deductions. The State reserves the right to deduct from amounts, which are or shall become due and payable to the Contractor under this or any contract between the Contractor and the State of Tennessee, any amounts that are or shall become due and payable to the State of Tennessee by the Contractor.
- C.9. Prerequisite Documentation. The Contractor shall not invoice the State under this Contract until the State has received the following, properly completed documentation.
  - a. The Contractor shall complete, sign, and present to the State the "Authorization Agreement for Automatic Deposit Form" provided by the State. By doing so, the Contractor acknowledges and agrees that, once this form is received by the State, payments to the Contractor, under this or any other contract the Contractor has with the State of Tennessee, may be made by ACH; and
  - b. The Contractor shall complete, sign, and return to the State the State-provided W-9 form. The taxpayer identification number on the W-9 form must be the same as the Contractor's Federal Employer Identification Number or Social Security Number referenced in the Contractor's Edison registration information.

**D. MANDATORY TERMS AND CONDITIONS:**

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

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

The State:

James A. Gibson, MPH Deputy Public Health Lab Director & Clinical Division Director  
Division of Laboratory Services  
630 Hart Lane, Nashville, TN 37243  
Jim.Gibson@tn.gov  
Telephone # 615-262-6300  
FAX # 615-262-6393

The Contractor:

Lev Bobovitch, Sr. Manager, Americas  
Abbott Informatics Corporation  
4000 Hollywood Blvd Suite 333-S, Hollywood, FL 33021  
lev.bobovitch@ai.abbott.com  
Telephone # 954-964-8663  
FAX # 954-964-8113

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

- D.3. Modification and Amendment. This Contract may be modified only by a written amendment signed by all Parties and approved by all applicable State officials.
- D.4. Subject to Funds Availability. The Contract is subject to the appropriation and availability of State or federal funds. In the event that the funds are not appropriated or are otherwise unavailable, the State reserves the right to terminate this Contract upon written notice to the Contractor. The State's exercise of its right to terminate this Contract shall not constitute a breach of Contract by the State. Upon receipt of the written notice, the Contractor shall cease all work associated with the Contract. If the State terminates this Contract due to lack of funds availability, the Contractor shall be entitled to compensation for all conforming goods requested and accepted by the State and for all satisfactory and authorized services completed as of the termination date. Should the State exercise its right to terminate this Contract due to unavailability of funds, the Contractor shall have no right to recover from the State any actual, general, special, incidental, consequential, or any other damages of any description or amount.
- D.5. Termination for Convenience. The State may terminate this Contract for convenience without cause and for any reason. The State shall give the Contractor at least thirty (30) days written notice before the termination date. The Contractor shall be entitled to compensation for all conforming goods delivered and accepted by the State or for satisfactory, authorized services completed as of the termination date. In no event shall the State be liable to the Contractor for compensation for any goods neither requested nor accepted by the State or for any services neither requested by the State nor satisfactorily performed by the Contractor. In no event shall the State's exercise of its right to terminate this Contract for convenience relieve the Contractor of any liability to the State for any damages or claims arising under this Contract.
- D.6. Termination for Cause. If the Contractor fails to properly perform its obligations under this Contract in a timely or proper manner, or if the Contractor materially violates any terms of this

Contract ("Breach Condition"), the State shall have the right to immediately terminate the Contract and withhold payments in excess of compensation for completed services or provided goods. Notwithstanding the above, the Contractor shall not be relieved of liability to the State for damages sustained by virtue of any Breach Condition and the State may seek other remedies allowed at law or in equity for breach of this Contract.

D.7. Assignment and Subcontracting. The Contractor shall not assign this Contract or enter into a subcontract for any of the goods or services provided under this Contract without the prior written approval of the State. Notwithstanding any use of the approved subcontractors, the Contractor shall be the prime contractor and responsible for compliance with all terms and conditions of this Contract. The State reserves the right to request additional information or impose additional terms and conditions before approving an assignment of this Contract in whole or in part or the use of subcontractors in fulfilling the Contractor's obligations under this Contract.

D.8. Conflicts of Interest. The Contractor warrants that no part of the Contractor's compensation shall be paid directly or indirectly to an employee or official of the State of Tennessee as wages, compensation, or gifts in exchange for acting as an officer, agent, employee, subcontractor, or consultant to the Contractor in connection with any work contemplated or performed under this Contract.

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

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

D.10. Prohibition of Illegal Immigrants. The requirements of Tenn. Code Ann. § 12-3-309 addressing the use of illegal immigrants in the performance of any contract to supply goods or services to the state of Tennessee, shall be a material provision of this Contract, a breach of which shall be grounds for monetary and other penalties, up to and including termination of this Contract.

a. The Contractor agrees that the Contractor shall not knowingly utilize the services of an illegal immigrant in the performance of this Contract and shall not knowingly utilize the services of any subcontractor who will utilize the services of an illegal immigrant in the performance of this Contract. The Contractor shall reaffirm this attestation, in writing, by submitting to the State a completed and signed copy of the document at Attachment 2, semi-annually during the Term. If the Contractor is a party to more than one contract with the State, the Contractor may submit one attestation that applies to all contracts with the State. All Contractor attestations shall be maintained by the Contractor and made available to State officials upon request.

b. Prior to the use of any subcontractor in the performance of this Contract, and semi-annually thereafter, during the Term, the Contractor shall obtain and retain a current, written attestation that the subcontractor shall not knowingly utilize the services of an illegal immigrant to perform work under this Contract and shall not knowingly utilize the services of any subcontractor who will utilize the services of an illegal immigrant to perform work under this Contract. Attestations obtained from subcontractors shall be maintained by the Contractor and made available to State officials upon request.

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

otherwise. The State's total liability under this Contract (including any exhibits, schedules, amendments or other attachments to the Contract) or otherwise shall under no circumstances exceed the Maximum Liability. This limitation of liability is cumulative and not per incident.

- D.18. Limitation of Contractor's Liability. In accordance with Tenn. Code Ann. § 12-3-701, the Contractor's liability for all claims arising under this Contract shall be limited to an amount equal to two (2) times the Maximum Liability amount detailed in Section C.1. and as may be amended, PROVIDED THAT in no event shall this Section limit the liability of the Contractor for: (i) intellectual property or any Contractor indemnity obligations for infringement for third-party intellectual property rights; (ii) any claims covered by any specific provision in the Contract providing for liquidated damages; or (iii) any claims for intentional torts, criminal acts, fraudulent conduct, or acts or omissions that result in personal injuries or death.
- D.19. Hold Harmless. The Contractor agrees to indemnify and hold harmless the State of Tennessee as well as its officers, agents, and employees from and against any and all claims, liabilities, losses, and causes of action which may arise, accrue, or result to any person, firm, corporation, or other entity which may be injured or damaged as a result of acts, omissions, or negligence on the part of the Contractor, its employees, or any person acting for or on its or their behalf relating to this Contract. The Contractor further agrees it shall be liable for the reasonable cost of attorneys for the State to enforce the terms of this Contract.

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

- D.20. HIPAA Compliance. The State and Contractor shall comply with obligations under the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"), Health Information Technology for Economic and Clinical Health ("HITECH") Act and any other relevant laws and regulations regarding privacy (collectively the "Privacy Rules"). The obligations set forth in this Section shall survive the termination of this Contract.
- a. Contractor warrants to the State that it is familiar with the requirements of the Privacy Rules, and will comply with all applicable requirements in the course of this Contract.
  - b. Contractor warrants that it will cooperate with the State, including cooperation and coordination with State privacy officials and other compliance officers required by the Privacy Rules, in the course of performance of the Contract so that both parties will be in compliance with the Privacy Rules.
  - c. The State and the Contractor will sign documents, including but not limited to business associate agreements, as required by the Privacy Rules and that are reasonably necessary to keep the State and Contractor in compliance with the Privacy Rules. This provision shall not apply if information received or delivered by the parties under this Contract is NOT "protected health information" as defined by the Privacy Rules, or if the Privacy Rules permit the parties to receive or deliver the information without entering into a business associate agreement or signing another document.
  - d. The Contractor will indemnify the State and hold it harmless for any violation by the Contractor or its subcontractors of the Privacy Rules. This includes the costs of responding to a breach of protected health information, the costs of responding to a government enforcement action related to the breach, and any fines, penalties, or damages paid by the State because of the violation.

- D.21. Tennessee Consolidated Retirement System. Subject to statutory exceptions contained in Tenn. Code Ann. §§ 8-36-801, *et seq.*, the law governing the Tennessee Consolidated Retirement System (“TCRS”), provides that if a retired member of TCRS, or of any superseded system administered by TCRS, or of any local retirement fund established under Tenn. Code Ann. §§ 8-35-101, *et seq.*, accepts State employment, the member's retirement allowance is suspended during the period of the employment. Accordingly and notwithstanding any provision of this Contract to the contrary, the Contractor agrees that if it is later determined that the true nature of the working relationship between the Contractor and the State under this Contract is that of “employee/employer” and not that of an independent contractor, the Contractor, if a retired member of TCRS, may be required to repay to TCRS the amount of retirement benefits the Contractor received from TCRS during the Term.
- D.22. Tennessee Department of Revenue Registration. The Contractor shall comply with all applicable registration requirements contained in Tenn. Code Ann. §§ 67-6-601 – 608. Compliance with applicable registration requirements is a material requirement of this Contract.
- D.23. Debarment and Suspension. The Contractor certifies, to the best of its knowledge and belief, that it, its current and future principals, its current and future subcontractors and their principals:
- a. are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any federal or state department or agency;
  - b. have not within a three (3) year period preceding this Contract been convicted of, or had a civil judgment rendered against them from commission of fraud, or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, state, or local) transaction or grant under a public transaction; violation of federal or state antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification, or destruction of records, making false statements, or receiving stolen property;
  - c. are not presently indicted or otherwise criminally or civilly charged by a government entity (federal, state, or local) with commission of any of the offenses detailed in section b. of this certification; and
  - d. have not within a three (3) year period preceding this Contract had one or more public transactions (federal, state, or local) terminated for cause or default.

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

- D.24. Force Majeure. “Force Majeure Event” means fire, flood, earthquake, elements of nature or acts of God, wars, riots, civil disorders, rebellions or revolutions, acts of terrorism or any other similar cause beyond the reasonable control of the Party except to the extent that the non-performing Party is at fault in failing to prevent or causing the default or delay, and provided that the default or delay cannot reasonably be circumvented by the non-performing Party through the use of alternate sources, workaround plans or other means. A strike, lockout or labor dispute shall not excuse either Party from its obligations under this Contract. Except as set forth in this Section, any failure or delay by a Party in the performance of its obligations under this Contract arising from a Force Majeure Event is not a default under this Contract or grounds for termination. The non-performing Party will be excused from performing those obligations directly affected by the Force Majeure Event, and only for as long as the Force Majeure Event continues, provided that the Party continues to use diligent, good faith efforts to resume performance without delay. The occurrence of a Force Majeure Event affecting Contractor’s representatives, suppliers, subcontractors, customers or business apart from this Contract is not a Force Majeure Event

under this Contract. Contractor will promptly notify the State of any delay caused by a Force Majeure Event (to be confirmed in a written notice to the State within one (1) day of the inception of the delay) that a Force Majeure Event has occurred, and will describe in reasonable detail the nature of the Force Majeure Event. If any Force Majeure Event results in a delay in Contractor's performance longer than forty-eight (48) hours, the State may, upon notice to Contractor: (a) cease payment of the fees until Contractor resumes performance of the affected obligations; or (b) immediately terminate this Contract or any purchase order, in whole or in part, without further payment except for fees then due and payable. Contractor will not increase its charges under this Contract or charge the State any fees other than those provided for in this Contract as the result of a Force Majeure Event.

- D.25. State and Federal Compliance. The Contractor shall comply with all applicable state and federal laws and regulations in the performance of this Contract.
- D.26. Governing Law. This Contract shall be governed by and construed in accordance with the laws of the State of Tennessee. The Tennessee Claims Commission or the state or federal courts in Tennessee shall be the venue for all claims, disputes, or disagreements arising under this Contract. The Contractor acknowledges and agrees that any rights, claims, or remedies against the State of Tennessee or its employees arising under this Contract shall be subject to and limited to those rights and remedies available under Tenn. Code Ann. §§ 9-8-101 - 407.
- D.27. Entire Agreement. This Contract is complete and contains the entire understanding between the Parties relating to its subject matter, including all the terms and conditions of the Parties' agreement. This Contract supersedes any and all prior understandings, representations, negotiations, and agreements between the Parties, whether written or oral.
- D.28. Severability. If any terms and conditions of this Contract are held to be invalid or unenforceable as a matter of law, the other terms and conditions of this Contract shall not be affected and shall remain in full force and effect. The terms and conditions of this Contract are severable.
- D.29. Headings. Section headings of this Contract are for reference purposes only and shall not be construed as part of this Contract.
- D.30. Incorporation of Additional Documents. Each of the following documents is included as a part of this Contract by reference. In the event of a discrepancy or ambiguity regarding the Contractor's duties, responsibilities, and performance under this Contract, these items shall govern in order of precedence below:
- a. any amendment to this Contract, with the latter in time controlling over any earlier amendments;
  - b. this Contract with any attachments or exhibits (excluding the items listed at subsections c. through f., below), which includes;
  - c. any clarifications of or addenda to the Contractor's proposal seeking this Contract;
  - d. the State solicitation, as may be amended, requesting responses in competition for this Contract;
  - e. any technical specifications provided to proposers during the procurement process to award this Contract; and
  - f. the Contractor's response seeking this Contract.
- D.31. Iran Divestment Act. The requirements of Tenn. Code Ann. § 12-12-101 et.seq., addressing contracting with persons as defined at T.C.A. §12-12-103(5) that engage in investment activities in Iran, shall be a material provision of this Contract. The Contractor certifies, under penalty of perjury, that to the best of its knowledge and belief that it is not on the list created pursuant to Tenn. Code Ann. § 12-12-106.

**E. SPECIAL TERMS AND CONDITIONS:**

- E.1. Conflicting Terms and Conditions. Should any of these special terms and conditions conflict with any other terms and conditions of this Contract, the special terms and conditions shall be subordinate to the Contract's other terms and conditions.
- E.2. Confidentiality of Records. Strict standards of confidentiality of records and information shall be maintained in accordance with applicable state and federal law. All material and information, regardless of form, medium or method of communication, provided to the Contractor by the State or acquired by the Contractor on behalf of the State that is regarded as confidential under state or federal law shall be regarded as "Confidential Information." Nothing in this Section shall permit Contractor to disclose any Confidential Information, regardless of whether it has been disclosed or made available to the Contractor due to intentional or negligent actions or inactions of agents of the State or third parties. Confidential Information shall not be disclosed except as required or permitted under state or federal law. Contractor shall take all necessary steps to safeguard the confidentiality of such material or information in conformance with applicable state and federal law.

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

E.3. Ownership of Software and Work Products.

a. Definitions.

- (1) "Contractor-Owned Software," shall mean commercially available software the rights to which are owned by Contractor, including but not limited to commercial "off-the-shelf" software which is not developed using State's money or resources.
- (2) "Custom-Developed Application Software," shall mean customized application software developed by Contractor solely for State.
- (3) "Rights Transfer Application Software," shall mean any pre-existing application software owned by Contractor or a third party, provided to State and to which Contractor will grant and assign, or will facilitate the granting and assignment of, all rights, including the source code, to State.
- (4) "Third-Party Software," shall mean software not owned by the State or the Contractor.
- (5) "Work Product," shall mean all deliverables exclusive of hardware, such as software, software source code, documentation, planning, etc., that are created, designed, developed, or documented by the Contractor exclusively for the State during the course of the project using State's money or resources, including Custom-Developed Application Software. If the deliverables under this Contract include Rights Transfer Application Software, the definition of Work Product shall also include such software. Work Product shall not include Contractor-Owned Software or Third-Party Software.

b. Rights and Title to the Software

- (1) All right, title and interest in and to the Contractor-Owned Software shall at all times remain with Contractor, subject to any license granted under this Contract.
- (2) All right, title and interest in and to the Work Product, and to modifications thereof made by State, including without limitation all copyrights, patents, trade secrets and other intellectual property and other proprietary rights embodied by and arising out of the Work Product, shall belong to State. To the extent such rights

do not automatically belong to State, Contractor hereby assigns, transfers, and conveys all right, title and interest in and to the Work Product, including without limitation the copyrights, patents, trade secrets, and other intellectual property rights arising out of or embodied by the Work Product. Contractor and its employees, agents, contractors or representatives shall execute any other documents that State or its counsel deem necessary or desirable to document this transfer or allow State to register its claims and rights to such intellectual property rights or enforce them against third parties.

- (3) All right, title and interest in and to the Third-Party Software shall at all times remain with the third party, subject to any license granted under this Contract.
  - c. The Contractor may use for its own purposes the general knowledge, skills, experience, ideas, concepts, know-how, and techniques obtained and used during the course of performing under this Contract. The Contractor may develop for itself, or for others, materials which are similar to or competitive with those that are produced under this Contract.
- E.4. 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.5. 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.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. Intellectual Property. 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.8. Personally Identifiable Information. While performing its obligations under this Contract, Contractor may have access to Personally Identifiable Information held by the State ("PII"). For the purposes of this Contract, "PII" includes "Nonpublic Personal Information" as that term is defined in Title V of the Gramm-Leach-Bliley Act of 1999 or any successor federal statute, and the rules and regulations thereunder, all as may be amended or supplemented from time to time ("GLBA") and personally identifiable information and other data protected under any other applicable laws, rule or regulation of any jurisdiction relating to disclosure or use of personal information ("Privacy Laws"). Contractor agrees it shall not do or omit to do anything which would cause the State to be in breach of any Privacy Laws. Contractor shall, and shall cause its employees, agents and representatives to: (i) keep PII confidential and may use and disclose PII only as necessary to carry out those specific aspects of the purpose for which the PII was disclosed to Contractor and in accordance with this Contract, GLBA and Privacy Laws; and (ii) implement and maintain appropriate technical and organizational measures regarding information security to: (A) ensure the security and confidentiality of PII; (B) protect against any threats or hazards to the security or integrity of PII; and (C) prevent unauthorized access to or use of PII. Contractor shall immediately notify State: (1) of any disclosure or use of any PII by Contractor or any of its employees, agents and representatives in breach of this Contract; and (2) of any disclosure of any PII to Contractor or its employees, agents and representatives where the purpose of such disclosure is not known to Contractor or its employees, agents and representatives. The State reserves the right to review Contractor's policies and procedures used to maintain the security and confidentiality of PII and Contractor shall, and cause its employees, agents and representatives to, comply with all reasonable requests or directions from the State to enable the State to verify and/or procure that Contractor is in full compliance with its obligations under this Contract in relation to PII. Upon termination or expiration of the Contract or at the State's direction at any time in its sole discretion, whichever is earlier, Contractor shall immediately return to the State any and all PII which it has received under this Contract and shall destroy all records of such PII.

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

- E.9. Federal Funding Accountability and Transparency Act (FFATA). This Contract requires the Contractor to provide supplies or services that are funded in whole or in part by federal funds that are subject to FFATA. The Contractor is responsible for ensuring that all applicable requirements, including but not limited to those set forth herein, of FFATA are met and that the Contractor provides information to the State as required.

The Contractor shall comply with the following:

- a. Reporting of Total Compensation of the Contractor's Executives.
- (1) The Contractor shall report the names and total compensation of each of its five most highly compensated executives for the Contractor's preceding completed fiscal year, if in the Contractor's preceding fiscal year it received:
- i. 80 percent or more of the Contractor's annual gross revenues from federal procurement contracts and federal financial assistance subject to the Transparency Act, as defined at 2 CFR 170.320 (and subawards); and
  - ii. \$25,000,000 or more in annual gross revenues from federal procurement contracts (and subcontracts), and federal financial assistance subject to the Transparency Act (and subawards); and
  - iii. The public does not have access to information about the compensation of the executives through periodic reports filed under section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m(a), 78o(d)) or section 6104 of the Internal Revenue Code of 1986. (To determine if the public has access to the compensation information, see the U.S. Security and Exchange Commission total compensation filings at <http://www.sec.gov/answers/execomp.htm>).
- As defined in 2 C.F.R. § 170.315, "Executive" means officers, managing partners, or any other employees in management positions.
- (2) Total compensation means the cash and noncash dollar value earned by the executive during the Contractor's preceding fiscal year and includes the following (for more information see 17 C.F.R. § 229.402(c)(2)):
- i. Salary and bonus.
  - ii. Awards of stock, stock options, and stock appreciation rights. Use the dollar amount recognized for financial statement reporting purposes with respect to the fiscal year in accordance with the Statement of Financial Accounting Standards No. 123 (Revised 2004) (FAS 123R), Shared Based Payments.
  - iii. Earnings for services under non-equity incentive plans. This does not include group life, health, hospitalization or medical reimbursement plans that do not discriminate in favor of executives, and are available generally to all salaried employees.
  - iv. Change in pension value. This is the change in present value of defined benefit and actuarial pension plans.
  - v. Above-market earnings on deferred compensation which is not tax qualified.
  - vi. Other compensation, if the aggregate value of all such other compensation (e.g. severance, termination payments, value of life insurance paid on behalf of the employee, perquisites or property) for the executive exceeds \$10,000.
- b. The Contractor must report executive total compensation described above to the State by the end of the month during which this Contract is awarded.
- c. If this Contract is amended to extend the Term, the Contractor must submit an executive total compensation report to the State by the end of the month in which the term extension becomes effective.

- d. The Contractor will obtain a Data Universal Numbering System (DUNS) number and maintain its DUNS number for the term of this Contract. More information about obtaining a DUNS Number can be found at: <http://fedgov.dnb.com/webform/>

The Contractor's failure to comply with the above requirements is a material breach of this Contract for which the State may terminate this Contract for cause. The State will not be obligated to pay any outstanding invoice received from the Contractor unless and until the Contractor is in full compliance with the above requirements.

**IN WITNESS WHEREOF,**

**ABBOTT INFORMATICS CORPORATION:**

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**CONTRACTOR SIGNATURE**

**DATE**

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

**DEPARTMENT OF HEALTH:**

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**JOHN J. DREYZEHNER, MD, MPH, FACOEM, COMMISSIONER**

**DATE**

**ATTESTATION RE PERSONNEL USED IN CONTRACT PERFORMANCE**

<b>SUBJECT CONTRACT NUMBER:</b>	
<b>CONTRACTOR LEGAL ENTITY NAME:</b>	
<b>EDISON VENDOR IDENTIFICATION NUMBER:</b>	

**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.**

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**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.

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**PRINTED NAME AND TITLE OF SIGNATORY**

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**DATE OF ATTESTATION**