



July 30, 2019

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

RE: Myers and Stauffer LC – Amendment #3
Principle Valuation, LLC – Amendment #3
QSource – Amendment #2

Dear Mrs. Lee Carsner:

The Department of Finance and Administration, Division of TennCare, is submitting for consideration by the Fiscal Review Committee the following three (3) amendments and all required documentation and approvals.

- 1) **Myers and Stauffer LC:** This competitively procured Contractor is tasked with the development of reimbursement rate structures for Tennessee nursing facilities. TennCare is seeking approval to exercise the final renewal option, extending the contract to the maximum of five (5) years as well as increasing the Maximum Liability to accommodate services performed during this extended period of time.
- 2) **Principle Valuation, LLC:** This competitively procured Contractor is tasked with real estate appraisals for Medicaid-certified nursing facilities in Tennessee. TennCare is seeking approval to exercise the last remaining renewal option extending the contract to the maximum of five (5) years. No Maximum Liability increase is being requested at this time.
- 3) **QSource:** This competitively procured Contractor is tasked with providing external quality reviews of TennCare's MCO, Dental Benefit Management, and CoverKids Contract. TennCare is seeking approval to exercise the final renewal option, extending the contract to the maximum of five (5) years as well as increasing the Maximum Liability to accommodate services performed during this extended period of time.

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

Sincerely,



William Aaron
Chief Financial Officer

cc: Gabe Roberts, Deputy Commissioner

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.Agsprs@tn.gov

APPROVED

CHIEF PROCUREMENT OFFICER

DATE

Agency request tracking #	31865-00406	
1. Procuring Agency	Department of Finance and Administration, Division of TennCare	
2. Contractor	Myers and Stauffer LC	
3. Edison contract ID #	48023	
4. Proposed amendment #	3	
5. Contract's Original Effective Date	November 1, 2015	
6. Current end date	October 31, 2019	
7. Proposed end date	October 31, 2020	
8. Current Maximum Liability or Estimated Liability	\$ 5,777,000.00	
9. Proposed Maximum Liability or Estimated Liability	\$ 6,777,000.00	
10. Strategic Technology Solutions Pre-Approval Endorsement Request <i>– information technology service (N/A to THDA)</i>	<input checked="" type="checkbox"/> Not Applicable <input 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	<p>This amendment is being requested in order to exercise the final renewal option, extending the contract to the maximum of five (5) years as well as increasing the Maximum Liability by one million dollars (\$1,000,000.00), which will accommodate services performed during this extended period of time.</p>	
14. If the amendment involves a change in Scope, describe efforts to identify reasonable, competitive, procurement alternatives to amending the contract.		

Agency request tracking #	31865-00406
N/A	
Signature of Agency head or authorized designee, title of signatory, and date (the authorized designee may sign his or her own name if indicated on the Signature Certification and Authorization document)	



CONTRACT AMENDMENT COVER SHEET

Agency Tracking # 31865-00406	Edison ID 48023	Contract #	Amendment # 03		
Contractor Legal Entity Name Myers and Stauffer LC			Edison Vendor ID 0000156383		
Amendment Purpose & Effect(s) Extends Term and Increases Maximum Liability					
Amendment Changes Contract End Date: <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO		End Date: October 31, 2020			
TOTAL Contract Amount INCREASE or DECREASE per this Amendment (zero if N/A):			\$ 1,000,000.00		
Funding —					
FY	State	Federal	Interdepartmental	Other	TOTAL Contract Amount
2016	\$325,000.00	\$325,000.00			\$650,000.00
2017	\$781,700.00	\$781,700.00			\$1,563,400.00
2018	\$842,600.00	\$842,600.00			\$1,685,200.00
2019	\$746,000.00	\$746,000.00			\$1,492,000.00
2020	\$527,000.00	\$527,000.00			\$1,054,000.00
2021	\$166,200.00	\$166,200.00			\$332,400.00
TOTAL:	\$3,388,500.00	\$3,388,500.00			\$6,777,000.00
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) TN0000000134		Account Code (optional) 70803000			

**AMENDMENT #3 TO 48023
BETWEEN THE STATE OF TENNESSEE,
DEPARTMENT OF FINANCE AND ADMINISTRATION
DIVISION OF TENNCARE
AND
MYERS AND STAUFFER LC**

This Amendment is made and entered by and between the State of Tennessee, Department of Finance and Administration, Division of TennCare, hereinafter referred to as the "State" and Myers and Stauffer LC, 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.1 Is deleted In Its entirety and replaced with the following:
 - B.1. This Contract shall be effective On November 1, 2015 ("Effective Date"), and extend for a period of sixty (60) months after the Effective Date ("Term"). The State shall have no obligation for goods or services provided by the Contractor prior to the Effective Date.

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 Six Million Seven Hundred Seventy Seven Thousand Dollars (\$6,777,000.00) ("Maximum Liability") This Contract does not grant the contractor any exclusive rights. The State does not guarantee that it will buy any minimum quantity of goods or services under this Contract. Subject to the terms and conditions of this Contract, the Contractor will only be paid for goods or services provided under the Contract after a purchase order is issued to Contractor by the State or as otherwise specified by this Contract.

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

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

IN WITNESS WHEREOF,

MYERS AND STAUFFER LC:

SIGNATURE

DATE

PRINTED NAME AND TITLE OF SIGNATORY (above)

**DEPARTMENT OF FINANCE AND ADMINISTRATION,
DIVISION OF TENNCARE:**

STUART C. MCWHORTER, COMMISSIONER

DATE

Supplemental Documentation Required for
Fiscal Review Committee

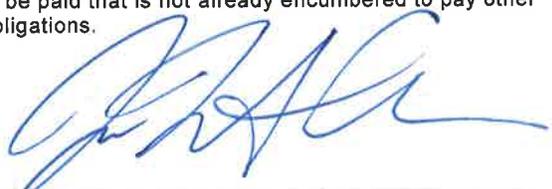
*Contact Name:	Matt Brimm	*Contact Phone:	615-687-5811		
*Presenter's name(s):	William Aaron				
Edison Contract Number: <i>(if applicable)</i>	#48023	RFS Number: <i>(if applicable)</i>	31865-00406		
*Original or Proposed Contract Begin Date:	November 1, 2015	*Current or Proposed End Date:	October 31, 2019		
Current Request Amendment Number: <i>(if applicable)</i>	3				
Proposed Amendment Effective Date: <i>(if applicable)</i>	October 31, 2019				
*Department Submitting:	Department of Finance and Administration				
*Division:	Division of TennCare				
*Date Submitted:	July 30, 2019				
*Submitted Within Sixty (60) days:	Yes				
<i>If not, explain:</i>	N/A				
*Contract Vendor Name:	Myers and Stauffer LC				
*Current or Proposed Maximum Liability:	\$5,777,000.00				
*Estimated Total Spend for Commodities:	N/A				
*Current or Proposed Contract Allocation by Fiscal Year: (as Shown on Most Current Fully Executed Contract Summary Sheet)					
FY: 2016	FY: 2017	FY: 2018	FY: 2019	FY: 2020	FY
\$ 650,000.00	\$ 1,563,400.00	\$ 1,685,200.00	\$1,492,000.00	\$386,400.00	\$
*Current Total Expenditures by Fiscal Year of Contract: (attach backup documentation from Edison) Attached					
FY: 2016	FY: 2017	FY: 2018	FY: 2019	FY	FY
\$ 559,084.50	\$ 1,217,434.50	\$ 1,434,476.25	\$ 1,308,100.50 (Expenditures through June 2018)	\$	\$
IF Contract Allocation has been greater than Contract Expenditures, please give the reasons and explain where surplus funds were spent:			This contract is based on an hourly rate utilized for the development of reimbursement rate structure for nursing facilities, DSH auditing services, and CPE calculation in Tennessee. There is no way to anticipate the hours needed to provide this service, however, the contract has a maximum term of 5 years and unused funds will roll forward to be available for payments for the term of the contract.		
IF surplus funds have been carried forward, please give the reasons and provide the authority for the carry forward provision:			The maximum liability of this contract was factored based on projected hourly rates as submitted in the Contractors RFP Cost Proposal to be used throughout the initial three (3) year		

Supplemental Documentation Required for
Fiscal Review Committee

		contract period. Any unused funds that were not used are tied to FY period and roll forward for use throughout the entire term of the contract.	
IF Contract Expenditures exceeded Contract Allocation, please give the reasons and explain how funding was acquired to pay the overage:		N/A	
*Contract Funding Source/Amount:			
State:	\$2,888,500.00	Federal:	\$2,888,500.00
<i>Interdepartmental:</i>		<i>Other:</i>	
If “ <i>other</i> ” please define:			
If “ <i>interdepartmental</i> ” please define:			
Dates of All Previous Amendments or Revisions: <i>(if applicable)</i>		Brief Description of Actions in Previous Amendments or Revisions: <i>(if applicable)</i>	
Amendment #1 - January 1, 2017		Provide hourly funding rate and increase maximum liability to support deliverables of this contract.	
Amendment #2 -		Extended Term and Increased Maximum Liability	
Method of Original Award: <i>(if applicable)</i>		Request for Proposal (RFP)	
*What were the projected costs of the service for the entire term of the contract prior to contract award? How was this cost determined?		\$1,710,000.00 The Cost was Determined by the hourly amounts submitted by the respondent in the Cost Proposal and the projected hours necessary to complete the work. The number of hours necessary were not initially sufficient for the contractor to adequately complete the scope of work.	
*List number of other potential vendors who could provide this good or service; efforts to identify other competitive procurement alternatives; and the reason(s) a sole-source contract is in the best interest of the State.		This contract was competitively procured, not a sole source.	
Provide information on the circumstances and status of any disciplinary action taken or pending against the vendor during the past 5 years with state agencies/ departments, professional organizations, or through any legal action.		No disciplinary actions identified.	
In addition, please provide any information regarding the due diligence that the Department has taken to ensure that the vendor is not or has not been involved in any circumstances related to illegal activity, including but not limited to fraud.		TennCare Googled this contractor and did not identify any illegal activity. Language in the contract requires immediate notification to the state regarding illegal activity or fraud if discovered during the term of this Contract.	



CONTRACT AMENDMENT COVER SHEET

Agency Tracking # 31865-00406	Edison ID 48023	Contract #	Amendment # 02		
Contractor Legal Entity Name Myers and Stauffer LC			Edison Vendor ID 0000156383		
Amendment Purpose & Effect(s) Extends Term, Increases Maximum Liability					
Amendment Changes Contract End Date: <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO		End Date: October 31, 2019			
TOTAL Contract Amount INCREASE or DECREASE per this Amendment (zero if N/A):			\$ 1,160,000.00		
Funding —					
FY	State	Federal	Interdepartmental	Other	TOTAL Contract Amount
2016	\$325,000.00	\$325,000.00			\$650,000.00
2017	\$781,700.00	\$781,700.00			\$1,563,400.00
2018	\$842,600.00	\$842,600.00			\$1,685,200.00
2019	\$746,000.00	\$746,000.00			\$1,492,000.00
2020	\$193,200.00	\$193,200.00			\$386,400.00
TOTAL:	\$2,888,500.00	\$2,888,500.00			\$5,777,000.00
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>		
Speed Chart (optional) TN00000134		Account Code (optional) 70803000			

Myers and Stauffer, LC
Edison Contract ID: 48023
Vendor #: 0000156383
CONTRACT EXPENDITURES BY FISCAL YEAR
(Payment Detail Attached)

FY2016	\$559,084.50	
FY2017	\$1,217,434.50	
FY2018	\$1,434,476.25	
FY2019	<u>\$1,308,100.50</u>	(Expenditures through June, 2019)
TOTAL	<u><u>\$4,519,095.75</u></u>	

*No Liquidated Damages have been assessed at this time.

Myers and Stauffer, LC
 Edison Contract ID: 48023
 Vendor ID: 0000156383

FY 2016 Payments

Fiscal Year	Unit	Voucher ID	Invoice	Pymt Date	Pymt Amt
2016	31865	01264840	KC2360.010116	2/9/2016	\$32,661.00
2016	31865	01278071	KC2360.021616	3/3/2016	\$57,370.50
2016	31865	01294937	KC2360.031416	3/30/2016	\$65,749.50
2016	31865	01307395	KC2360.123015-2	4/21/2016	\$20,904.75
2016	31865	01327254	KC2360.042716	5/24/2016	\$77,890.50
2016	31865	01335140	KC2360.052716	6/13/2016	\$113,159.25
2016	31865	01350947	KC2360.061716	7/15/2016	\$75,966.75
2016	31865	01361798	KC2360.071516	8/12/2016	\$115,382.25

Total FY 2016: \$559,084.50

FY 2017 Payments

Fiscal Year	Unit	Voucher ID	Invoice	Pymt Date	Pymt Amt
2017	31865	01404624	KC2360.092816	10/28/2016	\$215,331.75
2017	31865	01419448	KC2360.102816	11/23/2016	\$131,670.00
2017	31865	01432973	KC2360.082316	12/9/2016	\$133,850.25
2017	31865	01436947	KC2360.112816	12/27/2016	\$52,454.25
2017	31865	01470665	KC2360.01312017	3/2/2017	\$82,806.75
2017	31865	01487580	KC2360.123016	3/13/2017	\$81,225.00
2017	31865	01487579	KC2360.02282017	3/30/2017	\$75,411.00
2017	31865	01504593	KC2360.03282017	4/27/2017	\$65,535.75
2017	31865	01524225	KC2360.04282017	5/26/2017	\$77,377.50
2017	31865	01539559	KC2360.05262017	6/23/2017	\$68,314.50
2017	31865	01558281	KC2360.06272017	7/27/2017	\$118,246.50
2017	31865	01576428	KC2360.07272017	8/25/2017	\$115,211.25

Total FY 2017: \$1,217,434.50

Contract Expenditures by Fiscal Year (Continued)
 Myers & Stauffer - Edison #48023

FY 2018 Payments

Fiscal Year	Unit	Voucher ID	Invoice	Pymt Date	Pymt Amt
2018	31865	01591002	KC2360.08302017	9/29/2017	\$145,863.00
2018	31865	01605166	KC2360.09292017	10/27/2017	\$145,350.00
2018	31865	01619472	KC2360.10312017	11/30/2017	\$89,689.50
2018	31865	01633662	KC2360.11292017	12/29/2017	\$88,321.50
2018	31865	01650994	KC2360.12302017	1/29/2018	\$76,479.75
2018	31865	01665464	KC2360.01302018	3/1/2018	\$75,624.75
2018	31865	01684470	KC2360.02282018	3/29/2018	\$106,020.00
2018	31865	01696316	KC2360.03302018	4/27/2018	\$102,514.50
2018	31865	01696316	KC2360.04272018	5/25/2018	\$102,087.00
2018	31865	01730991	KC2360.05312018	6/29/2018	\$149,411.25
2018	31865	01744290	KC2360.06292018	7/27/2018	\$200,412.00
2018	31865	01753934	KC2360.07172018	8/16/2018	\$152,703.00

Total FY 2018: \$1,434,476.25

FY 2019 Payments

Fiscal Year	Unit	Voucher ID	Invoice	Pymt Date	Pymt Amt
2019	31865	01773666	KC2360.08302018	9/28/2018	\$95,375.25
2019	31865	01799664	KC2360.103118	11/14/2018	\$101,274.75
2019	31865	01799663	KC2360.09302018	11/14/2018	\$125,471.25
2019	31865	01812422	KC2360.11302018	12/12/2018	\$85,115.25
2019	31865	01827911	KC2360.12282018	1/11/2019	\$79,396.00
2019	31865	01841211	KC2360.01292019	2/15/2019	\$87,354.00
2019	31865	01856128	KC2360.02282019	3/12/2019	\$72,910.00
2019	31865	01873814	KC2360.03312019	4/30/2019	\$90,758.00
2019	31865	01887488	KC2360.04302019	5/30/2019	\$104,834.00
2019	31865	01900827	KC2360.05312019	6/28/2019	\$103,040.00
2019	31865	Pending	KC2360.06282019	Pending	\$149,500.00
2019	31865	Pending	KC2360.07102019	Pending	\$213,072.00

Total FY 2019: \$1,308,100.50