



May 3, 2019

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

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

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

RE: Proposed Amendment 4 to Edison Contract ID NV35468

Dear Director Carsner, Chief Perry, and Comptroller Wilson:

The Department of Safety and Homeland Security (TDOSHS) is requesting the approval to amend the current eighty-seven (87) month contract with Idemia Identity & Security USA, LLC for continued image verification services used in the detection and prevention of fraud (identity theft).

The Contractor will continue to ensure that maintenance and support is offered to the State for the usage of the Image Verification system throughout the term of the contract, as well as, within a transition period being allotted for the award of a new contract.

Image verification, the process of image comparison analysis and investigation, helps ensure that a person receiving a credential (driver license, photo identification license, handgun carry permit) does not hold another credential in another name or with different personal identifying information. The requested amendment is needed to add appropriate funding and extend the term so there is no disruption in the image verification services used in the detection and prevention of fraud (identity theft). These services will be included in the new credential production and issuance solution being sought through Request for Proposals (RFP) 34901-00605, which is currently in progress, with a Contractor Signature Deadline of August

[Click here to enter text.](#)

1, 2019. Amending the current Contract for an additional twenty (20) months shall allow the new services to be implemented based on the scope of service of the new Contract, as well as, allow for a transition from one set of services to another. We wish to ensure that there is no disruption in services during the time it takes for the RFP solicitation event to be completed and the time needed for a transition to a new solution.

Through the amendment, we seek to extend the contract for an additional twenty (20) months for a total of one hundred seven (107) months. The current maximum liability of \$3,465,916.00 will be increased by an additional \$616,640.00 for a total of \$4,082,556.00.

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

Sincerely,



Sonya Hadley, Budget Director

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

Supplemental Documentation Required for Fiscal Review Committee

Instructions:

1. No contract or contract amendment will be placed on the Committee's agenda for consideration until this form has been fully completed and all back-up documentation has been submitted.
2. Please complete each section as it applies to contracts or amendments that are being submitted. Sections denoted with an asterisk (*) are considered mandatory. This information should provide for background information on previous actions, if applicable, that have taken place on the contract document and associated amendments.
3. Add rows as necessary.
4. Submit this document, any attachments, your summary letter, and contract documentation for review by the Fiscal Review Committee.
5. **Contact Name:** Enter first and last name of person to contact with questions about this document or any of the submitted information.
6. **Contact Number:** Enter the telephone number (including extension) of the contact person listed.
7. **Presenter's Name(s):** Enter the name of each person who will be presenting this request to the Committee.
8. **Edison Contract Number:** Enter the contract number issued by the Edison system for this document.
9. **RFS Number:** Enter the Edison system issued RFS number for this document.
10. **Original Contract Begin Date:** Enter the beginning date of the original contract or the proposed effective date for new contracts.
11. **Current End Date:** Enter the end date that is currently reflected in Section B.1. of this contract (prior to amendment request if applicable) or the proposed end date for new contracts.
12. **Current Requested Amendment Number:** Enter the amendment number (*if applicable*) that is currently being requested.
13. **Proposed Amendment Effective Date:** Enter the proposed effective date for the requested amendment (*if applicable*).
14. **Department Submitting:** Enter the title of the agency/department submitting this request.
15. **Division:** Enter the title of the division within the agency/department submitting this request.
16. **Date Submitted:** Enter the date the request was sent to Fiscal Review Committee staff.

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17. **Submitted Within Sixty (60) days:** Enter yes or no in this blank if request was submitted within 60 days of the proposed effective date.
18. ***If not, explain:*** Provide detailed rationale as to why the deadline for submission was not met. ***Please Note:*** Late submissions will be rolled for one meeting and placed at the end of the agenda.
19. **Contract Vendor Name:** Enter the officially registered vendor name.
20. **Current or Proposed Maximum Liability:** Enter the dollar amount that is reflected on the most current fully executed contract summary sheet and in Section C. 1 or the proposed maximum liability for new contracts.
21. ***For commodities contracts, Estimated Total Spend:*** Enter the estimated total expenditures for the contract if the contract does not have a “maximum liability.”
22. **Current Contract Allocation by Fiscal Year:** Enter the amounts reflected on the contract summary sheet and the corresponding FY. If no contract summary sheet, enter the estimated spend per fiscal year. ****NOTE:** Total of all these columns must add up to maximum liability or estimated total spend as reported in Section 20 or 21 of this document.
23. **Current Total Expenditures by Fiscal Year:** By using Edison enter the amounts that have been expended from this contract by fiscal year breakdown. Not applicable (NA) for new contracts.
24. **Explanation of surplus funds:** If the allocation exceeded the expenditure in any fiscal year, enter the explanation of each surplus funding year.
25. **Explanation of carry forward:** If agency/department has carried forward the surplus funds, enter the authority (and provide copy with this document) of the carry forward provision.
26. **Explanation of overspending contract allocation:** If agency/department has overspent the contract allocation, enter the reasons for excess expenditures and how the funding was attained.
27. **Contract Funding Source/Amount:** Enter the dollar figure in the appropriate category to reflect the source of contract funding.
28. ***If Other, please define:*** If a dollar amount is placed in the “other” category, please define the source represented.
29. ***If Interdepartmental, please define:*** If a dollar amount is placed in the “interdepartmental” category, please define all sources represented.

Supplemental Documentation Required for Fiscal Review Committee

30. **Dates of All Previous Amendments or Revisions:** Enter all dates of prior amendment and revision (*including Contract Summary Sheet revisions*) in this section.
31. **Brief Description of Actions in Previous Amendment or Revision:** Enter a brief summary of prior amendments or revisions next to the appropriate effective date of the amendment (e.g. increased maximum liability, added scope items, revised contract summary sheet to reflect funding change, etc.).
32. **Method of Original Award:** Enter the procurement method of original award if requesting amendment (e.g. RFP, Special Request).
33. **Projected Cost Prior to Award and Cost Determination Used:** Enter the total cost projected by the department prior to award and explain how the agency arrived at the estimate of expected costs.
34. **For ALL new sole-source contracts, list the number of potential vendors that could provide the service or goods being procured and why those other options were not considered:** List the number of potential vendors that could provide this good or service; efforts to identify reasonable, competitive procurement alternatives; and how the Department determined a sole-source contract was in the best interest of the State.

Supplemental Documentation Required for
Fiscal Review Committee

*Contact Name:	Shoney Naquin	*Contact Phone:	615-251-5238
*Presenter's name(s):	Assistant Commissioner Lori Bullard, Sonya Hadley, Sandra Braber-Grove		
Edison Contract Number: <i>(if applicable)</i>	NV2 35468	RFS Number: <i>(if applicable)</i>	34901-00113
*Original or Proposed Contract Begin Date:	June 01, 2012	*Current or Proposed End Date:	April 30, 2021
Current Request Amendment Number: <i>(if applicable)</i>	04		
Proposed Amendment Effective Date: <i>(if applicable)</i>	July 5, 2019		
*Department Submitting:	Safety and Homeland Security		
*Division:	Fiscal Services		
*Date Submitted:	May 3, 2019		
*Submitted Within Sixty (60) days:	Yes		
<i>If not, explain:</i>			
*Contract Vendor Name:	Idemia Identity & Security USA, LLC		
*Current or Proposed Maximum Liability:	\$ 4,082,556.00		
*Estimated Total Spend for Commodities:	None		
*Current or Proposed Contract Allocation by Fiscal Year: (as Shown on Most Current Fully Executed Contract Summary Sheet)			
See Page 6 for breakdown			
*Current Total Expenditures by Fiscal Year of Contract: (attach backup documentation from Edison)			
See Page 6 for breakdown			
IF Contract Allocation has been greater than Contract Expenditures, please give the reasons and explain where surplus funds were spent:	The contract allocation has not been greater than the contract expenditures.		
IF surplus funds have been carried forward, please give the reasons and provide the authority for the carry forward provision:	N/A		
IF Contract Expenditures exceeded Contract Allocation, please give the reasons and explain how funding was acquired to pay the overage:	N/A		

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Fiscal Review Committee

*Contract Funding Source/Amount:			
State:	\$ 1,449,104.00	Federal:	\$0.00
<i>Interdepartmental:</i>	\$ 2,233,452.00	<i>Other:</i>	\$400,000.00
If “ <i>other</i> ” please define:		REAL ID Federal Grant funds	
If “ <i>interdepartmental</i> ” please define:		System Development funds	
Dates of All Previous Amendments or Revisions: <i>(if applicable)</i>		Brief Description of Actions in Previous Amendments or Revisions: <i>(if applicable)</i>	
September 2017		Upgrade the scope of service, extend the end date, increase the maximum liability	
January 2018		extend end date, increasing maximum liability	
April 2018		Change of Contractor name due to tax ID changes	
Method of Original Award: <i>(if applicable)</i>		RFP	
<p>*What were the projected costs of the service for the entire term of the contract prior to contract award? How was this cost determined?</p>		<p>The projected cost for the entire term of the contract was \$3,260,929.12. This cost was determined based on the development, delivery, fulfillment, and management of the six (6) stages outlined in the scope of services section pertaining to the implementation of the image verification system solution.</p> <p>The final costs were based on the cost proposal from Idemia Identity & Security USA, LLC. (formerly MorphoTrust USA, LLC.) during the awarding of the initial contract for these services.</p>	
<p>*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.</p>		<p>The Vendor was selected through the State's open and competitive RFP solicitation process. Request for Proposals (RFP) #34901-00605 for the agency is currently in process, with an expected Contractor signature deadline of August 1, 2019. The continued use of this Vendor prevents a disruption in services during the time it takes the RFP solicitation event to be completed and the time needed for a transition to a new solution.</p>	

Supplemental Documentation Required for
Fiscal Review Committee

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Fiscal Review Committee

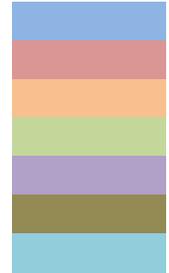
*Current or Proposed Contract Allocation by Fiscal Year: (as Shown on Most Current Fully Executed Contract Summary Sheet)								
FY: 2013	FY: 2014	FY: 2015	FY: 2016	FY: 2017	FY: 2018	FY: 2019	FY: 2020	FY: 2021
\$ 1,107,259.00	\$ 446,691.00	\$ 446,691.00	\$ 446,691.00	\$ 216,952.00	\$ 369,984.00	\$369,984.00	\$369,984.00	\$308,320.00
*Current Total Expenditures by Fiscal Year of Contract: (attach backup documentation from Edison)								
FY: 2013	FY: 2014	FY: 2015	FY: 2016	FY: 2017	FY: 2018	FY: 2019	FY: 2020	FY: 2021
\$ 446,662.50	\$ 273,537.50	\$ 109,795.20	\$ 632,939.20	\$ 431,648.00	\$ 431,648.00	\$ 277,488.00		

Purchase Orders against a Cont	31
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Contract Number = 0000000000000000000035468

Contract	Contract Line #	Unit	PO No.	Line	SetID
0000000000000000000035468	1	31701	000020909	1	SHARE
0000000000000000000035468	1	31701	000021022	1	SHARE
0000000000000000000035468	1	31701	000021416	1	SHARE
0000000000000000000035468	1	31701	000021418	1	SHARE
0000000000000000000035468	1	31701	000022815	1	SHARE
0000000000000000000035468	1	31701	000023494	1	SHARE
0000000000000000000035468	1	31701	000024542	1	SHARE
0000000000000000000035468	1	31701	000026546	1	SHARE
0000000000000000000035468	1	34901	000029078	1	SHARE
0000000000000000000035468	1	34901	000029079	1	SHARE
0000000000000000000035468	1	34901	000029080	1	SHARE
0000000000000000000035468	1	31701	000027248	1	SHARE
0000000000000000000035468	1	34901	000029421	1	SHARE
0000000000000000000035468	1	34901	000029519	1	SHARE
0000000000000000000035468	1	34901	000029702	1	SHARE
0000000000000000000035468	1	31701	000027602	1	SHARE
0000000000000000000035468	1	34901	000030060	1	SHARE
0000000000000000000035468	1	34901	000030995	1	SHARE
0000000000000000000035468	1	34901	000031005	1	SHARE
0000000000000000000035468	1	34901	000031482	1	SHARE
0000000000000000000035468	1	34901	000031616	1	SHARE
0000000000000000000035468	1	34901	000032182	1	SHARE
0000000000000000000035468	1	34901	000032418	1	SHARE
0000000000000000000035468	1	34901	000033224	1	SHARE
0000000000000000000035468	1	34901	000033424	1	SHARE
0000000000000000000035468	1	34901	000033715	1	SHARE
0000000000000000000035468	1	34901	000034387	1	SHARE
0000000000000000000035468	1	34901	000034398	1	SHARE
0000000000000000000035468	1	34901	000034399	1	SHARE
0000000000000000000035468	1	34901	000034750	1	SHARE
0000000000000000000035468	1	34901	000035143	1	SHARE
NV00000000000000000035468	2	34901	000035623	1	SHARE
NV00000000000000000035468	2	34901	000035708	1	SHARE
NV00000000000000000035468	2	34901	000035749	1	SHARE
NV00000000000000000035468	2	34901	000036752	1	SHARE
NV00000000000000000035468	2	34901	000037058	1	SHARE
NV00000000000000000035468	2	34901	000037421	1	SHARE
NV00000000000000000035468	2	34901	000037601	1	SHARE
NV00000000000000000035468	2	34901	000037948	1	SHARE
NV00000000000000000035468	2	34901	000038297	1	SHARE
NV20000000000000000035468	1	34901	000038982	1	SHARE
NV20000000000000000035468	1	34901	000038983	1	SHARE
NV20000000000000000035468	1	34901	000038984	1	SHARE
NV20000000000000000035468	1	34901	000039063	1	SHARE

PO Date	PO Amount	Contract Max. Amt	Contract Remaining Amt
2/6/2013	\$ 124,650.00	\$ 2,910,940.00	\$ 1,293,845.60
2/27/2013	\$ 83,100.00	\$ 2,910,940.00	\$ 1,293,845.60
4/25/2013	\$ 83,100.00	\$ 2,910,940.00	\$ 1,293,845.60
4/25/2013	\$ 155,812.50	\$ 2,910,940.00	\$ 1,293,845.60
8/30/2013	\$ 96,950.00	\$ 2,910,940.00	\$ 1,293,845.60
12/11/2013	\$ 155,812.50	\$ 2,910,940.00	\$ 1,293,845.60
6/3/2014	\$ 20,775.00	\$ 2,910,940.00	\$ 1,293,845.60
7/6/2015	\$ 109,795.20	\$ 2,910,940.00	\$ 1,293,845.60
9/29/2015	\$ 30,832.00	\$ 2,910,940.00	\$ 1,293,845.60
9/29/2015	\$ 30,832.00	\$ 2,910,940.00	\$ 1,293,845.60
9/29/2015	\$ 30,832.00	\$ 2,910,940.00	\$ 1,293,845.60
10/7/2015	\$ 91,496.00	\$ 2,910,940.00	\$ 1,293,845.60
11/9/2015	\$ 30,832.00	\$ 2,910,940.00	\$ 1,293,845.60
11/23/2015	\$ 30,832.00	\$ 2,910,940.00	\$ 1,293,845.60
12/16/2015	\$ 30,832.00	\$ 2,910,940.00	\$ 1,293,845.60
12/17/2015	\$ 109,795.20	\$ 2,910,940.00	\$ 1,293,845.60
1/29/2016	\$ 30,832.00	\$ 2,910,940.00	\$ 1,293,845.60
5/2/2016	\$ 30,832.00	\$ 2,910,940.00	\$ 1,293,845.60
5/3/2016	\$ 92,496.00	\$ 2,910,940.00	\$ 1,293,845.60
6/20/2016	\$ 30,832.00	\$ 2,910,940.00	\$ 1,293,845.60
6/30/2016	\$ 61,664.00	\$ 2,910,940.00	\$ 1,293,845.60
8/12/2016	\$ 30,832.00	\$ 2,910,940.00	\$ 1,293,845.60
9/2/2016	\$ 30,832.00	\$ 2,910,940.00	\$ 1,293,845.60
11/9/2016	\$ 61,664.00	\$ 2,910,940.00	\$ 1,293,845.60
12/2/2016	\$ 30,832.00	\$ 2,910,940.00	\$ 1,293,845.60
1/4/2017	\$ 30,832.00	\$ 2,910,940.00	\$ 1,293,845.60
3/6/2017	\$ 61,664.00	\$ 2,910,940.00	\$ 1,293,845.60
3/7/2017	\$ 30,832.00	\$ 2,910,940.00	\$ 1,293,845.60
3/7/2017	\$ 30,832.00	\$ 2,910,940.00	\$ 1,293,845.60
4/5/2017	\$ 30,832.00	\$ 2,910,940.00	\$ 1,293,845.60
5/9/2017	\$ 30,832.00	\$ 2,910,940.00	\$ 1,293,845.60
6/16/2017	\$ -	\$ 3,465,916.00	\$ 3,188,428.00
6/23/2017	\$ 30,832.00	\$ 3,465,916.00	\$ 3,188,428.00
6/28/2017	\$ 30,832.00	\$ 3,465,916.00	\$ 3,188,428.00
9/6/2017	\$ 61,664.00	\$ 3,465,916.00	\$ 3,188,428.00
10/3/2017	\$ 30,832.00	\$ 3,465,916.00	\$ 3,188,428.00
11/9/2017	\$ 30,832.00	\$ 3,465,916.00	\$ 3,188,428.00
12/1/2017	\$ 30,832.00	\$ 3,465,916.00	\$ 3,188,428.00
1/3/2018	\$ 30,832.00	\$ 3,465,916.00	\$ 3,188,428.00
2/8/2018	\$ 30,832.00	\$ 3,465,916.00	\$ 3,188,428.00
4/24/2018	\$ 30,832.00	\$ 3,465,916.00	\$ 3,003,436.00
4/24/2018	\$ 30,832.00	\$ 3,465,916.00	\$ 3,003,436.00
4/24/2018	\$ 30,832.00	\$ 3,465,916.00	\$ 3,003,436.00
5/3/2018	\$ 30,832.00	\$ 3,465,916.00	\$ 3,003,436.00



6/7/2018	\$ 30,832.00	\$	3,465,916.00	\$	3,003,436.00
6/7/2018	\$ 30,832.00	\$	3,465,916.00	\$	3,003,436.00
6/30/2018	\$ 30,832.00	\$	3,465,916.00	\$	3,003,436.00
8/23/2018	\$ 30,832.00	\$	3,465,916.00	\$	3,003,436.00
9/7/2018	\$ 30,832.00	\$	3,465,916.00	\$	3,003,436.00
10/8/2018	\$ 30,832.00	\$	3,465,916.00	\$	3,003,436.00
11/20/2018	\$ 30,832.00	\$	3,465,916.00	\$	3,003,436.00
11/20/2018	\$ 30,832.00	\$	3,465,916.00	\$	3,003,436.00
1/16/2019	\$ 30,832.00	\$	3,465,916.00	\$	3,003,436.00
2/6/2019	\$ 30,832.00	\$	3,465,916.00	\$	3,003,436.00
3/5/2019	\$ 30,832.00	\$	3,465,916.00	\$	3,003,436.00
4/10/2019	\$ 30,832.00	\$	3,465,916.00	\$	3,003,436.00

FY2013
FY2014
FY2015
FY2016
FY2017
FY2018
FY2019



OIR Pre-Approval Endorsement Request E-Mail Transmittal

TO : Jane Chittenden, OIR Procurement & Contract Management Director
Department of Finance & Administration
E-mail : Jane.Chittenden@tn.gov

FROM : Coleman Hanna
E-mail : Coleman.Hanna@tn.gov

DATE : 11/18/2011

RE : Request for OIR Pre-Approval Endorsement

Applicable RFS # 34901-00113

OIR Endorsement Signature & Date:

Mark Bengelges

11/9/12

Chief Information Officer

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

Office for Information Resources (OIR) pre-approval endorsement appears to be required pursuant to professional service contracting regulations pertaining to procurements with information technology as a component of the scope of service. This request seeks to ensure that OIR is aware of and has an opportunity to review the procurement detailed below and in the attached documents.

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

Contracting Agency	Safety & Homeland Security
Agency Contact (name, phone, e-mail)	Coleman Hanna, 251-5292, Coleman.Hanna@tn.gov
Subject Procurement Document (mark one)	
<input checked="" type="checkbox"/> RFP	<input type="checkbox"/> Contract
<input type="checkbox"/> Competitive Negotiation Request	<input type="checkbox"/> Contract Amendment
<input type="checkbox"/> Alternative Procurement Method Request	<input type="checkbox"/> Grant
<input type="checkbox"/> Non-Competitive Contract Request	<input type="checkbox"/> Grant Amendment
<input type="checkbox"/> Non-Competitive Amendment Request	
Information Systems Plan (ISP) Project Applicability	
<input type="checkbox"/> Not Applicable to this Request	
<input checked="" type="checkbox"/> Applicable— ISP Project# DI021006	
Response Confirmed by IT Director/Staff (name): Paul Battenfield	

Applicable RFS # 34901-00113

Required Attachments (as applicable – copies without signatures acceptable)

- RFP, Competitive Negotiation Request, Alternative Procurement Method Request, Non-Competitive Contract Request, Non-Competitive Amendment Request
- Original Contract/Grant or Amendment
- Proposed Contract/Grant or Amendment

Subject Information Technology Service Description

(Brief summary of information technology services involved. Clearly identify included technologies such as system development/maintenance, security, networking, *etc.* As applicable, identify the contract & solicitation sections related to the IT services.)

Image Verification System



CONTRACT AMENDMENT COVER SHEET

Agency Tracking # 34901-00113	Edison ID NV2 35468	Contract # NV2 35468	Amendment # 04		
Contractor Legal Entity Name Idemia Identity & Security USA, LLC			Edison Vendor ID 0000216565		
Amendment Purpose & Effect(s) The purpose of this amendment is to add appropriate funding and extend the term so there is no disruption in the image verification services used in the detection and prevention of fraud (identity theft). These services will be included in the new credential production and issuance solution being sought through a Request for Proposals (RFP), which is currently in process. We wish to ensure that there is no disruption in services during the time it takes for the RFP solicitation event to be completed and the time needed for a transition to a new solution.					
Amendment Changes Contract End Date: <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO		End Date: April 30, 2021			
TOTAL Contract Amount INCREASE or DECREASE per this Amendment (zero if N/A):			\$ 616,640.00		
Funding —					
FY	State	Federal	Interdepartmental	Other	TOTAL Contract Amount
2013	\$0.00	\$0.00	\$707,259.00	\$400,000.00	\$1,107,259.00
2014	\$0.00	\$0.00	\$446,691.00	\$0.00	\$446,691.00
2015	\$0.00	\$0.00	\$446,691.00	\$0.00	\$446,691.00
2016	\$0.00	\$0.00	\$446,691.00	\$0.00	\$446,691.00
2017	\$30,832.00	\$0.00	\$186,120.00	\$0.00	\$216,952.00
2018	\$369,984.00	\$0.00	\$0.00	\$0.00	\$369,984.00
2019	\$369,984.00	\$0.00	\$0.00	\$0.00	\$369,984.00
2020	\$369,984.00	\$0.00	\$0.00	\$0.00	\$369,984.00
2021	\$308,320.00	\$0.00	\$0.00	\$0.00	\$308,320.00
TOTAL:	\$1,449,104.00	\$0.00	\$2,233,452.00	\$400,000.00	\$4,082,556.00
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.				<i>CPO USE</i>	
Speed Chart (optional)		Account Code (optional)			

**AMENDMENT FOUR
OF CONTRACT EDISON ID NV2 35468**

This Amendment is made and entered by and between the State of Tennessee, Department of Safety and Homeland Security, hereinafter referred to as the "State" and Idemia Identity & Security USA, LLC, hereinafter referred to as the "Contractor". For good and valuable consideration, the sufficiency of which is hereby acknowledged, it is mutually understood and agreed by and between said, undersigned contracting parties that the subject contract is hereby amended as follows:

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

B. TERM OF CONTRACT:

- B.1. This Contract shall be effective on June 01, 2012 ("Effective Date)" and extend for a period of One hundred seven (107) months after the Effective Date, thereby ending on April 30, 2021 ("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 one (1) twenty (20) month renewal option under the same terms and conditions, at the State's sole option. In no event, however, shall the maximum Term, including all renewals or extensions, exceed a total of one hundred seven (107) months.

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

- C.1. Maximum Liability. In no event shall the maximum liability of the State under this Contract exceed Four Million Eighty Two Thousand Five Hundred Fifty Six Dollars and Zero Cents (\$4,082,556.00) ("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.

3. Contract Section C.3(b), #23. Post-Implementation Support. is deleted in its entirety and replaced with the following:

	6/1/12 to 5/31/13	6/1/13 to 5/31/14	6/1/14 to 4/30/2021
23. Post- implementation Support	No Cost	No Cost	Total Monthly Fee: \$30,832.00 Maintenance & Support: \$12,916.00 License: \$17,916.00

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

Commissioner of Finance and Administration, the Commissioner of Human Resources, and the Comptroller of the Treasury).

Amendment Effective Date. The revisions set forth herein shall be effective July 5, 2019. All other terms and conditions of this Contract not expressly amended herein shall remain in full force and effect.

IN WITNESS WHEREOF,

IDEMIA IDENTITY & SECURITY USA, LLC:

SIGNATURE

DATE

PRINTED NAME AND TITLE OF SIGNATORY (above)

DEPARTMENT OF SAFETY AND HOMELAND SECURITY:

JEFF LONG, COMMISSIONER

DATE

Amendment Request

This request form is not required for amendments to grant contracts. Route a completed request, as one file in PDF format, via e-mail attachment sent to: AgSprs.Agspr@spr.tn.gov

APPROVED	
Kevin C. Bartels for Michael F. Perry	Digitally signed by Kevin C. Bartels for Michael F. Perry DN: cn=Kevin C. Bartels for Michael F. Perry, o=CPO, ou, email=Kevin.C.Bartels@tn.gov, c=US Date: 2019.05.03 13:18:35 -05'00'
CHIEF PROCUREMENT OFFICER	DATE

Agency request tracking #	34901-00113
1. Procuring Agency	Tennessee Department of Safety and Homeland Security (TDOSHS)
2. Contractor	Idemia Identity & Security USA, LLC.
3. Edison contract ID #	NV2 35468
4. Proposed amendment #	04
5. Contract's Original Effective Date	June 1, 2012
6. Current end date	August 31, 2019
7. Proposed end date	April 30, 2021
8. Current Maximum Liability or Estimated Liability	\$ 3,465,916.00
9. Proposed Maximum Liability or Estimated Liability	\$ 4,082,556.00
10. Strategic Technology Solutions Pre-Approval Endorsement Request <i>- information technology service (N/A to THDA)</i>	<input type="checkbox"/> Not Applicable <input checked="" type="checkbox"/> Attached
11. eHealth Pre-Approval Endorsement Request <i>- health-related professional, pharmaceutical, laboratory, or imaging</i>	<input checked="" type="checkbox"/> Not Applicable <input type="checkbox"/> Attached
12. Human Resources Pre-Approval Endorsement Request <i>- state employee training service</i>	<input checked="" type="checkbox"/> Not Applicable <input type="checkbox"/> Attached
13. Explain why the proposed amendment is needed	
The proposed amendment is needed to add appropriate funding and extend the term so there is no disruption in the image verification services used in the detection and prevention of fraud (identity theft). These services will be included in the new credential production and issuance solution being sought through Request for Proposals (RFP) 34901-005, which is currently in process with a Contractor Signature Deadline of August 1, 2019. We wish to ensure that there is no disruption in services during the time it takes for the RFP solicitation event to be completed and the time needed for a transition to a new solution.	
14. If the amendment involves a change in Scope, describe efforts to identify reasonable, competitive, procurement alternatives to amending the contract.	
The amendment does not involve a change in the Scope of Services.	
Signature of Agency Head or Authorized Designee, Title of Signatory, and Date (the authorized designee may sign his or her own name if indicated on the Signature Certification and Authorization document)	
 _____ Jeff Long, Commissioner	_____ 05-03-19 DATE



CONTRACT AMENDMENT COVER SHEET

Agency Tracking #	Edison ID	Contract #	Amendment #
34901-00113	NV2 35468	NV2 35468	03
Contractor Legal Entity Name		Edison Vendor ID	
Idemia Identity & Security USA, LLC		0000216565	

Amendment Purpose & Effects)

The purpose of this Amendment 03 is to change the Contractor name as noted due in part to tax ID changes and the treatment of disregarded entities by the U.S. Department of Treasury, Internal Revenue Service. There has been no assignment of the contract, nor any change to the corporate form, assets, or capabilities of the Contractor.

Amendment Changes Contract End Date:

YES NO

End Date:

August 31, 2019

TOTAL Contract Amount INCREASE or DECREASE per this Amendment (zero if N/A):

\$ 0.00

Funding —		Interdepartmental	Other	TOTAL Contract Amount
FY	State	Federal		
2013	\$0.00	\$707,259.00	\$400,000.00	\$1,107,259.00
2014	\$0.00	\$446,691.00	\$0.00	\$446,691.00
2015	\$0.00	\$446,691.00	\$0.00	\$446,691.00
2016	\$0.00	\$446,691.00	\$0.00	\$446,691.00
2017	\$30,832.00	\$0.00	\$186,120.00	\$216,952.00
2018	\$369,984.00	\$0.00	\$0.00	\$369,984.00
2019	\$369,984.00	\$0.00	\$0.00	\$369,984.00
2020	\$61,664.00	\$0.00	\$0.00	\$369,984.00
TOTAL:	\$832,464.00	\$0.00	\$2,233,452.00	\$3,465,916.00

American Recovery and Reinvestment Act (ARRA) Funding:

YES NO

CPO USE

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.

Sonya

Digitally signed by Sonya Hadley
DN: cn=Sonya Hadley, o=Safety
and Homeland Security,
ou=Budget,

Hadley

email=sonya.hadley@tn.gov, c=US
Date: 2018.04.20 10:01:37 -0500'

Speed Chart (optional)

Account Code (optional)

**AMENDMENT 03
OF CONTRACT NV2 35468**

This Amendment is made and entered by and between the State of Tennessee, Department of Safety and Homeland Security, hereinafter referred to as the "State" and Idemia Identity & Security USA, LLC, hereinafter referred to as the "Contractor." For good and valuable consideration, the sufficiency of which is hereby acknowledged, it is mutually understood and agreed by and between said, undersigned contracting parties that the subject contract is hereby amended as follows:

- 1. The Contractor contact information in Section E.2. is deleted in its entirety and replaced with the following:

Ed Casey, President and Chief Executive Officer (CEO)
Idemia Identity & Security USA, LLC
296 Concord Road, Suite 300
Billerica, MA 01821
Email Address: ed.casey@us.idemia.com
Telephone #: (978) 215-2525

- 2. The following is added as new Contract Section E.19.:

E.19. Contractor Name. All references to "MorphoTrust USA, LLC" and "MorphoTrust USA, Inc." shall be deleted and replaced with "Idemia Identity & Security USA, LLC".

- 3. The following is added as new Contract Section E.20.:

E.20. Contractor Edison Vendor ID. All references to "0000160523" shall be deleted and replaced with "0000216565".

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

Amendment Effective Date. The revisions set forth herein shall be effective December 31, 2017. All other terms and conditions of this Contract not expressly amended herein shall remain in full force and effect.

IN WITNESS WHEREOF,

IDEMIA IDENTITY & SECURITY USA, LLC:

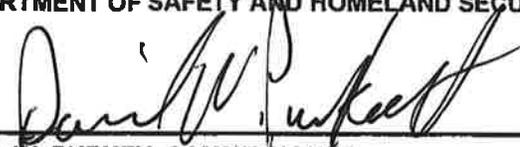


SIGNATURE 04-18-2018
DATE

Pierre Chabassant

PRINTED NAME AND TITLE OF SIGNATORY (above)

DEPARTMENT OF SAFETY AND HOMELAND SECURITY:



DAVID W. PURKEY, COMMISSIONER 4-20-18
DATE



CONTRACT AMENDMENT COVER SHEET

Agency Tracking # 34901-00113	Edison ID NV35468	Contract # NV35468	Amendment # 02		
Contractor Legal Entity Name MorphoTrust USA, LLC			Edison Vendor ID 0000160523		
Amendment Purpose and Effect(s) The purpose of this Amendment 02 is to update the renewal clause (Section B.2.), exercise the renewal, and add appropriate funding for the extended term so there is no disruption in the image verification services used in the detection and prevention of fraud (identity theft) while a Request for Proposals solicitation event that will include these services is completed, as well as, time needed for a transition to a new solution.					
Amendment Changes Contract End Date: <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO		End Date: August 31, 2019			
TOTAL Contract Amount INCREASE or DECREASE per this Amendment (zero if N/A):			\$ 554,976.00		
Funding —					
FY	State	Federal	Interdepartmental	Other	TOTAL Contract Amount
2013	\$0.00	\$0.00	\$707,259.00	\$400,000.00	\$1,107,259.00
2014	\$0.00	\$0.00	\$446,691.00	\$0.00	\$446,691.00
2015	\$0.00	\$0.00	\$446,691.00	\$0.00	\$446,691.00
2016	\$0.00	\$0.00	\$446,691.00	\$0.00	\$446,691.00
2017	\$30,832.00	\$0.00	\$186,120.00	\$0.00	\$216,952.00
2018	\$369,984.00	\$0.00	\$0.00	\$0.00	\$369,984.00
2019	\$369,984.00	\$0.00	\$0.00	\$0.00	\$369,984.00
2020	\$61,664.00	\$0.00	\$0.00	\$0.00	\$369,984.00
TOTAL:	\$832,464.00	\$0.00	\$2,233,452.00	\$400,000.00	\$3,465,916.00
American Recovery and Reinvestment Act (ARRA) Funding: <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO					
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. Digitally signed by Sonya Hadley, Sonya Hadley, Budget Director Date: 2017.12.22 11:30:24 -06'00'			<i>CPO USE</i>		
Speed Chart (optional)		Account Code (optional)			

**AMENDMENT 2
OF CONTRACT 35468**

This Amendment is made and entered by and between the State of Tennessee, Department of Safety and Homeland Security, hereinafter referred to as the "State" and MorphoTrust USA, LLC, hereinafter referred to as the "Contractor." For good and valuable consideration, the sufficiency of which is hereby acknowledged, it is mutually understood and agreed by and between said, undersigned contracting parties that the subject contract is hereby amended as follows:

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

B. TERM OF CONTRACT:

- B.1. This Contract shall be effective on June 01, 2012 ("Effective Date") and extend for a period of Eighty-seven (87) months after the Effective Date, thereby ending on August 31, 2019 ("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 three (3) 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 eighty-seven (87) months.

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

- C.1. Maximum Liability. In no event shall the maximum liability of the State under this Contract exceed Three Million Four Hundred Sixty-Five Thousand Nine Hundred Sixteen Dollars and Zero Cents (\$3,465,916.00) ("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.

3. Contract Section C.3(b), #23. Post-Implementation Support. is deleted in its entirety and replaced with the following:

	6/1/12 to 5/31/13	6/1/13 to 5/31/14	6/1/14 to 5/31/15	6/1/15 to 5/31/16	6/1/16 to 5/31/17	6/1/17 to 5/31/18	6/1/18 to 5/31/19	6/1/19 to 8/31/19
23. Post- implementation Support	No Cost	No Cost	Total Monthly Fee: \$30,832.00	Total Monthly Fee: \$30,832.00	Total Monthly Fee: \$30,832.00	Total Monthly Fee: \$30,832.00	Total Monthly Fee: \$30,832.00	Total Monthly Fee: \$30,832.00
			Maintenance & Support: \$12,916.00					
			License: \$17,916.00	License: \$17,916.00	License: \$17,916.00	License: \$17,916.00	License: \$17,916.00	License: \$17,916.00

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

Amendment Effective Date. The revisions set forth herein shall be effective January 15, 2018. All other terms and conditions of this Contract not expressly amended herein shall remain in full force and effect.

IN WITNESS WHEREOF,

MORPHOTRUST USA, LLC:



SIGNATURE 12/18/17
DATE

Robert Eckel President & CEO

PRINTED NAME AND TITLE OF SIGNATORY (above)

TENNESSEE DEPARTMENT OF SAFETY AND HOMELAND SECURITY:



DAVID W. PURKEY, COMMISSIONER 12-22-17
DATE



CONTRACT AMENDMENT COVER SHEET

Agency Tracking # 34901-00113	Edison ID NV35468	Contract # 35468	Amendment # 01		
Contractor Legal Entity Name MorphoTrust USA, Inc.			Edison Vendor ID 160523		
Amendment Purpose and Effect(s) The purpose of this Amendment 01 is to add the renewal clause (Section B.2.), exercise the renewal, and add appropriate funding for the extended term so there is no disruption in the image verification services used in the detection and prevention of fraud (identity theft).					
Amendment Changes Contract End Date: <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO		End Date: February 28, 2018			
TOTAL Contract Amount INCREASE or DECREASE per this Amendment (zero if N/A):			\$ 277,488.00		
Funding —					
FY	State	Federal	Interdepartmental	Other	TOTAL Contract Amount
2012	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
2013	\$0.00	\$0.00	\$707,259.00	\$400,000.00	\$1,107,259.00
2014	\$0.00	\$0.00	\$446,691.00	\$0.00	\$446,691.00
2015	\$0.00	\$0.00	\$446,691.00	\$0.00	\$446,691.00
2016	\$0.00	\$0.00	\$446,691.00	\$0.00	\$446,691.00
2017	\$0.00	\$0.00	\$216,952.00	\$0.00	\$216,952.00
2018	\$0.00	\$0.00	\$246,656.00	\$0.00	\$246,656.00
TOTAL:	\$0.00	\$0.00	\$2,510,940.00	\$400,000.00	\$2,910,940.00
American Recovery and Reinvestment Act (ARRA) Funding: <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO					
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.			<i>CPO USE</i>		
Sonya Hadley, Budget Director			Digitally signed by Sonya Hadley, Budget Director Date: 2017.05.30 14:53:09 -05'00'		
Speed Chart (optional)		Account Code (optional)			



**AMENDMENT 1
OF CONTRACT 35468**

This Amendment is made and entered by and between the State of Tennessee, Department of Safety and Homeland Security, hereinafter referred to as the "State" and MorphoTrust USA, LLC., hereinafter referred to as the "Contractor." For good and valuable consideration, the sufficiency of which is hereby acknowledged, it is mutually understood and agreed by and between said, undersigned contracting parties that the subject contract is hereby amended as follows:

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

B. TERM OF CONTRACT:

- B.1. This Contract shall be effective on June 01, 2012 ("Effective Date)" and extend for a period of Sixty-nine (69) months after the Effective Date, thereby ending on February 28, 2018 ("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 one (1) renewal option 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-nine (69) months.

2. Contract Sections C.1. and C.2. are deleted in their entirety and replaced with the following:

- C.1. Maximum Liability. In no event shall the maximum liability of the State under this Contract exceed Two Million Nine Hundred Ten Thousand Nine Hundred Forty Dollars and Zero Cents (\$2,910,940.00) ("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.

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



Amendment Effective Date. The revisions set forth herein shall be effective May 31, 2017. All other terms and conditions of this Contract not expressly amended herein shall remain in full force and effect.

IN WITNESS WHEREOF,

MORPHOTRUST USA, LLC.:

[Handwritten Signature] *5/23/17*

SIGNATURE **DATE**

Scott Boylan, Senior Vice President

PRINTED NAME AND TITLE OF SIGNATORY (above)

TENNESSEE DEPARTMENT OF SAFETY AND HOMELAND SECURITY:

[Handwritten Signature] *5-23-17*

DAVID W. PURKEY, COMMISSIONER **DATE**



CONTRACT

(fee-for-service contract with an individual, business, non-profit, or governmental entity)

New Contract #
35468

Begin Date June 1, 2012	End Date May 31, 2017	Agency Tracking # 34901-00113	Edison Record ID 32055
Contractor Legal Entity Name MorphoTrust USA, Inc.			Edison Vendor ID 70997

Service Caption (one line only)
Driver License Image Verification System

Subrecipient or Vendor <input type="checkbox"/> Subrecipient <input checked="" type="checkbox"/> Vendor	CFDA #
--	--------

Funding —					
FY	State	Federal	Interdepartmental	Other	TOTAL Contract Amount
2012					
2013			\$707,259.00	\$400,000.00	\$1,107,259.00
2014			\$446,691.00		\$446,691.00
2015			\$446,691.00		\$446,691.00
2016			\$446,691.00		\$446,691.00
2017			\$186,120.00		\$186,120.00
TOTAL:			\$2,233,452.00	\$400,000.00	\$2,633,452.00

American Recovery and Reinvestment Act (ARRA) Funding: YES NO

Ownership/Control

African American
 Asian
 Hispanic
 Native American
 Female
 Person w/Disability
 Small Business
 Government
 NOT Minority/Disadvantaged
 Other:

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

<input checked="" type="checkbox"/> RFP	The procurement process was completed in accordance with the approved RFP document and associated regulations.
<input type="checkbox"/> Competitive Negotiation	The predefined, competitive, impartial, negotiation process was completed in accordance with the associated, approved procedures and evaluation criteria.
<input type="checkbox"/> Alternative Competitive Method	The predefined, competitive, impartial, procurement process was completed in accordance with the associated, approved procedures and evaluation criteria.
<input type="checkbox"/> Non-Competitive Negotiation	The non-competitive contractor selection was completed as approved, and the procurement process included a negotiation of best possible terms & price.
<input type="checkbox"/> Other	The contractor selection was directed by law, court order, settlement agreement, or resulted from the state making the same agreement with <u>all</u> interested parties or <u>all</u> parties in a predetermined "class."

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.

Brie Helge

OCR USE - FA

FA1239109



**CONTRACT
BETWEEN THE STATE OF TENNESSEE,
DEPARTMENT OF SAFETY AND HOMELAND SECURITY
AND
MORPHOTRUST USA, INC.**

This Contract, by and between the State of Tennessee, Department of Safety and Homeland Security, hereinafter referred to as the "State" and MorphoTrust USA, Inc., hereinafter referred to as the "Contractor," is for the provision of Image Verification System for the Tennessee Department of Safety and Homeland Security Driver Services Division, as further defined in the "SCOPE OF SERVICES."

The Contractor is For Profit Corporation.

Contractor Place of Incorporation or Organization: 296 Concord Road, Suite 300, Billerica, Massachusetts 01821.

Contractor Edison Registration ID # 0000070997

A. SCOPE OF SERVICES:

A.1. The Contractor shall provide all service and deliverables as required, described, and detailed by this Scope of Services and shall meet all service and delivery timelines specified in the Scope of Services section or elsewhere in this Contract.

A.2. High Level Description

The scope of the Image Verification System (IVS) project encompasses an initial scrub of the existing images on the driver license system (DLS) to ensure that only one record exists for each image. Once the initial scrub is completed, the Contractor shall be tasked with developing and implementing an IVS including, but not limited to, comprehensive project management, case management for working duplicate image records, business and system analysis, provision of packaged software, software customization, development of system interfaces, testing, training, system implementation and support. The following is a description of the new IVS which must interface with the DLS currently in use by the State, or its successor. In the following description, "Driver License System" and "DLS" refer to the "core" system.

The entire IVS solution must be delivered and operational within 24 weeks after contract award, and must provide the following:

- Support enrollment of up to 12.5 million images currently in the TDOSHS DB2 database,
- Support enrollment of up to 1.7 million new images each year.
- Support capacity to enroll 100% of daily applicant volume, and run the image comparison for all new images overnight (to be completed by 5 a.m. CST each day) with results ready for Driver Services staff by the start of business the next day.

The IVS must interface with the DLS currently in use by the State. Within the next three (3) years, the State expects that the mainframe DLS will be replaced with a new system, and the IVS must also be made to operate with the new system.

When multiple records are found to contain the same image, the results of investigations to clear the duplicates must be sent to the State's database to flag fraudulent records.

The Contractor must provide software that allows the IVS to interface with state image repository and shall allow for manually adding images to vendor-provided data store for ad hoc comparisons. This software shall be housed at the state data center.

The IVS must support case management capabilities for State investigators to view and clear comparison results. The IVS must support secure, web-based access by investigators from any



user workstation on the State of Tennessee network. The system must support active directory authentication.

A.3. Initial Image Enrollment

- a. In order to ensure that each applicant does not have more than one driver license or photo identification license issued by the state under a different identity, the Contractor must perform an initial image scrub of all images currently stored in the DLS.
- b. Images and demographic data contained on the DLS will be transferred to an encrypted hard-drive with password verification for transportation or transmittal to the Contractor.
- c. Contractor will format the images and demographics data into the format to be used by the IVS.
- d. The hard drive media provided to the Contractor shall be fully destroyed, degaussing is not acceptable. The hard drive should be received by a company with an AAA NAID certification for hard drive. The serial number must be scanned and recorded on a notarized certificate of destruction from said destruction company. An original of the certificate of destruction shall be provided to TDOSHS upon completion.
- e. Contractor will deliver and install the image verification software on server hardware provided by the State that contains the comparison results to the State. The IVS solution will be web-based and capable of being supported as a web-based application in a highly available, scalable, solution. Vendor must provide capability of maintaining 99.99% availability, and must be functional in a dual Data Center environment for disaster recovery purposes.

A.4. IVS Overall Specifications

- a. The system must provide user-based control to data and functionality, including:
 - (1) Manage investigator workload and case assignments.
 - (2) Query the database for specific records to use within a comparison.
 - (3) Execute comparisons to identify duplicate images within the database.
 - (4) Support a status flag within records in the database to indicate suspected fraud, approval for DL/ID issuance, or close a case.
 - (5) Input and/or read investigation notes/comments.
 - (6) View, print and/or schedule reports.
 - (7) Provide disposition of image verification to state driver license system.
- b. System Hardware
 - (1) System Location: The system will be hosted on State-standard hardware within the State's Data Center.
 - (2) Responsibility for Hardware: The State will be responsible for the providing the hardware used by the IVS. The Contractor must provide clear specifications of all hardware that is needed. The Contractor must size the hardware sufficient to meet the business need but not exceed what the State considers a reasonable amount of capacity. The state reserves the right to add, change, reconfigure, consolidate, or eliminate hardware at any time to meet the best interests of the State.
 - (3) Use of Virtual Server Environment: The State may require certain components of the system to operate in the State's virtual environment. The Contractor must specify which components can and cannot operate on virtual server technology.



- (4) The State will acquire the necessary hardware and operating system software for all environments at the State locations. The Contractor shall be responsible for assisting with installation, configuration, and testing of hardware and operating system software at the State-specified location(s). The Contractor is required to provide advisory services, guidance and assistance with respect to the installation of all IVS and related software in all environments.

c. Data Conversion

- (1) All data in the scope of the required functionality, current and historical, from all existing Driver License-related systems shall be converted from the existing systems into the new system. The DLN must be the same size and format as the current DLN.
- (2) All data being converted per section A.5.(a) shall be "cleaned" prior to conversion, including but not limited to remediation of duplicated data, cleansing addresses and correcting known data errors.
- (3) During the implementation period, all data shall be kept synchronized between the existing systems and the IVS as necessary to keep implemented locations in synchronization with those not yet implemented.

d. Architecture

- (1) The Contractor shall provide the services required by this contract compliant with the technical environment described by the State Technology Architecture Standard. (See Attachment B)
- (2) Development Languages: The IVS must be developed in computer development language that is considered "Current" by the State as outlined in the State Technology Architecture Standard.
- (3) Database Technology: The IVS shall utilize a relational Database Management System (DBMS) that is considered "Current" by the State as outlined in the State Technology Architecture Standard.
- (4) Service Oriented Architecture (SOA): The IVS will be based on service oriented architecture.
- (5) Environment
 - (i) The IVS will have five operating environments:
 - Development – Used for development of programmatic changes, Must be similar to production environment, but can be smaller in scale.
 - Test – Used to simulate the actual production environment for verification of new code modifications. Must accurately represent the production environment.
 - Quality Assurance (QA) – A working copy of the production environment, or alternately the testing environment that is kept in sync with production data. Used to reproduce error conditions and testing with real production data without making changes to the database of record.



- Training – A small scale mockup of the production environment, capable of representing the current production version or new versions soon to be implemented into production.
 - Production – The official system of record. The production environment will be sized to handle any expected demand. The production environment must operate in accordance with State's standards. Changes are made only through documented change control procedures.
- (ii) Each environment will have separate security profiles to allow users to have different permission levels in each environment.
- (6) System Updates: The IVS shall have a defined multi-environment "promote to production" process (e.g., development, test, QA, training, production), supported by software distribution tools to facilitate migration.
- (7) Scalability: The IVS shall support a fully scalable architecture designed to allow incremental changes in capacity to meet changing usage.
- (8) N-Tier Layers: The IVS will have separate tiered layers to provide security between different components of the systems such as, but not limited to: database resources, user interface layer and application processing.
- e. As part of the proposal the Contractor shall provide comprehensive diagrams detailing how each component of its system integrates and interfaces with all other system components. The summary shall describe how the Contractor's solution best meets the needs of the State and is to include the following:
- (1) The application functionality, features, and capabilities
 - (2) System administration and operations requirements
 - (3) Minimum and Optimal configuration requirements for technical architecture of the system
 - (4) Integration between systems and interfaces with the state environment
 - (5) The summary shall also provide a schematic drawing of the hardware/software system configuration, communications connectivity, and the relationships between all components in the environment.
- f. The IVS must provide easy integration with the DL/ID issuance environment (described in section A.3 of this contract) to automate the card printing approval process for applicants passing the image verification check.

A.5. IVS System Requirements

- a. The existing records in the current DB2 database will be migrated and loaded on to the system and the system can store and search both the migrated legacy records and newly created records. The imported or created records will be enrolled in both the system's database and search engine as part of a single enrollment request.
- b. The system must be capable of performing one-to-one comparisons, using the new image against the previously stored image for the same record. One-to-one comparisons must be performed instantaneously while the customer is at the workstation after image capture.



- c. One-to-many comparisons: Contractor must provide software and equipment to enroll and compare batches of images to the enrolled database on a scheduled or on-demand basis. Software must compare images to the enrolled database. Software must generate a candidate match list that is sorted from "most likely" to "least likely". Contractor will allow the State to input ad-hoc images and conduct one-to-many searches. Enrollment of images may take the form of still images, scanned images, and video surveillance frames.
- d. The system must be capable of using images in JPEG, BMP or TIF format.
- e. The software performance characteristics must provide for a:
 - (1) Failure to enroll rate of less than three percent of all images compliant with minimum standards.
 - (2) Capability to perform 10,000 one-to-one and 10,000 one-to-many searches per day against the total database. Ability to have 400 users simultaneously accessing the system, performing various roles.
 - (3) Analysis that compares all images on a particular record and looks for dissimilar images on a record.
- f. The system must allow for adjustable match thresholds. Contractor must provide State with the differences for determination of each threshold.
- g. Contractor shall provide in its proposal the software's complete test results from the Facial Recognition Vendor Test (FRVT 2002 or later), conducted by the National Institute of Standards (NIST).
- h. Contractor must provide a system to support a minimum of 500 points for enrollment of images, as well as 50 users on the case management tool for investigating duplicate images and possible fraud.
- i. The successful Contractor must, at a minimum, provide one (1) electronic and five (5) hard copies of technical, user, configuration, and operations manuals. Additionally, other relevant documentation available and supporting the IVS must be provided.
- j. The IVS must be able to use images of varying quality levels such as:
 - (1) Varied lighting conditions
 - (2) Small image sizes (300 x 300 pixels)
 - (3) Low JPEG image quality
- k. The IVS must provide a manual enrollment process for "failure to enroll" records for any records that are not reflected in the automated enrollment process. This process must be described and documented.
- l. Contractor must provide a procedure for identifying poor quality images within the existing image database.
- m. The IVS must provide a method to ensure efficiency in terms of storage/file size, without sacrificing accurate image recognition matching.
- n. The system must provide configurable settings for interactive comparisons accessible by individual investigators during:
 - (1) Progressive searching of suspected duplicate licenses.
 - (2) Investigation of externally uploaded images.
 - (3) Investigations of duplicate DL/IDs discovered during law enforcement activities.



- o. Upon implementation, the IVS must provide configurable reports of system activities and comparison results including, but not limited to:
 - (1) An aging report detailing the time between image enrollment and image verification approval.
 - (2) Throughput reports detailing fraud and verification statistics.
 - (3) Workload reports detailing results by investigator to assist case assignment balancing and issuance resolution.
 - (4) Any other reports required by the State.
- p. The IVS must be capable of receiving records daily that will be passed from the DL/ID Issuance System to the Contractor's process that will include all of the data (image, demographic data, and manufacturing data) where the DL/ID has been issued. Additionally, the IVS must be capable of receiving a file where images have been captured and a DL/ID has not been issued.

A.6. IVS Investigator Support

- a. The system must support secure, web-based access by investigators from any user workstation on the State of Tennessee network. The system must support Active Directory authentication.
- b. Comparison results created during nightly batches or interactively must be organized as a list that includes key details supporting grouping and sorting for efficiency. Details must include:
 - Driver License Number
 - Name
 - Highest Match Score
 - Number of Matches
 - Create date
 - Investigator assigned
 - Case number
 - Previous fraud investigations, if any
- c. For each row in the results list, system must construct summary view containing images and data for possible duplicates. Data included on this page must include:
 - Portrait images for the probe and all templates identified as possible matches
 - Associated match scores
 - Name
 - Driver License Number
 - Case/transaction Number
- d. The system must provide a side-by-side view of the probe and one of the candidate matches to support detailed evaluation of potential fraud. This view must be available for each image on the summary view.
- e. The side-by-side view must contain additional data and images to investigators with the evaluation including:
 - Driver License Number
 - Application number/transaction number
 - Name
 - Date of birth
 - Issuance date
 - Address
 - Signature image



- Data from previous investigations
- f. The system must provide investigators with the ability to easily flag one or more candidates within the summary view as suspected duplicate. This must initiate formal procedures per state standards.
- g. The system must support progressive searching using one of the match candidates within results view as a probe in a new interactive comparison. This function enables investigators to broaden their investigation to find additional duplicate DL/IDs.
- h. The system must provide investigators with the ability to upload external image files from their local system for use as a probe in a comparison. Images in JPEG, tiff and bmp formats must be supported, enabling easy translation from a wide variety of sources including:
 - Digital cameras
 - Scanned images
 - Video cameras
 - Surveillance cameras
- i. The system must facilitate collaboration during investigation of suspected fraud by allowing users to input and share information within one investigation and automatically link the data with other investigations including the same individuals.
- j. The system must provide a function to generate printed dossiers and other supporting documents that includes images and data to use during formal investigation and/or adjudication activities.
- k. The system must provide an audit trail of each record accessed or modified, the user who modified the record, and the date it was modified.
- l. The IVS should be designed to support law enforcement investigations while also supporting statistical reporting back to the Driver Services Division without compromising the investigation.

A.7. IVS Security

- a. IVS security shall be compliant with all Tennessee data security policies in effect at the time of implementation. System security shall be compliant with TN Enterprise Information Security Policies which require technical qualifications such as the requirement that passwords contain alpha, numeric, and special characters.(see Attachment C).
- b. Encryption
 - (1) The IVS shall protect through a means compliant with the State's standards, any data that is transmitted through network resources.
 - (2) If the IVS stores any data (even temporarily) at remote locations or cached in a user's work station there must be a process for purging the data automatically.

A.8. Project Management The Contractor shall provide a Master Project Work Plan that includes all components as defined below, including the critical path time line indicating a maximum 24 week timeframe from the contract start date to full IVS implementation, according to the following deliverable schedule:

- a. Initial Image Enrollment Phase:
 - (1) Certificate of media destruction. (A.3.d)
 - (2) Comparison results of initial image scrub. (A.3.e)



- b. Design Phase:
- (1) Specification for the IVS interface with the DLS currently in use by the State. (A.2)
 - (2) Updated comprehensive diagrams detailing how each component of the system integrates and interfaces with all other system components, including the State environment. (A.4.e)
 - (3) Data Conversion Plan specifying the methods for cleansing, converting, and verifying conversion of each/every data source to be converted. (A.5.c)
 - (4) Report specifications for reports identified in A.5.o.
 - (5) Security specification showing how the IVS meets the requirements of A.7.
- c. Construction Phase:
- (1) Implementation Plan describing tasks, dependencies, and time line.
 - (2) Acceptance Test Plan.
 - (3) Performance test results showing compliance with the specifications in A.5.h.
 - (4) Data conversion test results.
- d. Acceptance Test Phase:
- (1) Acceptance Test results.
 - (2) Training Plan. Training schedule (update to Comprehensive Work Plan).
 - (3) Materials for initial training: user guide and job aid for each level of training that contains information, procedures, and instructions specific to the installed system.
- e. Implementation Phase:
- (1) Technical, user, configuration, and operations manuals (A.5.i)
 - (2) Proof of completed training (class attendee sign-in sheets, attendee training evaluations, etc.)
- f. The State of Tennessee's Information Technology Methodology is tailored to encompass those processes and deliverables required to meet its goals and objectives and is based on the principles set forth by the Project Management Institute (PMI). The Contractor shall update their initial Master Project Work Plan as submitted as part of their proposal along with the entire Comprehensive Project Management Plan (CPMP), throughout the duration of the contract. The CPMP is intended to help:
- (1) Organize, prioritize, coordinate, integrate, and monitor project activities in order to deliver the required products (deliverables) within scope, quality, time, and cost constraints;
 - (2) Effectively communicate in order to keep project staff, stakeholders, and executive sponsor management apprised of the status of project activities;
 - (3) Implement and maintain quality assurance processes to ensure project products (deliverables) fulfill requirements and standards;
 - (4) Manage and control risks to the project that may impact its success
- g. The Contractor shall be responsible for performing all project management activities, including those of any subcontractors, and should direct all required reports and project updates to the designated TDOSHS Executive Project Director and to the Project Manager(s) appointed by TDOSHS. In addition, the Contractor shall provide weekly detailed written status reports, monthly Executive Steering Committee project status meetings, and respond to informational requests as requested.
- (1) Comprehensive Project Management Plan



The Comprehensive Project Management Plan includes the following:

- i. Project Definition
- ii. Management Approach
- iii. Milestones and critical management checkpoints/reviews including timeframes
- iv. Assumptions
- v. Risks and Constraints
- vi. Process for Tracking Issues/Action Items
- vii. Final Acceptance Processes and Criteria
- viii. Stakeholder sign-offs
- ix. Included as Attachments to the Comprehensive Project Management Plan will be the:

- (a) Master Project Work Plan (Attachment A)
- (b) Communication Management Plan (Attachment B)
- (c) Quality Management Plan (Attachment C)
- (d) Risk Management Plan (Attachment D)
- (e) Resource Management Plan (Attachment E)

(2) Master Project Work Plan The Contractor shall submit a Master Project Work Plan that includes all known tasks, duration estimates and resource loading for the duration of the project, including the critical path time line. The project work plan submitted by the Contractor will be reviewed and updated by both the State team and the Contractor during a Project Kick-Off session. Once approved by the State, the resultant Master Project Work Plan will be maintained by the Contractor, with any required assistance from the State Project Manager throughout the remainder of the project. The Contractor must use Microsoft Project version 2003 (or later) as the project management tool.

(3) Communications Management Plan The Contractor shall develop a Communication Management Plan as part of the Comprehensive Project Management Plan in order to maintain positive and continuous communications regarding project activities with project staff, stakeholders and executive sponsor management. The Contractor shall provide effective communications in various ways, to include Weekly Status Reports and twice-monthly Project Steering Committee meetings as described below:

- i. Executive Steering Committee (ESC) Oversight. The State's ESC provides executive-level guidance for the project. This committee consists of the Project Sponsor and other senior business and technical representatives. The ESC will evaluate the project at critical checkpoints, which includes those currently part of the Project Management Plan and any other defined by the State. The evaluation will consider information from project management and technical groups supporting the project. Quality Assurance assessments will be presented during the ESC for review. ESC approval is required for any changes to the project scope or schedule as well as Contractor personnel changes.
- ii. Project Status Report and ESC Presentation. The Contractor shall make a monthly face-to-face presentation to the ESC to include details of the progress of the project, identifying key ongoing and upcoming activities of the project, as well as issues and items needing ESC attention. The ESC may request unscheduled reports from the Contractor to address specific concerns related to the project status.
- iii. Weekly Status Report. The Contractor shall provide an electronic status report weekly, or more frequently if requested by TDOSHS, showing the



status of the project. The status report will be used to measure and monitor implementation progress and change requests. The Contractor shall be available if necessary to conduct a one hour status meeting (in person or via conference call) in order to fully review key accomplishments and milestones, upcoming items, action items and issues with start and end dates. It will also include simple project metrics. Minutes from the meeting will be delivered to the project team within two (2) business days.

- (4) Quality Management Plan The Quality Management Plan will be developed by the Contractor, and must be approved in writing by the State. The Contractor shall update the plan throughout the project, with maintenance responsibility being shared between the Contractor and the State Project Manager. The plan will show both State and Contractor respective responsibilities and planned activities regarding project quality and must cover the following topics:
- i. Project quality objectives and the metrics needed to assess progress toward those objectives. Each identified metric will be fully defined in terms of:
 - Purpose and expected use;
 - Definition of data elements used in the metric;
 - Collection, calculation, and reporting method, schedule, and responsibility;
 - ii. Standards to be used in the project: The Contractor must use the State's standards unless an exception has been granted by OIR.
 - iii. Supporting activities, such as problem resolution and change management. All activities will be fully described as to method, schedule, and responsibility. Detailed procedures may be included or referenced from a separate document.
 - iv. Other quality management activities such as Contractor self-assessments and project defect reporting and resolution processes;
 - v. How the quality control and assessment activities will be documented and reported for State review.
 - vi. The Contractor shall schedule tasks and resources in the project Work Plan to accomplish the Quality Management Plan's defined activities. The Contractor shall obtain State approval of the Quality Management Plan. The Contractor shall keep the Quality Management Plan up to date with current activities and responsibilities.
 - vii. The Contractor shall be fully responsible for the quality (completeness, correctness, and usability) of all deliverables. The Contractor shall verify the quality of each deliverable before submitting it for State review and approval. By submitting a deliverable, the Contractor affirms that, to the best of its knowledge and understanding at that time, the deliverable meets State acceptance criteria. The Contractor shall correct all deficiencies in deliverables as, reported in writing and as required by the State.
 - viii. The State will review deliverables to determine their fitness for use. The State will complete its review and provide review results in writing to the Contractor within twenty (20) business days (or less, whenever possible) following the date the Contractor submits the deliverable to the State for



review. If the State finds deficiencies in deliverables, it will formally communicate them in writing to the Contractor but will not develop the specific changes that would correct them. The Contractor shall correct all such deficiencies and resubmit corrected deliverables for review (which begins a new twenty-day review cycle). All deliverables must be approved in writing by the State to be considered final. If subsequent reviews are required, the State expects the review to cover only those areas that required correction. The State also expects the Contractor to correct identified deficiencies in deliverables the first time and therefore multiple review cycles for deliverables would not be required.

- (5) Risk Management Plan The Risk Management Plan will be developed by the Contractor, and must be approved in writing by the State. The Contractor shall update the plan throughout the project, with maintenance responsibility being shared between the Contractor and the State Project Manager. The plan will show both State and Contractor respective responsibilities and planned activities regarding project risk and must cover the following topics:
- i. Risk Identification — The Contractor shall work with the state project manager to identify potential project risks, their probability and impact to the overall project.
 - ii. Risk Response — The Contractor shall work with the state project manager to develop options and actions to enhance opportunities, and to reduce threats to project objectives.

(6) Resource Management Plan

As part of the Management Approach of the Comprehensive Project Management Plan, the Contractor shall identify the key personnel and project team, including State, Contractor and sub Contractor, with the creation of an organizational chart. A detailed description of how the Contractor shall organize, deploy, and administer the project team will be included. All task assignments that require a State resource identified by the Contractor shall only be assigned through the functional manager of that resource. The Contractor shall not be allowed to assign tasks directly. Resource loading for each task must reflect Contractor and State staff, tasks, and schedules.

The State considers key personnel to be at a minimum:

- Project Manager
- Technical Architect
- Database Administrator

The Contractor must provide the staffing levels and workspace requirements for Contractor and sub-contractor staff that will be working on site at State locations.

The Project Manager shall have at least ten (10) years' experience with projects of comparable size, and at least five (5) years' experience managing large scale government projects focused in application design, development, implementation and post-implementation management and support and service delivery. It is the State's preference that the Project Manager's experience includes full lifecycle project management of a driver's license production system. The Contractor's Project Manager is expected to be on site through IVS implementation.

The Technical Architect shall have at least eight (8) years of experience designing distributive applications and specifically defining and designing component architectures. The Technical Architect shall have at least a Bachelor degree in computer science or related discipline.



The Database Administrator shall have at least four (4) years' experience developing logical and physical database designs. The Database Administrator shall have at least a Bachelor degree in computer science or related discipline.

Programmer/Analyst: The Programmer/Analyst shall have at least four (4) years' experience developing complex, production-level applications using the IVS technology. The Programmer/Analyst shall have at least a Bachelor degree.

Quality Assurance Specialist: The Quality Assurance Specialist shall have at least four (4) years' experience in all aspects of testing. The Quality Assurance Specialist shall have at least a Bachelor degree.

Report Developer: The Report Developer shall have at least two (2) years' experience in designing and developing reports for large complex applications using the IVS technology. The Report Developer shall have at least an Associate degree.

Documentation Specialist: The Documentation Specialist shall have at least four (4) years' experience documenting workflows and requirements and creating manuals. The Documentation Specialist shall have at least an Associate degree.

A.9. TDOSHS Project Director and Personnel

- a. The TDOSHS will provide a Project Manager for the IVS project. The Project Manager shall be the recipient of all contract deliverables, including the weekly status report.
- b. TDOSHS will also provide user and technical personnel for examination of issues and input throughout the project. The proposer shall provide an estimate of the amount of time required by each type of State personnel for each phase of the project.

A.10. Training Requirements The Contractor shall be responsible for delivering no less than four (4) different levels of training (defined below) to the State employees. Each training level will be tailored to a specific audience, which will correlate with the State employee's specific job duties. The Contractor shall deliver initial training courses on all levels during the implementation phase of the project. The time frame and schedule for the Contractor to conduct initial training courses will be detailed in the project plan that is jointly developed and agreed to by the Contractor and the State.

- a. The following minimum requirements apply to each level of training provided by the Contractor:
 - (1) While implementing the system, the Contractor shall provide sufficient training on the full use of hardware, peripherals, and software.
 - (2) The Contractor shall provide a hardcopy user guide and job aid to each student for each level of training that contains information, procedures, and instructions specific to the installed system.
 - (3) The Contractor shall provide softcopies of all user guides and job aids for each level of training to the State. The Contractor shall grant the State a royalty free license to reproduce and distribute unlimited additional copies of all documentation and training material at no expense.
 - (4) The State reserves the right to make audio and video recordings of any and all training sessions at no additional cost to the State for later use by the State.
- b. Training Levels - The State requires a minimum four (4) different levels of training, as described in this section. The Contractor response shall also include sample training materials representative of what will be developed and delivered for this project. Published documentation is preferred, but the Contractor may attach handouts,



diagrams, graphics, and/or other training aids that have been developed for use with other customers.

- (1) **System Administrator**
This training will provide the State technical staff the knowledge necessary to operate and troubleshoot the system.
- (2) **Software Administrator**
This course will be a minimum of 8 hours and shall cover functions associated with administering user operations of the system, including but not limited to managing accounts for Workstation Operators, performing any periodic functions, creating reports.
- (3) **Train the Trainer**
This course will be a minimum of 40 hours to provide the knowledge necessary for the State staff to deliver general end-user training, including the classroom set up, instructor's notes, and common student questions. Contractor shall provide a "train the trainer" plan to train the State personnel. The training plan must include the identification of required documents and a training timeline. The State requires the Contractor to train the State designated trainers at the headquarters facility in Nashville, TN. Contractor shall address expected timeline, format, and structure for the training of the State personnel.
- (4) **General End-User Training**
This training will be delivered to all staff using the DLS and shall cover all user functions. This training will be a minimum of 24 hours to provide the knowledge necessary for all DLS users to perform all system-related job functions.

c. **Training Locations**

The initial number of seats required for each level of training prior to implementation of the Contractor's solution is as follows:

Level	Training Description	Training Location	Total Number of Attendees
1	System Administrator Training	Nashville, TN – TDOSHS Headquarters	Minimum of 10
2	Account Administrator Training	Nashville, TN - TDOSHS Headquarters	Minimum of 50
3	Train the Trainer	Nashville, TN - TDOSHS Headquarters	Minimum of 10
4	General End User Training	Initial training shall be conducted in or within close proximity to the following locations: 7320 Regions Lane, Knoxville, TN 6502 Bonny Oaks, Chattanooga, TN 624 Hart Lane, Nashville, TN 6340 Summer Avenue, Memphis, TN 4717 Lake Park Drive, Johnson City TN 4600 S. Jefferson Avenue, Cookeville, TN 1701 Hampshire Pike, Columbia, TN	Minimum of 350



Level	Training Description	Training Location	Total Number of Attendees
		100 Benchmark Circle, Jackson, TN	

A.11. IVS Maintenance and Support

24/7 Support: The Contractor shall provide support services for the IVS 24 hours per day, 7 days per week. Contractor shall provide a toll free line for access.

Diagnostics: The Contractor shall provide diagnostic support working within State security guidelines.

Performance Monitoring and Tuning Utilities: The system shall include all utilities for database performance monitoring and tuning. The Contractor's database administrator (DBA) shall be responsible for the performance monitoring and tuning activities of the system.

System Maintenance Support Services: The Contractor must provide system maintenance (e.g. upgrades, enhancements, new releases, etc.) and technical support for all products/services provided, including ongoing unlimited telephone technical support problem determination and resolution. The Contractor shall provide to the State all generally publicly available improvements and additions to the functionality, as well as new functions, of the IVS and provide maintenance services.

From date of contract award until such time that the maintenance billing takes effect, all technical and maintenance support services described herein shall be provided to the State at no additional cost to the State, per the Post Implementation line item of the payment table, C.3.b. item 23 of the payment methodology.

The Contractor shall maintain the IVS so that it operates in conformity with all descriptions and specifications herein or as otherwise provided by the Contractor, including specifications for the performance of all improved or modified versions which the State has been licensed to use. The Contractor must provide for any upgrades to the IVS components. The Contractor must provide software documentation that is kept up-to-date with any upgrade or revision to the IVS. Updated software documentation must be provided to the State at the time of installation of any upgrade or revision to the IVS, unless otherwise agreed to by the State. The Contractor must perform regression testing on upgrades prior to installing/implementing the upgrades into production. In performing the regression testing on a new version/upgrade of the software, the Contractor must certify in writing to the State that all the previous IVS capabilities still work in accordance with the contract requirements.

Maintenance services shall include, at a minimum, the detection and correction of system errors according to the specifications described herein and in the Contractor's documentation of the software and the implementation of all program changes, system configuration, new releases/updates, upgrades, enhancements, new versions and implementation of additional programs provided under this contract discovered by the State or otherwise made known to the Contractor. The Contractor agrees to respond to the State inquiries regarding the use and functionality of the solution as issues are encountered by IVS users.

System Maintenance shall also include all services necessary to assist the State in maintaining the system operational uptime and recovery from system failures.

The Contractor must proactively monitor the system and not rely solely on the State to notify the Contractor of system problems.

The State shall provide Level 1 Help Desk. The list of authorized State personnel to call the Contractor's help desk will be provided to the Contractor. The Contractor's help desk/technical



support personnel should be knowledgeable and technically trained to answer/resolve system technical support problems.

When the State staff calls the help desk/technical support, the Contractor's technical support staff should not place the State caller on hold for more than five (5) minutes.

If investigation and research is required by technical staff and the problem cannot be resolved or question answered immediately, then the help desk/technical support staff should call back within two (2) hours to report progress on the problem's resolution. Help desk staff should continue, on a daily basis or other basis agreed upon between the State and Contractor, to keep the State staff informed on progress of the problem's resolution.

The Contractor shall keep a log of all maintenance/technical support calls made to the help desk/technical support personnel and document the complaints and problems reported to the help desk system by the State. The log shall be made available to the State as part of monthly reporting as well as any other time upon request by the State. The log must at a minimum contain the following information:

- a. Date and Time of call;
- b. Name of Caller;
- c. Caller's Organization Name;
- d. Caller's telephone number and/or email address;
- e. Description of Reported Problem/Complaint;
- f. Indication of whether the problem/complaint was resolved at time of call;
- g. Description of any follow up investigation/resolution plans;
- h. Assigned Case number if resolution not provided during call; and
- i. Date of and Description of Final Resolution.

The State reserves the right to determine and assign levels of severity for the issue/support problems. The severity of the issue/support problem shall determine the problem resolution response time as follows:

Severity Level 1 (Urgent) shall be defined as urgent situations, when the State's system is down and the State is unable to use the system. Failure causes loss of function or data and there is not a mutually agreed upon workaround. The Contractor's technical support staff shall accept the call for assistance at the time the State places the initial call; however if such staff is not immediately available, the Contractor shall return the call within thirty (30) minutes. The Contractor shall resolve Severity Level 1 problems as quickly as possible, which shall not exceed two (2) hours unless mutually agreed between the Contractor and the State.

Severity Level 2 (High) shall be defined as critical system component(s) that has significant outages and/or failure precluding its successful operation, or possibly endangering the State's environment. The system may operate but is severely restricted. Failure causes a loss of function or data, but there is a mutually agreed upon workaround. The Contractor's technical support staff shall accept the State's call for assistance at the time the State places the initial call; however if such staff is not immediately available, the Contractor shall return the State's call within thirty (30) minutes. The Contractor shall resolve Severity Level 2 problems as quickly as possible, which shall not exceed four (4) hours, unless mutually agreed between the Contractor and the State.

Severity Level 3 (Medium) shall be defined as a minor problem that exists with the system but the majority of the functions are still usable and some circumvention may be required to provide service. Failure causes a partial loss of function, but users can accomplish tasks with a mutually agreed upon workaround. The Contractor's technical support staff shall accept the State's call for assistance at the time the State places the initial call; however if such staff is not immediately available, the Contractor shall return the State's call on average within thirty (30) minutes. The Contractor shall resolve Severity Level 3 problems as quickly as possible, which shall not exceed two (2) days, unless mutually agreed between the Contractor and the State.



Severity Level 4 (Low): shall be defined as cosmetic and minor errors, all the user tasks can still be accomplished. Example: Grammar errors, color changes, misspelled words, layout, etc. The Contractor's technical support staff shall accept the State's call for assistance at the time the State places the initial call; however if such staff is not immediately available, the Contractor shall return the State's call on average within 1 business day. The Contractor shall resolve Severity Level 4 problems as mutually agreed between the Contractor and the State.

Problem Resolution Response Time: The State defines the problem resolution response time as the total elapsed time from when the Contractor's qualified service technician has been contacted by the State and the system error/nonconformity severity level has been determined until the time when the issue or problem has been fixed, tested, and verified as being resolved as reasonably determined by the State in accordance with the aforementioned severity level provisions.

At the request of the State, the Contractor shall provide on-site support as needed.

A.12. Change Orders

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

- a. Memorandum of Understanding— In no more than ten (10) business days after receipt of a written change order request from the State, the Contractor shall respond with a written proposal for completing the service. Said proposal must specify:
 - (1) the effect, if any, of implementing the requested change(s) on all other services required under this Contract;
 - (2) the specific effort involved in completing the change(s);
 - (3) the expected schedule for completing the change(s);
 - (4) the maximum number and position types of person hours required for the change(s); and
 - (5) the maximum cost for the change(s), PROVIDED THAT such maximum cost shall not exceed the product of the of person hours required multiplied by the appropriate payment rate for change order work.

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

- b. Change Order Performance— Subsequent to State approval of an MOU, the Contractor shall complete the required change order services. The State will be the sole judge of the acceptable completion of change order work and, upon such determination, shall provide the Contractor written approval of the work.
- c. Change Order Remuneration— The State will remunerate the Contractor only for acceptable work. All acceptable work performed pursuant to an approved MOU, without a formal amendment of this contract, shall be remunerated in accordance with and further limited by contract section C.3. Change Order Hourly Rates, PROVIDED THAT, the State shall be liable to the Contractor only for the cost of the actual person hours worked to complete the change order work, not to exceed the maximum cost for the change detailed in the MOU. In no instance shall the State be liable to the Contractor for the cost of any person hours worked in excess of the maximum person hours indicated in or of any amount exceeding the maximum cost specified by the approved MOU authorizing the



service. Upon State approval of the change order work, the Contractor shall invoice the State in accordance with the relevant provisions of this Contract.

B. CONTRACT PERIOD:

This Contract shall be effective for the period beginning June 1, 2012, and ending on May 31, 2017. The Contractor hereby acknowledges and affirms that the State shall have no obligation for services rendered by the Contractor which were not performed within this specified contract period.

C. PAYMENT TERMS AND CONDITIONS:

C.1. Maximum Liability. In no event shall the maximum liability of the State under this Contract exceed \$2,633,452.00. The payment rates in section C.3 shall constitute the entire compensation due the Contractor for all service and Contractor obligations hereunder regardless of the difficulty, materials or equipment required. The payment rates include, but are not limited to, all applicable taxes, fees, overheads, and all other direct and indirect costs incurred or to be incurred by the Contractor.

The Contractor is not entitled to be paid the maximum liability for any period under the Contract or any extensions of the Contract for work not requested by the State. The maximum liability represents available funds for payment to the Contractor and does not guarantee payment of any such funds to the Contractor under this Contract unless the State requests work and the Contractor performs said work. In which case, the Contractor shall be paid in accordance with the payment rates detailed in section C.3. The State is under no obligation to request work from the Contractor in any specific dollar amounts or to request any work at all from the Contractor during any period of this Contract.

C.2. Compensation Firm. The payment rates and the maximum liability of the State under this Contract are firm for the duration of the Contract and are not subject to escalation for any reason unless amended.

C.3. Payment Methodology. The Contractor shall be compensated based on the payment rates herein for units of service authorized by the State in a total amount not to exceed the Contract Maximum Liability established in section C.1.

- a. The Contractor's compensation shall be contingent upon the satisfactory completion of units, milestones, or increments of service defined in section A.
- b. The Contractor shall be compensated for said units, milestones, or increments of service based upon the following payment rates:

Service Description	Amount (per compensable increment)
Initial Image Enrollment Phase	
1. Comprehensive Project Management Plan (refer to <i>pro forma</i> contract section A.8.)	\$ 121,187.50
2. Certificate of Media Destruction (refer to <i>pro forma</i> contract section A.3.d.)	\$ 34,625.00
3. Comparison Results of Initial Image Scrub (refer to <i>pro forma</i> contract section A.3.e.)	\$ 155,812.50
4. Post Implementation Retention Amount for the Initial Image Enrollment Phase	\$ 34,625.00



Design Phase	
5. Specification for the IVS interface with the DLS currently in use by the State (refer to <i>pro forma</i> contract section A.2.)	\$ 83,100.00
6. Updated comprehensive diagrams detailing how each component of the system integrates and interfaces with all other system components, including the State environment (refer to <i>pro forma</i> contract section A.4.e.)	\$ 83,100.00
7. Data Conversion Plan specifying the methods for cleansing, converting, and verifying conversion of each/every data source to be converted (refer to <i>pro forma</i> contract section A.5.c.)	\$ 83,100.00
8. Report specifications for reports as detailed in <i>pro forma</i> contract section A.5.o.	\$ 41,550.00
9. Security specification showing how the IVS meets the requirements of <i>pro forma</i> contract section A.7.	\$ 83,100.00
10. Post Implementation Retention Amount for the Design Phase	\$ 41,550.00
Construction Phase	
11. Implementation Plan describing tasks, dependencies, and time line (refer to <i>pro forma</i> contract section A.8.c.1.)	\$ 20,775.00
12. Acceptance Test Plan (refer to <i>pro forma</i> contract section A.8.c.2.)	\$ 10,387.50
13. Performance Test Results showing compliance with the specifications in <i>pro forma</i> contract sections A.5.e. and A.5.h.	\$ 93,487.50
14. Data Conversion Test Results (refer to <i>pro forma</i> contract section A.8.c.4.)	\$ 62,325.00
15. Post Implementation Retention Amount for the Construction Phase	\$ 20,775.00
Acceptance Test Phase	
16. Acceptance test results (refer to <i>pro forma</i> contract section A.8.d.1.)	\$ 93,487.50
17. Training Plan, complete with training schedule as required by <i>pro forma</i> contract section A.10.	\$ 51,937.50
18. Materials for Initial Training: user guide and job aid for each level of training that contains information, procedures, and instructions specific to the installed system (refer to <i>pro forma</i> contract section A.8.d.3.)	\$ 41,550.00
19. Post Implementation Retention Amount for the Acceptance Test Phase	\$ 20,775.00
Implementation Phase	
20. Technical, user, configuration, and operations manuals as required by <i>pro</i>	\$ 135,037.50



<i>forma contract section A.5.i.</i>					
21. Proof of completed training (class attendee sign-in sheets, attendee training evaluations, etc.) (refer to <i>pro forma contract section A.8.e.2.</i>)	\$ 51,937.50				
22. Post Implementation Retention Amount for the Implementation Phase	\$ 20,775.00				
	6/1/12 – 5/31/13	6/1/13 – 5/31/14	6/1/14 – 5/31/15	6/1/15 – 5/31/16	6/1/16 – 5/31/17
23. Post-Implementation Support	No Cost	No Cost	M&S \$12,916.00 License \$17,916.00 Total \$30,832.00 per month	M&S \$12,916.00 License \$17,916.00 Total \$30,832.00 per month	M&S \$12,916.00 License \$17,916.00 Total \$30,832.00 per month

- c. The Contractor shall be compensated for changes requested and performed pursuant to Contract Section A.12, without a formal amendment of this contract based upon the payment rates detailed in the schedule below and as agreed pursuant to said Section A.12, PROVIDED THAT compensation to the Contractor for such "change order" work shall not exceed TEN PERCENT (10%) of the sum of milestone payment rates detailed in payment rates 1-22 of Section C.3.b, above. If, at any point during the Contract period, the State determines that the cost of necessary "change order" work would exceed said maximum amount, the State may amend this Contract to address the need.

Service Description	Amount (per compensable increment)				
	6/1/12 – 5/31/13	6/1/13 – 5/31/14	6/1/14 – 5/31/15	6/1/15 – 5/31/16	6/1/16 – 5/31/17
Technical Architect	\$ 230 per hour	\$ 230 per hour	\$ 230 per hour	\$ 230 per hour	\$ 230 per hour
Database Administrator	\$ 200 per hour	\$ 200 per hour	\$ 200 per hour	\$ 200 per hour	\$ 200 per hour
Project Manager	\$ 180 per hour	\$ 180 per hour	\$ 180 per hour	\$ 180 per hour	\$ 180 per hour
Programmer/Analyst	\$ 140 per hour	\$ 140 per hour	\$ 140 per hour	\$ 140 per hour	\$ 140 per hour
Quality Assurance Specialist	\$ 200 per hour	\$ 200 per hour	\$ 200 per hour	\$ 200 per hour	\$ 200 per hour
Documentation Specialist	\$ 110 per hour	\$ 110 per hour	\$ 110 per hour	\$ 110 per hour	\$ 110 per hour
Report Developer	\$ 110 per hour	\$ 110 per hour	\$ 110 per hour	\$ 110 per hour	\$ 110 per hour
NOTE: The Contractor shall not be compensated for travel time to the primary location of service provision.					

- C.4. Travel Compensation. The Contractor shall not be compensated or reimbursed for travel, meals, or lodging.
- C.5. Invoice Requirements. The Contractor shall invoice the State only for completed and accepted increments of service and for the amount stipulated in section C.3, above, and present said invoices no more often than monthly, with all necessary supporting documentation, to:



TN Department of Safety and Homeland Security
Driver License Issuance Division
1150 Foster Ave
Nashville, TN 37243

- a. Each invoice shall clearly and accurately detail all of the following required 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: TDOSHS Driver License System
 - (5) Customer Account Number (assigned by the Contractor to the above-referenced Customer)
 - (6) Contractor Name
 - (7) Contractor Edison Registration ID Number Referenced in Preamble of this Contract
 - (8) Contractor Contact for Invoice Questions (name, phone, and/or fax)
 - (9) Contractor Remittance Address
 - (10) Description of Delivered Service
 - (11) Complete Itemization of Charges, which shall detail the following:
 - i. Service or Milestone Description (including name & title as applicable) of each service invoiced
 - ii. Number of Completed Units, Increments, Hours, or Days as applicable, of each service invoiced
 - iii. Applicable Payment Rate (as stipulated in Section C.3.) of each service invoiced
 - iv. Amount Due by Service
 - v. Total Amount Due for the invoice period
- b. The Contractor understands and agrees that an invoice under this Contract shall:
- (1) include only charges for service described in Contract Section A and in accordance with payment terms and conditions set forth in Contract Section C;
 - (2) only be submitted for completed service and shall not include any charge for future work;
 - (3) not include sales tax or shipping charges; and
 - (4) initiate the timeframe for payment (and any discounts) only when the State is in receipt of the invoice, and the invoice meets the minimum requirements of this section C.5.
- C.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 matter in relation thereto. A payment by the State shall not be construed as acceptance of any part of the work or service 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 theretofore made which are determined by the State, on the basis of audits conducted in accordance with the terms of this Contract, not to constitute proper remuneration for compensable services.
- 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, which 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 documentation properly completed.

- a. The Contractor shall complete, sign, and present to the State an "Authorization Agreement for Automatic Deposit (ACH Credits) Form" provided by the State. By doing so, the Contractor acknowledges and agrees that, once said form is received by the State, all payments to the Contractor, under this or any other contract the Contractor has with the State of Tennessee shall be made by Automated Clearing House (ACH).
- b. The Contractor shall complete, sign, and present to the State a "Substitute W-9 Form" provided by the State. The taxpayer identification number detailed by said form must agree with the Contractor's Federal Employer Identification Number or Tennessee Edison Registration ID referenced in this Contract.

C.10. Retention of Final Payment. An amount of [WRITTEN DOLLAR AMOUNT] (\$[NUMBER AMOUNT]), representing ten percent (10%) of each total phase amount, as indicated in the above C.3.b. payment items 4., 10., 15., 19., & 22. shall be withheld by the State until all other items in the payment methodology described in C.3.b. are completed and accepted by the State.

D. STANDARD TERMS AND CONDITIONS:

- D.1. Required Approvals. The State is not bound by this Contract until it is signed by the contract parties and approved by appropriate officials in accordance with applicable Tennessee laws and regulations (depending upon the specifics of this contract, said officials may include, but are not limited to, the Commissioner of Finance and Administration, the Commissioner of Human Resources, and the Comptroller of the Treasury).
- D.2. Modification and Amendment. This Contract may be modified only by a written amendment signed by all parties hereto and approved by both the officials who approved the base contract and, depending upon the specifics of the contract as amended, any additional officials required by Tennessee laws and regulations (said officials may include, but are not limited to, the Commissioner of Finance and Administration, the Commissioner of Human Resources, and the Comptroller of the Treasury).
- D.3. Termination for Convenience. The State may terminate this Contract without cause for any reason. Said termination shall not be deemed a breach of contract by the State. The State shall give the Contractor at least thirty (30) days written notice before the effective termination date. The Contractor shall be entitled to compensation for satisfactory, authorized service completed as of the termination date, but in no event shall the State be liable to the Contractor for compensation for any service which has not been rendered. Upon such termination, the Contractor shall have no right to any actual general, special, incidental, consequential, or any other damages whatsoever of any description or amount.
- D.4. 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 violates any terms of this Contract, the State shall have the right to immediately terminate the Contract and withhold payments in excess of fair compensation for completed services. Notwithstanding the above, the Contractor shall not be relieved of liability to the State for damages sustained by virtue of any breach of this Contract by the Contractor.
- D.5. Subcontracting. The Contractor shall not assign this Contract or enter into a subcontract for any of the services performed under this Contract without obtaining the prior written approval of the State. If such subcontracts are approved by the State, each shall contain, at a minimum, sections of this Contract below pertaining to "Conflicts of Interest," "Nondiscrimination," and "Records" (as identified by the section headings). Notwithstanding any use of approved subcontractors, the Contractor shall be the prime contractor and shall be responsible for all work performed.



- D.6. Conflicts of Interest. The Contractor warrants that no part of the total Contract Amount shall be paid directly or indirectly to an employee or official of the State of Tennessee as wages, compensation, or gifts in exchange for acting as an officer, agent, employee, subcontractor, or consultant to the Contractor in connection with any work contemplated or performed relative to this Contract.

The Contractor acknowledges, understands, and agrees that this Contract shall be null and void if the Contractor is, or within the past six 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 months has been, an employee of the State of Tennessee.

- D.7. 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, color, religion, sex, national origin, or any other classification protected by Federal, Tennessee State constitutional, or statutory law. The Contractor shall, upon request, show proof of such nondiscrimination and shall post in conspicuous places, available to all employees and applicants, notices of nondiscrimination.

- D.8. Prohibition of Illegal Immigrants. The requirements of *Tennessee Code Annotated*, Section 12-4-124, *et seq.*, 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 hereby attests, certifies, warrants, and assures 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 A, hereto, semi-annually during the period of this Contract. Such 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 period of this Contract, 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 relative to this Contract and shall not knowingly utilize the services of any subcontractor who will utilize the services of an illegal immigrant to perform work relative to this Contract. Attestations obtained from such 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. Said 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 *Tennessee Code Annotated*, Section 12-4-124, *et seq.* for acts or omissions occurring after its effective date. This law requires the Commissioner of Finance and Administration to prohibit a contractor from contracting with, or submitting an offer, proposal, or bid to contract with the State of Tennessee to supply goods or services for a period of one year after a contractor is discovered to have knowingly used the services of illegal immigrants during the performance of this Contract.
- e. For purposes of this Contract, "illegal immigrant" shall be defined as any person who is not either a United States citizen, a Lawful Permanent Resident, or a person whose physical presence in the United States is authorized or allowed by the federal



Department of Homeland Security and who, under federal immigration laws and/or regulations, is authorized to be employed in the U.S. or is otherwise authorized to provide services under the Contract.

- D.9. Records. The Contractor shall maintain documentation for all charges under this Contract. The books, records, and documents of the Contractor, insofar as they relate to work performed or money received under this Contract, shall be maintained for a period of three (3) 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.10. Prevailing Wage Rates. All contracts for construction, erection, or demolition or to install goods or materials that involve the expenditure of any funds derived from the State require compliance with the prevailing wage laws as provided in *Tennessee Code Annotated*, Section 12-4-401 *et seq.*
- D.11. 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.12. Progress Reports. The Contractor shall submit brief, periodic, progress reports to the State as requested.
- D.13. Strict Performance. Failure by any party to this Contract to insist in any one or more cases upon 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 such 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 hereto.
- D.14. Independent Contractor. The parties hereto, in the performance of this Contract, shall not act as employees, partners, joint venturers, or associates of one another. It is expressly acknowledged by the parties hereto that such parties are independent contracting entities and that nothing in this Contract shall be construed to create an employer/employee relationship or to allow either 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 shall not be deemed or construed to be the employees or agents of the other party for any purpose whatsoever.
- The Contractor, being an independent contractor and not an employee of the State, agrees to carry adequate public liability and other appropriate forms of insurance, including adequate public liability and other appropriate forms of insurance on the Contractor's employees, and to pay all applicable taxes incident to this Contract.
- D.15. State Liability. The State shall have no liability except as specifically provided in this Contract.
- D.16. Force Majeure. The obligations of the parties to this Contract are subject to prevention by causes beyond the parties' control that could not be avoided by the exercise of due care including, but not limited to, natural disasters, riots, wars, epidemics, or any other similar cause.
- D.17. State and Federal Compliance. The Contractor shall comply with all applicable State and Federal laws and regulations in the performance of this Contract.
- D.18. Governing Law. This Contract shall be governed by and construed in accordance with the laws of the State of Tennessee. The Contractor agrees that it will be subject to the exclusive jurisdiction of the courts of the State of Tennessee in actions that may arise under this Contract. The Contractor acknowledges and agrees that any rights or claims against the State of Tennessee or its employees hereunder, and any remedies arising therefrom, shall be subject to and limited to those rights and remedies, if any, available under *Tennessee Code Annotated*, Sections 9-8-101 through 9-8-407.



- D.19. Completeness. This Contract is complete and contains the entire understanding between the parties relating to the subject matter contained herein, 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 relating hereto, whether written or oral.
- D.20. 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 hereof shall not be affected thereby and shall remain in full force and effect. To this end, the terms and conditions of this Contract are declared severable.
- D.21. Headings. Section headings of this Contract are for reference purposes only and shall not be construed as part of this Contract.

E. SPECIAL TERMS AND CONDITIONS:

- E.1. Conflicting Terms and Conditions. Should any of these special terms and conditions conflict with any other terms and conditions of this Contract, these special terms and conditions shall control.
- E.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. Any such communications, regardless of method of transmission, shall be addressed to the respective party at the appropriate mailing address, facsimile number, or EMAIL address as set forth below or to that of such other party or address, as may be hereafter specified by written notice.

The State:

Lori Bullard, Assistant Commissioner of Driver Services
Tennessee Department of Safety and Homeland Security
1150 Foster Avenue
Nashville, Tennessee 37243
lori.bullard@tn.gov
Telephone # (615) 251-5106
FAX # (615) 253-2092

The Contractor:

Robert Eckel
President and CEO
MorphoTrust USA, Inc.
296 Concord Road, Suite 300
Billerica, Massachusetts 01821
~~reckel@MorphoTrust.com~~
(978) 215-2400

beckel@morphotrust.com 

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

- E.3. Subject to Funds Availability. The Contract is subject to the appropriation and availability of State and/or Federal funds. In the event that the funds are not appropriated or are otherwise unavailable, the State reserves the right to terminate the Contract upon written notice to the Contractor. Said termination shall not be deemed a breach of Contract by the State. Upon receipt of the written notice, the Contractor shall cease all work associated with the Contract. Should such an event occur, the Contractor shall be entitled to compensation for all satisfactory



and authorized services completed as of the termination date. Upon such termination, the Contractor shall have no right to recover from the State any actual, general, special, incidental, consequential, or any other damages whatsoever of any description or amount.

- E.4. Tennessee Consolidated Retirement System. The Contractor acknowledges and understands that, subject to statutory exceptions contained in *Tennessee Code Annotated*, Section 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 pursuant to *Tennessee Code Annotated*, Title 8, Chapter 35, Part 3 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 period of this Contract.
- E.5. Insurance. The Contractor shall carry adequate liability and other appropriate forms of insurance.
- a. The Contractor shall maintain, at minimum, the following insurance coverage:
- (1) Workers' Compensation/ Employers' Liability (including all states coverage) with a limit not less than the relevant statutory amount or one million dollars (\$1,000,000) per occurrence for employers' liability whichever is greater.
 - (2) Comprehensive Commercial General Liability (including personal injury & property damage, premises/operations, independent contractor, contractual liability and completed operations/products) with a bodily injury/property damage combined single limit not less than one million dollars (\$1,000,000) per occurrence and two million dollars (\$2,000,000) aggregate.
 - (3) Automobile Coverage (including owned, leased, hired, and non-owned vehicles) with a bodily injury/property damage combined single limit not less than one million dollars (\$1,000,000) per occurrence.
- b. At any time State may require the Contractor to provide a valid Certificate of Insurance detailing Coverage Description; Insurance Company & Policy Number; Exceptions and Exclusions; Policy Effective Date; Policy Expiration Date; Limit(s) of Liability; and Name and Address of Insured. Failure to provide required evidence of insurance coverage shall be a material breach of this Contract.
- E.6. 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 shall be regarded as confidential information in accordance with the provisions of applicable state and federal law, state and federal rules and regulations, departmental policy, and ethical standards. Such confidential information shall not be disclosed, and all necessary steps shall be taken by the Contractor to safeguard the confidentiality of such material or information in conformance with applicable state and federal law, state and federal rules and regulations, departmental policy, and ethical standards.

The Contractor's obligations under this section do not apply to information in the public domain; entering the public domain but not from a breach by the Contractor of this Contract; previously possessed by the Contractor without written obligations to the State to protect it; acquired by the Contractor without written restrictions against disclosure from a third party which, to the Contractor's knowledge, is free to disclose the information; independently developed by the Contractor without the use of the State's information; or, disclosed by the State to others without restrictions against disclosure. Nothing in this paragraph shall permit Contractor to disclose any information that is confidential under federal or state law or regulations, 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.

It is expressly understood and agreed the obligations set forth in this section shall survive the termination of this Contract.

- E.7. HIPAA Compliance. The State and Contractor shall comply with obligations under the Health Insurance Portability and Accountability Act of 1996 (HIPAA) and its accompanying regulations.
- a. Contractor warrants to the State that it is familiar with the requirements of HIPAA and its accompanying regulations, and will comply with all applicable HIPAA 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 HIPAA and its regulations, in the course of performance of the Contract so that both parties will be in compliance with HIPAA.
 - c. The State and the Contractor will sign documents, including but not limited to business associate agreements, as required by HIPAA and that are reasonably necessary to keep the State and Contractor in compliance with HIPAA. This provision shall not apply if information received by the State under this Contract is NOT "protected health information" as defined by HIPAA, or if HIPAA permits the State to receive such information without entering into a business associate agreement or signing another such document.
- E.8. State Ownership of Work Products. The State shall have ownership, right, title, and interest, including ownership of copyright, in all work products, including computer source code, created, designed, developed, derived, documented, installed, or delivered under this Contract subject to the next subsection and full and final payment for each "Work Product." The State shall have royalty-free and unlimited rights and license to use, disclose, reproduce, publish, distribute, modify, maintain, or create derivative works from, for any purpose whatsoever, all said Work Products.
- a. To the extent that the Contractor uses any of its pre-existing, proprietary or independently developed tools, materials or information ("Contractor Materials"), the Contractor shall retain all right, title and interest in and to such Contractor Materials, and the State shall acquire no right, title or interest in or to such Contractor Materials EXCEPT the Contractor grants to the State an unlimited, non-transferable license to use, copy and distribute internally, solely for the State's internal purposes, any Contractor Materials reasonably associated with any Work Product provided under the Contract.
 - b. The Contractor shall furnish such information and data as the State may request, including but not limited to computer code, that is applicable, essential, fundamental, or intrinsic to any Work Product and Contractor Materials reasonably associated with any Work Product, in accordance with this Contract and applicable state law.
 - c. Nothing in this Contract shall prohibit the Contractor's use for its own purposes of the general knowledge, skills, experience, ideas, concepts, know-how, and techniques obtained and used during the course of providing the services requested under this Contract.
 - d. Nothing in the Contract shall prohibit the Contractor from developing for itself, or for others, materials which are similar to and/or competitive with those that are produced under this Contract.
- E.9. 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. this Contract document with any attachments or exhibits (excluding the items listed at subsections b. through e., below);
 - b. any clarifications of or addenda to the Contractor's proposal seeking this Contract;
 - c. the State solicitation, as may be amended, requesting proposals in competition for this Contract;
 - d. any technical specifications provided to proposers during the procurement process to award this Contract;
 - e. the Contractor's proposal seeking this Contract.
- E.10. Prohibited Advertising. The Contractor shall not refer to this Contract or the Contractor's relationship with the State hereunder in commercial advertising in such a manner as to state or imply that the Contractor or the Contractor's services are endorsed. It is expressly understood and agreed that the obligations set forth in this section shall survive the termination of this Contract in perpetuity.
- E.11. Debarment and Suspension. The Contractor certifies, to the best of its knowledge and belief, that it, its current and future principals, its current and future subcontractors and their principals:
- a. are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any federal or state department or agency;
 - b. have not within a three (3) year period preceding this Contract been convicted of, or had a civil judgment rendered against them from commission of fraud, or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, state, or local) transaction or grant under a public transaction; violation of federal or state antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification, or destruction of records, making false statements, or receiving stolen property;
 - c. are not presently indicted or otherwise criminally or civilly charged by a government entity (federal, state, or local) with commission of any of the offenses detailed in section b. of this certification; and
 - d. have not within a three (3) year period preceding this Contract had one or more public transactions (federal, state, or local) terminated for cause or default.

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

- E.12. Contractor Commitment to Diversity. The Contractor shall comply with and make reasonable business efforts to exceed the commitment to diversity represented by the Contractor's proposal responding to RFP-34901-00113 (Attachment 6.2 – Section B.15) and resulting in this Contract.

The Contractor shall assist the State in monitoring the Contractor's performance of this commitment by providing, as requested, a quarterly report of participation in the performance of this Contract by small business enterprises and businesses owned by minorities, women, and persons with a disability. Such reports shall be provided to the state of Tennessee Governor's Office of Diversity Business Enterprise in form and substance as required by said office.

- E.13. Limitation of Liability. The parties agree that the Contractor's liability 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 intentional torts, criminal acts, or fraudulent conduct.

- E.14. Copyrights and Patents. 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 for infringement of any laws regarding patents or copyrights which may arise from the Contractor's performance of this Contract. In any such action brought against the State, the Contractor shall satisfy and indemnify the State for the amount of any final judgment for infringement. The Contractor further agrees it shall be liable for the reasonable fees of attorneys for the State in the event such service is necessitated to enforce the terms of this Contract or otherwise enforce the obligations of the Contractor to the State. The State shall give the Contractor written notice of any such claim or suit and full right and opportunity to conduct the Contractor's own defense thereof.
- E.15. Partial Takeover. The State may, at its convenience and without cause, exercise a partial takeover of any service which the Contractor is obligated to perform under this Contract, including but not limited to any service which is the subject of a subcontract between Contractor and a third party, although the Contractor is not in breach (hereinafter referred to as "Partial Takeover"). Said Partial Takeover shall not be deemed a Breach of Contract by the State. Contractor shall be given at least 30 days prior written notice of said Partial Takeover with said notice to specify the area(s) of service the State will assume and the date of said assumption. Any Partial Takeover by the State shall not alter in any way Contractor's other obligations under this Contract. The State may withhold from amounts due the Contractor the amount the Contractor would have been paid to deliver the service as determined by the State. The amounts shall be withheld effective as of the date the State assumes the service. Upon Partial Takeover, the Contractor shall have no right to recover from the State any actual, general, special, incidental, consequential, or any other damages whatsoever of any description or amount.
- E.16. Unencumbered Personnel. All persons assigned by the Contractor to perform services for the State under this Contract, whether they are employees, agents, subcontractors, or principals of the Contractor, shall not be subject to any employment contract or restrictive covenant provisions which would preclude those persons from performing the same or similar services for the State after the termination of this Contract, either as a State employee, an independent contractor, or an employee, agent, subcontractor or principal of another contractor with the State. If the Contractor provides the State with the services of any person subject to a restrictive covenant or contractual provision in violation of this provision, any such restrictive covenant or contractual provision will be void and unenforceable, and the Contractor will pay the State and any person involved all of its expenses, including attorneys fees, caused by attempts to enforce such provisions.
- E.17. Disclosure of Personal Identity Information. The Contractor shall report to the State any instances of unauthorized disclosure of confidential information that come to the attention of the Contractor. Any such report shall be made by the Contractor within twenty-four (24) hours after the instance has come to the attention of the Contractor. The Contractor, at the sole discretion of the State, shall provide no cost credit monitoring services for individuals that are deemed to be part of a potential disclosure. The Contractor shall bear the cost of notification to individuals having personal identity information involved in a potential disclosure event, including individual letters and/or public notice.
- E.18. Additional Subcontracting Requirements. If subcontracts are approved by the State, they shall contain, in addition to those sections identified in D.5., sections on "Confidentiality of Records", "HIPAA Compliance" and "Disclosure of Personal Identity Information" (as identified by the section headings). Notwithstanding any use of approved subcontractors, the Contractor shall be the prime contractor and shall be responsible for all work performed.



IN WITNESS WHEREOF,

MorphoTrust USA, Inc.:



5/16/2012

CONTRACTOR SIGNATURE

DATE

Robert Eckel CEO

PRINTED NAME AND TITLE OF CONTRACTOR SIGNATORY (above)

DEPARTMENT OF SAFETY AND HOMELAND SECURITY:



5/14/12

BILL GIBBONS, COMMISSIONER

DATE



ATTESTATION RE PERSONNEL USED IN CONTRACT PERFORMANCE

SUBJECT CONTRACT NUMBER:	
CONTRACTOR LEGAL ENTITY NAME:	MorphoTrust USA, Inc.
FEDERAL EMPLOYER IDENTIFICATION NUMBER: (or Social Security Number)	[REDACTED]

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.

[Handwritten Signature] 5/16/2012

CONTRACTOR SIGNATURE

NOTICE: This attestation MUST be signed by an individual empowered to contractually bind the Contractor. If said individual is not the chief executive or president, this document shall attach evidence showing the individual's authority to contractually bind the Contractor.

Robert Eckel CEO

PRINTED NAME AND TITLE OF SIGNATORY

5/16/2012

DATE OF ATTESTATION



Description of Current and Future Image Capture and Issuance Process

PURPOSE

This section provides prospective bidders with a description of the current licensing issuance process and digitized license system. This section does not contain contract requirements. Instead, the purpose of this section is to provide a context within which the detailed specifications in the next section can be better understood, and background information that may be needed in order to develop a thorough response to the Request for Proposals.

OVERVIEW OF ISSUANCE VOLUMES AND PROCESS

Each year Tennessee typically issues some 1.7 million driver licenses/photo-identification licenses (DL/IDs), including about 30,000 handgun carry permits. The Department contracts with a Contractor, currently L-1 Credentialing Incorporated, to produce licenses and identification cards. Card production services include photo and signature image capture as well as card printing. Tennessee uses a hybrid of over-the-counter issuance and central issuance process. For driver license and identification card transactions, Tennessee is primarily an over-the-counter, instant issuance state for all licenses and ID's as approximately 90% of DL/IDs are issued during an in-person visit to a driver service center. Licenses issued through Driver Services Central Office include:

- Digitized photo from interim-restricted licenses issued in the field
- Digitized restricted licenses after examination and approval
- Special handling for military personnel or other Tennessee residents who need to renew or replace their licenses while temporarily out of the state.
- Confidential licenses
- Internet and mail-in renewals and duplicates

The handgun carry permits are currently the only application in which the digitized system utilizes a "capture only" approach in the field offices. Nothing is issued to the applicant until they are found to be eligible, at which time a print request is submitted to the Contractor's print facility where the card is produced and mailed.

STATE OF TENNESSEE COMPUTER SYSTEM

The State of Tennessee's centralized computer facility is described on the state web page at www.tn.gov/finance/oir/operations/the_data_center_tour_guide.htm, which lists the mainframe and LAN/WAN servers and peripherals, software subsystems, network details and other critical features, as well as providing key statistics.

FIELD OFFICE OPERATIONS

Driver license services are provided in 48 driver service centers and 34 County clerk locations. Long range plans may include up to 5 additional driver service centers during the term of this contract and up to 5 relocations for which there will be no charge.

In addition to offices staffed by the Driver License Issuance personnel, TDOSHS has partnership agreements with 30 county clerks to offer express (renewals and duplicates only) driver license services at 30 locations.

PROCESSING APPLICATIONS

ON-LINE, OVER-THE-COUNTER TRANSACTIONS



If an established applicant with a Tennessee driving record already on the database is entered on the Tennessee Driver License system, the entry is made by Driver License Number and the latest image on file for the individual is also displayed at this point in the process. The applicant is then sent to the camera workstation where a new image and signature are captured and sent to the "taken" list on the capture workstation. A problem driver pointer system (CDLIS/PDPS) record check is then run simultaneously with a verification check of the Social Security Number. Information currently on the record is changed as necessary by the examiner, once all information is correct and the driver is clear on all checks, the examiner collects the appropriate fees and completes the transaction which transfers the applicant's image and signature to the "print" list on the capture workstation.

If the applicant is an original (no previous TN record on file), all of the demographic data for the applicant is entered on the processing screen, and once this information is entered, a DLN is generated. Once the DLN is generated, the applicant is sent to the capture workstation where his image and signature are captured and sent to the "taken" list on the capture workstation. A CDLIS/PDPS record check is then run simultaneously with a verification check of the Social Security Number. If the applicant is found to be eligible for the license they seek, necessary examinations are administered and the examiner collects the fees associated with the transaction. The examiner then updates any additional information on the driver record sending the information to the mainframe. The applicant's image and signature are automatically transferred to the "print" list on the capture workstation.

From the capture workstation the examiner selects the name of the applicant from the queued list of names on the print list and reviews the name, license class, address and other pertinent information for correctness before proceeding with processing. The examiner uses the image and signature previously captured and prints the license card.

Once the examiner clicks on the "Print Card" command, the transaction is accepted and forwarded to the printer for completion of the license card. This applicant's name will now appear on the "Reprint List" from the Main Menu screen where the status of the card completion can be viewed. The printer produces a complete card with no examiner intervention. If the card is acceptable (no streaks, proper lamination, etc.) the examiner then hands the applicant his/her license or ID. If not, the examiner can click on the applicant's name on the "Reprint List" and re-print the card.

INTERIM-RESTRICTED OVER-THE-COUNTER TRANSACTIONS

Certain license transactions such as those for restricted licenses must be issued an interim license. In this process the examiner now prepares a hand-written paper interim license on a controlled document form. Then the applicant's DLN/record is pulled up on F2 screen, or if applicant has no record their personal information is entered and a new DLN generated. The Examiner then enters the "photo" action code on the F2 screen and sends the applicant to the capture workstation where his image and signature is captured and sent to the "taken" list on the capture workstation. The examiner then goes to F6 screen where the process code is entered, the document number from the paper interim is entered and the length of issuance selected. The image and signature then go to the "print" list on the capture workstation. It is pulled up for review and the "interim" card is printed. Once completed, the license must be accompanied by the paper document, and carries a cross-reference number indicating the number of the accompanying controlled document. Central office staff then issues the final completed driver license document centrally.

CENTRAL ISSUANCE FROM CAPTURE ONLY TRANSACTIONS

For Handgun Permit transactions the State needs to capture only the applicant's image and signature without actually issuing any document at the time. The "capture-only" procedure is used for both original applications as well as for renewal and duplicate applications.



For these situations when the process codes assigned to Handgun transactions are entered, the system internally marks these transactions as "capture only". The information is sent to the digitized camera station waiting list and the examiner still follows all the steps for capturing the applicant's signature and photo as normal. When the information is reviewed and accepted the system does not print a card from the printer. Instead this information is stored for retrieval at a later date.

Once the application for a handgun carry permit receives all of the necessary approvals, the photo and signature images are retrieved from the mainframe image database to produce the actual permit centrally, which is then mailed to the applicant. The card production Contractor will then produce the licenses from an electronic data file at the Contractor's central production facility, and prepare them for mailing to the authorized permit holder.

Certain renewal and duplicate transactions completed via mail or Internet are processed centrally at the card production contractor facility using the existing photo and signature on file in the DL/ID System.

ANTICIPATED FUTURE CENTRAL ISSUANCE PROCESS

In an effort to improve the security of the license issuance process the State will transition to a full central issuance card production process during the term of this contract. When implementing central issuance card production, the State will transition to a "Gated Issuance" process. Gated issuance will be the gate keeping process that all DL/ID manufacturing requests must pass through. This process can enable, delay, or halt a manufacturing request for a permanent DL/ID. The gated issuance process will differ from the current "photo first" process in that an interim/temporary paper document will be issued and printed over-the-counter to applicants who complete the licensing transaction while visiting the driver service center. Upon the successful completion of the 1:N image verification, any other auxiliary DL/ID system verifications, and all necessary approvals an indicator will be sent from the DL/ID Issuance System to State's card production Contractor which retrieves the photo and signature images notifying the Contractor to produce the permanent DL/ID. The permanent DL/ID will then be mailed directly to the driver by the Contractor.



STATE OF TENNESSEE
DEPARTMENT OF SAFETY AND HOMELAND SECURITY

312 ROSA L. PARKS AVENUE
23RD FLOOR
NASHVILLE, TN 37243

BILL HASLAM
GOVERNOR

BILL GIBBONS
COMMISSIONER

Memorandum

To: Mark Emkes, Commissioner
Department of Finance and Administration

From: Bill Gibbons, Commissioner *Bill Gibbons*
Department of Safety and Homeland Security

Date: May 22, 2012

Subject: Utilization of Funds from the System Development Fund

I am requesting permission for the expenditure of an estimated \$2,233,500 from the Systems Development Fund, Fund 15, Allotment Code 317.30, Driver License Project 349ID in order to procure an Image Verification System, per the attached budget. The department is in the process of awarding this contract to Morpho Trust. The maximum liability of the contract is \$2,633,500 and approximately \$400,000 will be funded through a federal REAL ID grant.

The Image Verification Software is a tool used to prevent fraud and identity theft. The software is designed to prevent someone from obtaining a driver license or ID license under a false name or multiple names. The software will allow the department to scan and compare all driver licenses and IDs in the state's driver license database. Any photos that are tagged as a potential match but have a different name will be flagged and placed on an exception report that the staff will review. The Image Verification System (IVS) is necessary in order to attain REAL ID compliance as required by federal law. Once the IVS Project is complete and implemented, the department will be deemed compliant with REAL ID Benchmark §37.13, which indicates, "Make reasonable efforts to ensure that the applicant does not have more than one DL or ID already issued by that State under a different identity."

The General Assembly appropriated Ten Million Dollars for System Development and the REAL ID Act in FY 2008-2009 and One Million Dollars in Fiscal Year 2007-08. Presently, as of May 2012, there is a balance of \$8,718,000 remaining in the 317.30 SDF, 349ID Project. Including this request and other requested projects in process from the SDF REAL ID fund, there will be approximately \$2.2 million remaining in this fund.

Thank you for your consideration of this request.

/bg

Funding Summary
REAL ID Drivers License Project



Beginning Balance:	\$ 11,000,000
Less Facilites Security Consultant transferred to Capital Fund*	(310,000)
Less Consultant RFP & Business Process	(123,000)
Balance June 30, 2010	<u>\$ 10,567,000</u>
Security Contract Amount Transferred to Capital Fund*	\$ (1,849,000)
Balance May 30, 2011	8,718,000
FY 2011-2012 & Thereafter Planned Uses of Fund:	
Fin. Resp. Integrated Voice Response System	(205,100)
Driver License Kiosks Contract	(4,100,000)
Image Verification System	(2,233,500)
Projected Available Balance	\$ 2,179,400
Security Consultant Recommendations:	<u>\$ 2,720,000</u>
Real ID Funding*	2,159,000
Federal Facilities Security Grant	561,000



Tennessee Department of Safety and Homeland Security
 Division of Driver Services
Missile-Resistant Funding Distribution Chart
Image Verification

Item Description	Interdepartmental Funding		FY 2009 Grant Funding		Balance
	Contract Total	Percentage	FY2009 Grant Funding	Percentage	
Comprehensive Project Management Plan	\$ 121,187.50	0%	\$ 121,187.50	100%	\$ 121,187.50
Certificate of Media Destruction	\$ 34,625.00	0%	\$ 34,625.00	100%	\$ 34,625.00
Comparison Results of Initial Image Scrub	\$ 155,812.50	0%	\$ 155,812.50	100%	\$ 155,812.50
Post Implementation Retention Amount for the Initial Image Enrollment Phase	\$ 34,625.00	0%	\$ 34,625.00	100%	\$ 34,625.00
Specification for the IVS Interface with the DLS currently in use by State	\$ 83,100.00	35%	\$ 53,750.00	65%	\$ 83,100.00
Updated Comprehensive Diagrams detailing how each component of the system integrates and interfaces with all other system components, including the State environment and interfaces with all other system components, including the State environment conversion of each/every data source to be converted	\$ 83,100.00	100%	\$ -	0%	\$ 83,100.00
Data Conversion Plan specifying the methods for cleansing, converting, and verifying report specifications for reports as detailed in contract	\$ 83,100.00	100%	\$ 83,100.00	100%	\$ 83,100.00
Security specification showing how the IVS meets the requirements of contract	\$ 41,550.00	100%	\$ 41,550.00	100%	\$ 41,550.00
Post Implementation Retention Amount for the Design Phase	\$ 41,550.00	100%	\$ 41,550.00	100%	\$ 41,550.00
Implementation Phase	\$ 20,775.00	100%	\$ 20,775.00	100%	\$ 20,775.00
Acceptance Test Plan	\$ 10,387.50	100%	\$ 10,387.50	100%	\$ 10,387.50
Performance Test Results	\$ 93,487.50	100%	\$ 93,487.50	100%	\$ 93,487.50
Data Conversion Test Results	\$ 62,325.00	100%	\$ 62,325.00	100%	\$ 62,325.00
Post Implementation Retention Amount for the Construction Phase	\$ 20,775.00	100%	\$ 20,775.00	100%	\$ 20,775.00
Acceptance Test Results	\$ 93,487.50	100%	\$ 93,487.50	100%	\$ 93,487.50
Training Plan	\$ 51,937.50	100%	\$ 51,937.50	100%	\$ 51,937.50
Materials for Training	\$ 41,550.00	100%	\$ 41,550.00	100%	\$ 41,550.00
Post Implementation Retention Amount for the Acceptance Test Phase	\$ 20,775.00	100%	\$ 20,775.00	100%	\$ 20,775.00
Technical, user, configuration, and operations manuals	\$ 135,037.50	100%	\$ 135,037.50	100%	\$ 135,037.50
Proof of completed Training	\$ 51,937.50	100%	\$ 51,937.50	100%	\$ 51,937.50
Post Implementation Retention Amount for the Implementation Phase	\$ 20,775.00	100%	\$ 20,775.00	100%	\$ 20,775.00
Post Implementation Support	\$ 1,109,952.00	100%	\$ 1,109,952.00	100%	\$ 1,109,952.00
Budget Total	\$ 2,494,952.00	84%	\$ 400,000.00	16%	\$ 2,494,952.00

Maximum Liability \$ 2,633,452.00

Project Grant Director Approval:

Michael B...
 Print Name
 Signature
 Director of Driver Services
 Title