BILL HASLAM
GOVERNOR

TONY PARKER
COMMISSIONER

STATE OF TENNESSEE
DEPARTMENT OF CORRECTION
SIXTH FLOOR, RACHEL JACKSON BUILDING
320 SIXTH AVENUE NORTH
NASHVILLE, TENNESSEE 37243-0465
OFFICE (615) 253-8139 • Fax (615) 532-8281

September 26, 2018

The Honorable Ken Yager, Chairman
Fiscal Review Committee
774 Cordell Hull Building
Nashville, TN 37243

Dear Chairman Yager:

The Department of Correction (DOC) wishes to amend its current contract for delivery of evidence-based programming such as Pro-Social Life Skills, Victim Impact and Batterers Intervention to offenders under community supervision to extend the contract term for an additional six (6) months and to increase the maximum liability accordingly to allow for completion of the Request for Proposals (RFP) currently underway. These services are vital to accomplishing the agency mission of operating safe and secure prisons and to provide effective community supervision in order to enhance public safety.

According to DOC Legal staff, there appears to be no litigation of actionable concern at this time against any business known as Spectrum Health Systems. Staff finds no records concerning allegations of fraudulent activity by this vendor.

An amendment request with all required supporting documentation to permit the amendment was submitted to the Commissioner of General Services and the Comptroller of the Treasury simultaneously with this submission to the Fiscal Review Committee.

We appreciate your consideration of this matter.

Sincerely,

Tony Parker

TP:LSC

pc: The Honorable Mark White, Vice-Chairman
Krista Lee, Fiscal Review Committee Director
Wes Landers, Deputy Commissioner/Chief Financial Officer
Torrey Grimes, Legislative Liaison/Staff Attorney
Priscilla Wainwright, Director of Contracts

Supplemental Documentation Required for Fiscal Review Committee

*Contact Name:	Priscilla Wainwright	*Contact Phone:	615-253-5571
*Presenter's name(s):	Wes Landers, Deputy Commissioner and Chief Financial Officer		
Edison Contract Number: (*if applicable*)	45516	RFS Number: (*if applicable*)	32901-31255
*Original Contract Begin Date:	May 1, 2015	*Proposed End Date:	June 30, 2019
Current Request Amendment Number: (*if applicable*)		3	
Proposed Amendment Effective Date: (*if applicable*)		January 1, 2019	
*Department Submitting:		Correction	
*Division:		Fiscal	
*Date Submitted:		September 27, 2018	
*Submitted Within Sixty (60) days:		Yes	
If not, explain:		NA	
*Contract Vendor Name:		Spectrum Health Systems, Inc.	
* Proposed Maximum Liability:		$5,266,097.00	
*Estimated Total Spend for Commodities:		NA	

*Current Contract Allocation by Fiscal Year: ***(as Shown on Most Current Fully Executed Contract Summary Sheet)***				
FY:2015	FY:2016	2017	FY:2018	FY: 2019
$155,607	$1,011,312.50	$1,399,671.00	$1,399,671.00	$699,835.50

*Current Total Expenditures by Fiscal Year of Contract: ***(attach backup documentation from Edison)***				
FY:2015	FY:2016	FY:2017	FY:18	FY:19
$155,607	$1,011,311.80	$1,399,671.00	$1,399,671.00	$116,639.25

IF Contract Allocation has been greater than Contract Expenditures, please give the reasons and explain where surplus funds were spent:	Expenditures to date have not exceeded Contract Allocations.
IF surplus funds have been carried forward, please give the reasons and provide the authority for the carry forward provision:	No surplus funds have been carried forward.
IF Contract Expenditures exceeded Contract Allocation, please give the reasons and explain how funding was acquired to pay the overage:	Expenditures to date have not exceeded Contract Allocations.
*Contract Funding Source/Amount:	

Supplemental Documentation Required for Fiscal Review Committee

State:	$4,666,097.00	Federal:	NA
Interdepartmental:	NA	*Other*:	NA
If "*other*" please define:		NA	
If "*interdepartmental*" please define:		NA	

Dates of All Previous Amendments or Revisions: (*if applicable*)	Brief Description of Actions in Previous Amendments or Revisions: (*if applicable*)
May 1, 2016	Added staff positions and locations for program delivery, extended contract term 20 months, and increased maximum liability accordingly.
January 1, 2018	Extended contract term one year, added renewal option language, and increased maximum liability accordingly.

Method of Original Award: *(if applicable)*	Sole Source
*What were the projected costs of the service for the entire term of the contract prior to contract award? How was this cost determined?	TDOC consulted with vendor to determine the needed services and the number of vendor staff to cover the locations where programming was needed in the various community supervision districts. A price was then determined.
*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.	In order for the programming currently being offered to continue uninterrupted and to permit the successful completion of the Request for Proposals (RFP) currently underway and subsequent contract award, an amendment permitting the continued delivery of programming by the same vendor is necessary. The Department is in the process of issuing an RFP for these services and the extension will provide time to complete the RFP process.

Payments against a 8

Unit	Sum Merchandise Amt	Edison Contract ID	Vendor ID	Vendor Name	PO ID	Voucher ID	Invoice	Date	Fiscal Year
32901	$77,803.330	00000000000000000000045516	0000004805	Spectrum	0000019307	00046432	05/15TNOP	7/10/2015	2015
32901	$77,803.33	00000000000000000000045516	0000004805	Spectrum	0000019317	00046851	06/15TNOP	7/27/2015	2016
Total FY 2015	**$155,606.660**								

Unit	Sum Merchandise Amt	Edison Contract ID	Vendor ID	Vendor Name	PO ID	Voucher ID	Invoice	Date	Fiscal Year
32901	$77,803.33	00000000000000000000045516	0000004805	Spectrum	0000019706	00047956	07/15TNOP	9/9/2015	2016
32901	$77,803.33	00000000000000000000045516	0000004805	Spectrum	0000019794	00048370	08/15TNOP	10/1/2015	2016
32901	$77,803.33	00000000000000000000045516	0000004805	Spectrum	0000020027	00049203	09/15TNOP	10/22/2015	2016
32901	$77,803.33	00000000000000000000045516	0000004805	Spectrum	0000020251	00050205	10/15TNOP	12/1/2015	2016
32901	$77,803.33	00000000000000000000045516	0000004805	Spectrum	0000020403	00050812	11/15TNOP	12/18/2015	2016
32901	$77,803.33	00000000000000000000045516	0000004805	Spectrum	0000020548	00051531	12/15 TN OP	2/3/2016	2016
32901	$77,803.33	00000000000000000000045516	0000004805	Spectrum	0000020548	00052843	01/16 TN OP	2/25/2016	2016
32901	$77,803.33	00000000000000000000045516	0000004805	Spectrum	0000020548	00053894	02/16 TN OP	3/22/2016	2016
32901	$77,803.33	00000000000000000000045516	0000004805	Spectrum	0000020548	00055102	03/16 TN OP	5/6/2016	2016
32901	$77,803.33	00000000000000000000045516	0000004805	Spectrum	0000021582	00056289	04/16 TN OP	6/3/2016	2016
32901	$116,639.25	00000000000000000000045516	0000004805	Spectrum	0000021858	00058105	05/16 TN OP	7/22/2016	2016
32901	$116,639.25	00000000000000000000045516	0000004805	Spectrum	0000022038	00058301	06/16 TN OP	7/29/2016	2016
Total FY 2016	**$1,011,311.80**								

Unit	Sum Merchandise Amt	Edison Contract ID	Vendor ID	Vendor Name	PO ID	Voucher ID	Invoice	Date	Fiscal Year
32901	$116,639.25	00000000000000000000045516	0000004805	Spectrum	0000022339	00059816	07/16 TN OP	9/2/2016	2017
32901	$116,639.25	00000000000000000000045516	0000004805	Spectrum	0000022503	00060197	08/16 TN OP	9/30/2016	2017
32901	$116,639.25	00000000000000000000045516	0000004805	Spectrum	0000022750	00061346	09/16 TN OP	11/2/2016	2017
32901	$116,639.25	00000000000000000000045516	0000004805	Spectrum	0000022972	00062418	10/16 TN OP	11/30/2016	2017
32901	$116,639.25	00000000000000000000045516	0000004805	Spectrum	0000023185	00063512	11/16 TN OP	12/30/2016	2017
32901	$116,639.25	00000000000000000000045516	0000004805	Spectrum	0000023401	00065117	12/16 TN OP	2/6/2017	2017
32901	$116,639.25	00000000000000000000045516	0000004805	Spectrum	0000023784	00066271	01/17 TN OP	3/23/2017	2017
32901	$116,639.25	00000000000000000000045516	0000004805	Spectrum	0000023785	00066272	02/17 TN OP	3/30/2017	2017
32901	$116,639.25	00000000000000000000045516	0000004805	Spectrum	0000024030	00068215	03/17 TN OP	5/5/2017	2017
32901	$116,639.25	00000000000000000000045516	0000004805	Spectrum	0000024317	00069141	04/17 TN OP	5/26/2017	2017
32901	$116,639.25	00000000000000000000045516	0000004805	Spectrum	0000024413	00069794	05/17 TN OP	6/30/2017	2017
32901	$116,639.25	00000000000000000000045516	0000004805	Spectrum	0000024427	00069929	06/17 TN OP	7/5/2017	2017
Total FY 17	**$1,399,671.00**								

Unit	Sum Merchandise Amt	Edison Contract ID	Vendor ID	Vendor Name	PO ID	Voucher ID	Invoice	Date	Fiscal Year
32901	$116,639.25	00000000000000000000045516	0000004805	Spectrum	0000024873	00071821	07/17 TN OP	8/30/2017	2018
32901	$116,639.25	00000000000000000000045516	0000004805	Spectrum	0000025036	00073086	08/17 TN OP	9/29/2017	2018
32901	$116,639.25	00000000000000000000045516	0000004805	Spectrum	0000025289	00074376	09/17 TN OP	11/2/2017	2018
32901	$116,639.25	00000000000000000000045516	0000004805	Spectrum	0000025484	00075346	10/17 TN OP	11/30/2017	2018
32901	$116,639.25	00000000000000000000045516	0000004805	Spectrum	0000025720	00076786	11/17 TN OP	12/29/2017	2018
32901	$116,639.25	00000000000000000000045516	0000004805	Spectrum	0000025960	00078295	12/17 TN OP	2/2/2018	2018
32901	$116,639.25	00000000000000000000045516	0000004805	Spectrum	0000026054	00078844	01/18 TN OP	2/15/2018	2018
32901	$116,639.25	00000000000000000000045516	0000004805	Spectrum	0000026296	00080205	02/18 TN OP	3/29/2018	2018
32901	$116,639.25	00000000000000000000045516	0000004805	Spectrum	0000026521	00081624	3/18 TN OP	4/30/2018	2018

32901	$116,639.25	00000000000000000000045516	0000004805	Spectrum	0000026773	00083191	04/1 TN OP	5/30/2018	2018
32901	$116,639.25	00000000000000000000045516	0000004805	Spectrum	0000026921	00083869	06/18 TN OP	7/30/2018	2018
32901	$116,639.25	00000000000000000000045516	0000004805	Spectrum	0000026921	00083870	05/18 TN OP	6/29/2018	2018
Total FY 18	**$1,399,671.00**								

Unit	Sum Merchandise Amt	Edison Contract ID	Vendor ID	Vendor Name	PO ID	Voucher ID	Invoice	Date	Fiscal Year
32901	$116,639.25	00000000000000000000045516	0000004805	Spectrum	0000027321	00085961	07/18 TN OP	8/31/2018	2019
Total FY 19	**$116,639.25**								

Total Payments **$4,082,899.71**

No Liquidated Damages

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

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: 2018.09.24 10:01:00 -05'00'

CHIEF PROCUREMENT OFFICER **DATE**

Agency request tracking #	**32901-31255**
1. Procuring Agency	**Tennessee Department of Correction**
2. Contractor	**Spectrum Health Systems, Inc.**
3. Edison contract ID #	**45516**
4. Proposed amendment #	**3**
5. Contract's Original Effective Date	**May 1, 2015**
6. Current end date	**December 31, 2018**
7. Proposed end date	**June 30, 2019**
8. Current Maximum Liability or Estimated Liability	**$ 4,666,097.00**
9. Proposed Maximum Liability or Estimated Liability	**$ 5,266,097.00**
10. Strategic Technology Solutions Pre-Approval Endorsement Request *– information technology service (N/A to THDA)*	☒ **Not Applicable** ☐ **Attached**
11. eHealth Pre-Approval Endorsement Request *– health-related professional, pharmaceutical, laboratory, or imaging*	☐ **Not Applicable** ☒ **Attached**
12. Human Resources Pre-Approval Endorsement Request *– state employee training service*	☒ **Not Applicable** ☐ **Attached**

13. Explain why the proposed amendment is needed

Offender cognitive behavioral programming is a critical component of successful supervision, and is a component of the Public Safety Act of 2016 by way of Community Supervision Resource centers, where offenders will receive assistance to address substance abuse issues with intensive programming, treatment, and case management. These services address barriers to offenders becoming productive members of the community.

In order for the programming currently being offered to continue uninterrupted and to permit the successful completion of the Request for Proposals (RFP) currently underway and subsequent contract award, an amendment permitting the continued delivery of programming

Agency request tracking #	32901-31255
by the same vendor is necessary.	
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 scope.**	
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) Wesley A Ford 9/20/18	

CONTRACT AMENDMENT COVER SHEET

Agency Tracking #	Edison ID	Contract #	Amendment #
32901-31255	45516		3

Contractor Legal Entity Name	Edison Vendor ID
Spectrum Health Systems, Inc.	4805

Amendment Purpose & Effect(s)

Extend the current contact term six months and increase maximum liability accordingly.

Amendment Changes Contract End Date: ☒ YES ☐ NO **End Date:** June 30, 2019

TOTAL Contract Amount INCREASE or DECREASE per this Amendment (zero if N/A)**:** **$ 600,000.00**

Funding —

FY	State	Federal	Interdepartmental	Other	TOTAL Contract Amount
2015	$155,607.00				$155,607.00
2016	$1,011,312.50				$1,011,312.50
2017	$1,399,671.00				$1,399,671.00
2018	$1,399,671.00				$1,399,671.00
2019	$1,299,835.50				$1,299,835.50
TOTAL:	**$5,266,097.00**				**$5,266,097.00**

American Recovery and Reinvestment Act (ARRA) Funding: ☐ YES ☒ 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.

CPO USE

Speed Chart (optional)

Account Code (optional)

AMENDMENT THREE
OF CONTRACT 45516

This Amendment is made and entered by and between the State of Tennessee, Department of Correction, hereinafter referred to as the "State" and Spectrum Health Systems, Inc., 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 May 1, 2015 ("Effective Date") and extend for a period of fifty (50) 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 Five Million, Two Hundred Sixty Six Thousand, Ninety-Seven Dollars ($**5,266,097.00**) ("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. is deleted in its entirety and replaced with the following:

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

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

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

Goods or Services Description	**Amount** (per compensable increment) May 1, 2015 – April 30, 2016	**Amount** (per compensable increment) May 1, 2016 – December 31, 2017	**Amount** (per compensable increment) January 1, 2018 – December 31, 2018	**Amount** (per compensable increment) January 1, 2019 – June 30, 2019
Evidence-Based Programming Delivery	$ 77,803.33 per month	$ 116,639.25 per month	$ 116,639.25 per month	$ 116,639.25 per month

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).

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 1, 2019. All other terms and conditions of this Contract not expressly amended herein shall remain in full force and effect.

IN WITNESS WHEREOF,

SPECTRUM HEALTH SYSTEMS, INC.:

SIGNATURE	**DATE**
PRINTED NAME AND TITLE OF SIGNATORY (above)	

TENNESSEE DEPARTMENT OF CORRECTION:

TONY PARKER, COMMISSIONER	**DATE**

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

TO : Office of e-Health Initiatives
Department of Finance & Administration
E-mail: office.eHealth@tn.gov

FROM : **Priscilla Wainwright**
E-mail: Priscilla.wainwright@tn.gov

DATE : September 11, 2018

RE : Request for eHealth Pre-Approval Endorsement

Applicable RFS # 32901-31255
Office of e-Health Initiatives Endorsement Signature & Date:
9/25/18
Office of e-Health Initiatives

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

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

Contracting Agency	**Tennessee Department of Correction**
Agency Contact (name, phone, e-mail)	**Priscilla Wainwright** **615-253-5571** **Priscilla.wainwright@tn.gov**
Attachments Supporting Request (as applicable – copies without signatures acceptable) ☐ Solicitation Document ☐ Special Contract Request ☒ Amendment Request ☐ Proposed contract or amendment	
Subject Medical/Mental Health-Related Service Description (Brief summary of eHealth services involved. As applicable, identify the contract and solicitation sections related to eHealth services.) Provision of evidence-based programming for offenders under probation and parole	

Applicable RFS # 32901-31255
supervision. 25 weeks Cognitive-Behavioral Programming; 13 weeks You Have the Power Victim Impact programming; and 26 weeks Men at Work – a Batterers Intervention program. Contract term will be extended 6 months and maximum liability increased accordingly in order to complete the RFP process and get new contract in place by July 1, 2019.

GENERAL ASSEMBLY OF THE STATE OF TENNESSEE
FISCAL REVIEW COMMITTEE

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

Senator Ken Yager, Chairman
Senators
Brian Kelsey, Steve Southerland, Bill Ketron, Reginald Tate, Sara Kyle, Bo Watson, *ex officio*, Lt. Gov. Randy McNally, *ex officio*

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

MEMORANDUM

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

FROM: Senator Ken Yager, Chairman
Representative Mark White, Vice-Chairman

DATE: June 16, 2017

SUBJECT: Contract Comments
(Fiscal Review Committee Meeting 6/14/17)

RFS# 329.01-31255 (Edison # 45516)

Department: Correction

Division: Fiscal

Vendor: Spectrum Health Systems, Inc.

Summary: The proposed amendment extends the contract one year through December 31, 2018 and increases the maximum liability by $1,399,671.

Current maximum liability: $3,266,426

Proposed maximum liability: $4,666,097 (increase $1,399,671)

After review, the Fiscal Review Committee voted to recommend approval of the amendment.

BILL HASLAM
GOVERNOR

TONY PARKER
COMMISSIONER

STATE OF TENNESSEE
DEPARTMENT OF CORRECTION
SIXTH FLOOR, RACHEL JACKSON BUILDING
320 SIXTH AVENUE NORTH
NASHVILLE, TENNESSEE 37243-0465
OFFICE (615) 253-8139 • Fax (615) 532-8281

May 22, 2017

The Honorable Ken Yager, Chairman
Fiscal Review Committee
G-19 War Memorial Building
Nashville, TN 37243

Dear Chairman Yager:

The Department of Correction (DOC) wishes to amend its current contract for delivery of evidence-based programming such as Pro-Social Life Skills, Victim Impact, and Batterers Intervention to offenders under community supervision to extend the contract term for an additional year and to increase the maximum liability accordingly. These services are vital to accomplishing the agency's mission of operating safe and secure prisons and providing effective community supervision in order to enhance public safety.

According to DOC Legal staff, there appears to be no litigation of actionable concern at this time against any business known as Spectrum Health Systems. The staff finds no records concerning allegations of fraudulent activity by this vendor.

An amendment request with all required supporting documentation to permit this amendment was submitted to the Commissioner of General Services and the Comptroller of the Treasury simultaneously with this submission to the Fiscal Review Committee.

We appreciate your consideration of this matter.

Sincerely,

Tony Parker

TP:LSC

pc: The Honorable Mark White, Vice-Chairman
Krista Lee, Fiscal Review Committee Director
Wes Landers, Chief Financial Officer
Jim Thrasher, Legislative Liaison
Charles Badger, Legislative Liaison
Priscilla Wainwright, Director

Supplemental Documentation Required for Fiscal Review Committee

*Contact Name:	Priscilla Wainwright	*Contact Phone:	615-253-5571
*Presenter's name(s):	Wes Landers, Chief Financial Officer		
Edison Contract Number: (*if applicable*)	45516	RFS Number: (*if applicable*)	32901-31255
*Original or Proposed Contract Begin Date:	May 1, 2015	*Current or Proposed End Date:	December 31, 2018
Current Request Amendment Number: (*if applicable*)		2	
Proposed Amendment Effective Date: (*if applicable*)		January 1, 2018	
*Department Submitting:		Correction	
*Division:		Fiscal	
*Date Submitted:		May 26, 2017	
*Submitted Within Sixty (60) days:		Yes	
If not, explain:		NA	
*Contract Vendor Name:		Spectrum Health Systems, Inc.	
*Current or Proposed Maximum Liability:		$4,666,097	
*Estimated Total Spend for Commodities:		NA	

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

FY:2015	FY:2016	2017	FY:2018	FY: 2019	FY
$155,607	$1,011,312.50	$1,399,671.00	$699,835.50	$	$

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

FY:2015	FY:2016	FY:2017	FY:	FY	FY
$0	$1,089,115.13	$1,049,753.25	$	$	$

IF Contract Allocation has been greater than Contract Expenditures, please give the reasons and explain where surplus funds were spent:	Expenditures to date have not exceeded Contract Allocations.
IF surplus funds have been carried forward, please give the reasons and provide the authority for the carry forward provision:	No surplus funds have been carried forward.
IF Contract Expenditures exceeded Contract Allocation, please give the reasons and explain how funding was acquired to pay the overage:	Expenditures to date have not exceeded Contract Allocations.

Supplemental Documentation Required for Fiscal Review Committee

*Contract Funding Source/Amount:			
State:	$3,266,426.00	Federal:	NA
Interdepartmental:	NA	*Other*:	NA
If "*other*" please define:		NA	
If "*interdepartmental*" please define:		NA	

Dates of All Previous Amendments or Revisions: (*if applicable*)	Brief Description of Actions in Previous Amendments or Revisions: (*if applicable*)
May 1, 2016	Added staff positions and locations for program delivery, extended contract term 20 months, and increased maximum liability accordingly.

Method of Original Award: (*if applicable*)	Sole Source
*What were the projected costs of the service for the entire term of the contract prior to contract award? How was this cost determined?	TDOC consulted with vendor to determine the needed services and the number of vendor staff to cover the locations where programming was needed in the various community supervision districts. A price was then determined.
*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.	In order for the programming currently being offered to continue uninterrupted and to permit the successful implementation of the new and ongoing initiatives outlined in the Public Safety Act of 2016, an amendment permitting the continued delivery of programming by the same vendor is necessary.

Payments	8								
Unit	Sum Merchandise Amt	Edison Contract ID	Vendor ID	Vendor Name	PO ID	Voucher ID	Invoice	Date	Fiscal Year
32901	77803.330	0000000000000000000045516	0000004805	Spectrum	0000019317	00046851	06/15TNOP	7/27/2015	2016
32901	77803.330	0000000000000000000045516	0000004805	Spectrum	0000019706	00047956	07/15TNOP	9/9/2015	2016
32901	77803.330	0000000000000000000045516	0000004805	Spectrum	0000019794	00048370	08/15TNOP	10/1/2015	2016
32901	77803.330	0000000000000000000045516	0000004805	Spectrum	0000020027	00049203	09/15TNOP	10/22/2015	2016
32901	77803.330	0000000000000000000045516	0000004805	Spectrum	0000020251	00050205	10/15TNOP	12/1/2015	2016
32901	77803.330	0000000000000000000045516	0000004805	Spectrum	0000020403	00050812	11/15TNOP	12/18/2015	2016
32901	77803.330	0000000000000000000045516	0000004805	Spectrum	0000020548	00051531	12/15 TN OP	2/3/2016	2016
32901	77803.330	0000000000000000000045516	0000004805	Spectrum	0000020548	00052843	01/16 TN OP	2/25/2016	2016
32901	77803.330	0000000000000000000045516	0000004805	Spectrum	0000020548	00053894	02/16 TN OP	3/22/2016	2016
32901	77803.330	0000000000000000000045516	0000004805	Spectrum	0000020548	00055102	03/16 TN OP	5/6/2016	2016
32901	77803.330	0000000000000000000045516	0000004805	Spectrum	0000021582	00056289	04/16 TN OP	6/3/2016	2016
32901	116639.250	0000000000000000000045516	0000004805	Spectrum	0000021858	00058105	05/16 TN OP	7/22/2016	2016
32901	116639.250	0000000000000000000045516	0000004805	Spectrum	0000022038	00058301	06/16 TN OP	7/29/2016	2016
	$ 1,089,115.13	**Total FY 2016**							
32901	116639.250	0000000000000000000045516	0000004805	Spectrum	0000022339	00059816	07/16 TN OP	9/2/2016	2017
32901	116639.250	0000000000000000000045516	0000004805	Spectrum	0000022503	00060197	08/16 TN OP	9/30/2016	2017
32901	116639.250	0000000000000000000045516	0000004805	Spectrum	0000022750	00061346	09/16 TN OP	11/2/2016	2017
32901	116639.250	0000000000000000000045516	0000004805	Spectrum	0000022972	00062418	10/16 TN OP	11/30/2016	2017
32901	116639.250	0000000000000000000045516	0000004805	Spectrum	0000023185	00063512	11/16 TN OP	12/30/2016	2017
32901	116639.250	0000000000000000000045516	0000004805	Spectrum	0000023401	00065117	12/16 TN OP	2/6/2017	2017
32901	116639.250	0000000000000000000045516	0000004805	Spectrum	0000023784	00066271	01/17 TN OP	3/23/2017	2017
32901	116639.250	0000000000000000000045516	0000004805	Spectrum	0000023785	00066272	02/17 TN OP	3/30/2017	2017
32901	116639.250	0000000000000000000045516	0000004805	Spectrum	0000024030	00068215	03/17 TN OP	4/27/2017	2017
	$ 1,049,753.25	**Total FY 2017**							

No Liquidated Damages

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 #	**32901-31255**
1. Procuring Agency	**Tennessee Department of Correction**
2. Contractor	**Spectrum Health Systems, Inc.**
3. Edison contract ID #	**45516**
4. Proposed amendment #	**2**
5. Contract's Original Effective Date	**May 1, 2015**
6. Current end date	**December 31, 2017**
7. Proposed end date	**December 31, 2018**
8. Current Maximum Liability or Estimated Liability	**$3,266,426.00**
9. Proposed Maximum Liability or Estimated Liability	**$ 4,666,097.00**
10. Strategic Technology Solutions Pre-Approval Endorsement Request *– information technology service (N/A to THDA)*	☒ **Not Applicable** ☐ **Attached**
11. eHealth Pre-Approval Endorsement Request *– health-related professional, pharmaceutical, laboratory, or imaging*	☐ **Not Applicable** ☒ **Attached**
12. Human Resources Pre-Approval Endorsement Request *– state employee training service*	☒ **Not Applicable** ☐ **Attached**

13. Explain why the proposed amendment is needed

Offender cognitive behavioral programming is a critical component of successful supervision, and is a component of the Public Safety Act of 2016 by way of Community Supervision Resource centers, where offenders will receive assistance to address substance abuse issues with intensive programming, treatment, and case management. These services address barriers to offenders becoming productive members of the community.

In order for the programming currently being offered to continue uninterrupted and to permit the successful implementation of the new and ongoing initiatives outlined in the Act, an amendment permitting the continued delivery of programming by the same vendor is

Agency request tracking #	**32901-31255**
necessary.	
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 scope.**	
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 #	Edison ID	Contract #	Amendment #
32901-31255	45516		2

Contractor Legal Entity Name	Edison Vendor ID
Spectrum Health Systems, Inc.	4805

Amendment Purpose & Effect(s)

Extend contract term one year and increase maximum liability accordingly.

Amendment Changes Contract End Date: ☒ YES ☐ NO **End Date:** December 31, 2018

TOTAL Contract Amount INCREASE or DECREASE per this Amendment (zero if N/A): **$ 1,399,671**

Funding —

FY	State	Federal	Interdepartmental	Other	TOTAL Contract Amount
2015	$155,607.00				$155,607.00
2016	$1,011,312.50				$1,011,312.50
2017	$1,399,671.00				$1,399,671.00
2018	$1,399,671.00				$1,399,671.00
2019	$699,835.50				$699,835.50
TOTAL:	$4,666,097.00				$4,666,097.00

American Recovery and Reinvestment Act (ARRA) Funding: ☐ YES ☒ 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.

Lisa C Parker

Speed Chart (optional)

Account Code (optional)

CPO USE

AMENDMENT 2
OF CONTRACT 45516

This Amendment is made and entered by and between the State of Tennessee, Tennessee Department of Correction, hereinafter referred to as the "State" and Spectrum Health Systems, Inc., 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 May 1, 2015 ("Effective Date") and extend for a period of forty-four (44) months after the Effective Date ("Term"). The State shall have no obligation for goods or services provided by the Contractor prior to the Effective Date.

B.2. Renewal Options. This Contract may be renewed upon satisfactory completion of the Term. The State reserves the right to execute up to 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 sixty (60) 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, Six Hundred Sixty Six Thousand, Ninety Seven Dollars ($4,666,097) ("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. is deleted in its entirety and replaced with the following:

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

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

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

Goods or Services Description	**Amount** (per compensable increment) May 1, 2015 – April 30, 2016	**Amount** (per compensable increment) May 1, 2016 – December 31, 2017	**Amount** (per compensable increment) January 1, 2018 – December 31, 2018	**Amount** (per compensable increment)*	**Amount** (per compensable increment)*
Evidence-Based Programming Delivery	$ 77,803.33 per month	$ 116,639.25 per month	$ 116,639.25 per month	$ per month	$ per month

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 1, 2018. All other terms and conditions of this Contract not expressly amended herein shall remain in full force and effect.

IN WITNESS WHEREOF,

Spectrum Health Systems, Inc.:

11/18/17

SIGNATURE **DATE**

KURT ISAAKSON, CEO

PRINTED NAME AND TITLE OF SIGNATORY (above)

Tennessee Department of Correction:

Tony Parker vf

12/11/17

Tony Parker, Commissioner **DATE**

GENERAL ASSEMBLY OF THE STATE OF TENNESSEE
FISCAL REVIEW COMMITTEE

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

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

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

MEMORANDUM

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

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

MW
BK

DATE: March 28, 2016

SUBJECT: Contract Comments
(Fiscal Review Committee Meeting 3/24/16)

RFS# 329.01-31255 (Edison # 45516)
Department: Correction
Vendor: Spectrum Health Systems, Inc.
Summary: The vendor is responsible for the provision of evidence-based programming for offenders under probation and parole supervision. The proposed amendment extends the contract an additional 20 months; adds term extension language; increases maximum liability by $2,334,100; revises Attachment Two to reflect seven additional positions; and adds standard template language to the contract.
Current maximum liability: $933,640
Proposed maximum liability: $3,267,740

After review, the Fiscal Review Committee voted to recommend approval of the contract amendment.

cc: The Honorable Derrick Schofield, Commissioner

February 26, 2016

The Honorable Mark White, Chairman
Fiscal Review Committee
5 Legislative Plaza
Nashville TN 37243

Dear Chairman White

SUBJECT: TDOC REQUEST 32901-31255

The Department of Correction wishes to extend the term of its contract for delivery of evidence-based programming such as Pro-Social Live Skills, victim Impact and Batterers Intervention to offenders under community supervision for an additional 20 months beyond the contract's original term. The original contract term began May 1, 2015, and without amendment will end April 30.

The uninterrupted delivery of evidence-based programming such as Pro-Social Live Skills, victim Impact and Batterers Intervention to offenders under community supervision is vital to accomplishing the agency mission of operating safe and secure prisons and providing effective community supervision in order to enhance public safety.

In order to continue the delivery of evidence-based programming, the department is seeking permission from the Fiscal Review Committee (because the total contract term exceeds one year AND the maximum liability exceeds $250,000), the Central Procurement Office and the Comptroller of the Treasury to add term extension language to permit a contract extension, extend the contract term an additional 20 months, add 7 new locations for programming delivery, and increase the maximum liability accordingly.

The seven new positions are a component of the Public Safety Act of 2016. The 7 new positions will be housed in Community Supervision Resource Centers. Offenders will receive assistance to address substance abuse issues with the programming, treatment and case management. The programming is among the services which address barriers to offenders becoming productive members of the community.

An amendment request and a rule exception request to permit extension of the contract years is being submitted to the Commissioner of General Services and the Comptroller of the Treasury simultaneously with this submission to the Fiscal Review Committee.

We appreciate your consideration of this matter.

Sincerely,

Derrick D. Schofield

DDS:PWpc: Leni Chick, Contract & Audit Coordinator
Wes Landers, Chief Financial Officer
Jim Thrasher, Legislative Liaison
Priscilla Wainwright, Director

Supplemental Documentation Required for Fiscal Review Committee

*Contact Name:	Priscilla Wainwright	*Contact Phone:	615.253.5571
*Presenter's name(s):	Wes Landers, Chief Financial Officer		
Edison Contract Number: (*if applicable*)	45516	RFS Number: (*if applicable*)	32901-31255
*Original or Proposed Contract Begin Date:	May 1, 2015	*Current or Proposed End Date:	December 31, 2017
Current Request Amendment Number: (*if applicable*)		1	
Proposed Amendment Effective Date: (*if applicable*)		May 1, 2016	
*Department Submitting:		Correction	
*Division:		Fiscal	
*Date Submitted:		2/26/2016	
*Submitted Within Sixty (60) days:		Yes	
If not, explain:			
*Contract Vendor Name:		Spectrum Health Systems, Inc.	
*Current or Proposed Maximum Liability:		$3,267,740.40	
*Estimated Total Spend for Commodities:		$0	

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

FY:2015	FY:2016	FY:	FY:	FY	FY
$155,607.00	$778,034.00	$	$	$	$

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

FY:2015	FY:2016	FY:	FY:	FY	FY
$	$700,229.97	$	$	$	$

IF Contract Allocation has been greater than Contract Expenditures, please give the reasons and explain where surplus funds were spent:	Expenditures to date have not exceeded Contract Allocations.
IF surplus funds have been carried forward, please give the reasons and provide the authority for the carry forward provision:	No surplus funds have been carried forward.
IF Contract Expenditures exceeded Contract Allocation, please give the reasons and explain how funding was acquired to pay the overage:	Expenditures to date have not exceeded Contract Allocations.

Supplemental Documentation Required for Fiscal Review Committee

*Contract Funding Source/Amount:			
State:		Federal:	N/A
Interdepartmental:	N/A	*Other*:	N/A
If "*other*" please define:		N/A	
If "*interdepartmental*" please define:		N/A	

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

Method of Original Award: *(if applicable)*	Sole Source
*What were the projected costs of the service for the entire term of the contract prior to contract award? How was this cost determined?	TDOC consulted with vendor to determine the needed services and the number of vendor staff to cover the locations where programming was needed in the various community supervision districts. A price was then determined.
*List number of other potential vendors who could provide this good or service; efforts to identify other competitive procurement alternatives; and the reason(s) a sole-source contract is in the best interest of the State.	The proposed amendment is part of a component of the Public Safety Act of 2016. The act includes the provision of Community Supervision Resource Centers where offenders will receive assistance to address substance abuse issues with intensive programming, treatment and case management. These services address barriers to offenders becoming productive members of the community. One of the purposes of this amendment is to add positions so that programming can be offered at the Centers once they become operational. Conducting an RFP and bringing on a new vendor at this time could be detrimental to ongoing efforts both in terms of programming continuity and the possibility that cost proposals from an RFP could run higher than the budgeted amount and current

	projections of expenditures.

Spectrum Health (Base)
Contract# 45516

Month	Invoice#	Amount	Payment date	LD Damages
May-15	05/15 TN OP	$ 77,803.33	7/10/2015	none
Jun-15	06/15 TN OP	$ 77,803.33	7/27/2015	none
Jul-15	07/15 TN OP	$ 77,803.33	9/9/2015	none
Aug-15	08/15 TN OP	$ 77,803.33	10/1/2015	none
Sep-15	09/15 TN OP	$ 77,803.33	10/22/2015	none
Oct-15	10/15 TN OP	$ 77,803.33	12/1/2015	none
Nov-15	11/15 TN OP	$ 77,803.33	12/18/2015	none
Dec-15	12/15 TN OP	$ 77,803.33	2/3/2016	none
Jan-16	01/16 TN OP	$ 77,803.33	2/25/2016	none
Total Payment		**$ 700,229.97**		

Rule Exception Request

Use this document to request changes to Central Procurement Office templates, policies, or other procurement documents or to modify the "necessary contract clauses" identified in Tenn. Comp. R. & Reg. 0690-03-01-.17 ("CPO Rule 17"). Complete this document in conformity with CPO Rule 17, which is available here. Send the completed document in PDF format to: Agsprs.Agsprs@tn.gov All Rule Exception Requests are subject to review and approval by the Chief Procurement Officer. Rule Exception Requests that propose to modify any of CPO Rule 17's necessary contract clauses shall be subject to review and approval by the Comptroller of the Treasury.

APPROVED	APPROVED
CHIEF PROCUREMENT OFFICER	COMPTROLLER OF THE TREASURY

Agency request tracking #	32901-31255
1. **Procuring Agency**	Correction
2. **Edison contract ID #**	45516
3. **Contractor or Grantee**	Spectrum Health Systems, Inc.
4. **Contract's Effective Date**	May 1, 2015
5. **Contract or grant contract's Term** (with ALL options to extend exercised)	60 months
6. **Contract's Maximum Liability** (with ALL options to extend exercised)	$ 3,329,983.60
7. **Citation and explanation of the rule(s)** for which the exception is requested	0690-03-01.17
8. **Description of requested changes** If adding new provisions or modifying existing provisions, insert the new or modified provisions in their entirety.	To add model language to permit the addition of a term extension clause. This would permit the requested 20 month extension to the contract, and add three additional term extension options, no more than 12 months each, which could bring the total contract term to 60 months. An accompanying Amendment request seeks permission to add 7 positions to the contract so that programming can be offered to offenders under community supervision at Community Supervision Resource Centers in addition to at probation and parole supervision offices. The amendment will also increase the maximum liability accordingly.
9. **Justification**	Conducting an RFP and bringing on a new vendor at this time could be detrimental to ongoing efforts both in terms of programming continuity and the possibility that cost proposals from an RFP could run higher than the budgeted amount and current projections of expenditures.
Signature of Agency head or designee and date	

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

TO : Lovel VanArsdale, Office of e-Health Initiatives
Department of Finance & Administration
E-mail: Lovel.Vanarsdale@tn.gov

FROM : **Priscilla Wainwright**
E-mail: priscilla.wainwright@tn.gov

DATE : Feb. 19, 2016

RE : Request for eHealth Pre-Approval Endorsement

Applicable RFS #: 32901-31255
Office of e-Health Initiatives Endorsement Signature & Date:
Office of e-Health Initiatives

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

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

Contracting Agency	**Correction**
Agency Contact (name, phone, e-mail)	**Priscilla Wainwright** **(615) 253-5571** **priscilla.wainwright@tn.gov**
Attachments Supporting Request (as applicable – copies without signatures acceptable) ☐ Solicitation Document ☐ Special Contract Request ☒ Amendment Request ☐ Proposed contract or amendment	
Subject Medical/Mental Health-Related Service Description (Brief summary of eHealth services involved. As applicable, identify the contract and solicitation sections related to eHealth services.) **Six additional positions and locations to the previously approved provision of evidence-based programming for offenders under probation and parole supervision. 25 weeks Cognitive-Behavioral**	

Applicable RFS # 32901-31255
programming; 13 weeks You Have the Power Victim Impact programming; and 26 weeks Men At Work, a Batterers Intervention program. The contract term will also be extended by 20 months, and the maximum liability increased accordingly.

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 #	**32901-31255**
1. Procuring Agency	**Correction**
2. Contractor	**Spectrum Health Systems, Inc.**
3. Edison contract ID #	**45516**
4. Proposed amendment #	**1**
5. Contract's Effective Date	**May 1, 2015**
6. Current end date	**April 30, 2016**
7. Proposed end date	**December 31, 2017**
8. Current Maximum Liability or Estimated Liability	**$ 933,640.00**
9. Proposed Maximum Liability or Estimated Liability	**$3,267,740.40**
10. Office for Information Resources Pre-Approval Endorsement Request *– information technology service (N/A to THDA)*	☒ **Not Applicable** ☐ **Attached**
11. eHealth Pre-Approval Endorsement Request *– health-related professional, pharmaceutical, laboratory, or imaging*	☐ **Not Applicable** ☒ **Attached**
12. Human Resources Pre-Approval Endorsement Request *– state employee training service*	☒ **Not Applicable** ☐ **Attached**

13. Explain why the proposed amendment is needed

Offender cognitive behavioral programming is a critical component of successful supervision, and is a component of the yet to be passed Public Safety Act of 2016 by way of Community Supervision Resource centers, where offenders will receive assistance to address substance abuse issues with intensive programming, treatment and case management. These services address barriers to offenders becoming productive members of the community. One of the purposes of this proposed amendment is to add positions so that the programming can be provided at the centers once they become operational.

In order for the programming currently being offered to continue uninterrupted and permit the successful implementation of the new and ongoing initiatives outlined in the act, an

Agency request tracking #	**32901-31255**
amendment permitting the continued delivery of programming by the same vendor is necessary.	
14. If the amendment involves a change in Scope, describe efforts to identify reasonable, competitive, procurement alternatives to amending the contract. **The proposed amendment makes no change to the scope in service except to add 7 contractor staff to provide programming at new resource centers as locations are determined.**	
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)	

CY14-4005

Special Contract Request

This form should be utilized to facilitate contract and procurement requests that require the Chief Procurement Officer's prior approval and that of the Comptroller of the Treasury, as applicable.
NOT required for a contract with a federal, Tennessee, or Tennessee local government entity or a grant.
Route a completed request, as one file in PDF format, via e-mail attachment sent to: agsprs.agsprs@tn.gov.

APPROVED	APPROVED
Michael F. Perry 08/26/14	Justin P. Wilson 8/27/14
CHIEF PROCUREMENT OFFICER DATE	COMPTROLLER OF THE TREASURY DATE

Request Tracking #	**32901-31255**
1. Contracting Agency	**Department of Correction**
2. Type of Contract or Procurement Method	☐ No Cost ☐ Revenue ☐ Sole Source ☐ Proprietary ☐ Competitive Negotiation ☒ Other -- Non-Competitive Negotiation
3. Requestor Contact Information	**Priscilla E. Wainwright (615) 253-5571**
4. Brief Goods or Services Caption	**Provision of evidence-based programming for offenders under probation and parole supervision**
5. Description of the Goods or Services to be Acquired	**25 week Cognitive-Behavioral programming; 13 week You Have the Power Victim Impact programming; and 26 week Batterers Intervention programming.**
6. Proposed Contractor	**Spectrum Health Systems**
7. Name & Address of the Contractor's principal owner(s) *– NOT required for a TN state education institution*	**Charles J. Faris, President and CEO** **10 Mechanic Street, Suite 302** **Worchester, MA 01608**

Request Tracking #	32901-31255
8. **Proposed Contract Period** – *with ALL options to extend exercised* ***The proposed contract start date shall follow the approval date of this request.***	12 months
9. **Office for Information Resources Pre-Approval Endorsement Request** – *information technology (N/A to THDA)*	☒ Not Applicable ☐ Attached
10. **eHealth Pre-Approval Endorsement Request** – *health-related professional, pharmaceutical, laboratory, or imaging*	☐ Not Applicable ☒ Attached
11. **Human Resources Pre-Approval Endorsement Request** – *state employee training*	☒ Not Applicable ☐ Attached
12. **Are these goods or services currently available on a statewide contract? If YES, please explain why the current statewide contract is not being used for this procurement.**	☒ NO ☐ YES,
13. **Maximum Contract Cost** – *with ALL options to extend exercised*	$933,640.00
14. **Was there an initial government estimate? If so, what amount?**	☐ NO ☒ YES $933,640.00
15. **Cost Determination Used**- How did agency arrive at the estimate of expected costs?	TDOC used agency data on the number of offenders requiring the programming, the number of man hours required to deliver said programming (1950 man hours for 4 staff in urban areas and 9 staff for rural areas), and current contract rates ($36.83 per hour) for appropriately trained and credentialed staff to provide the programming to estimate expected costs.
16. **Explanation of Fair and Reasonable Price**- Explain how agency determined that price is fair and reasonable	Pricing is based on contract originally awarded under RFP for comparable inmate programming.
17. **Documentation of Discussions with Contractor**- How did agency document discussions with Contractor? Attach documentation to this request as applicable.	Very general verbal conversation with contractor has taken place during course of current contractor duties for incarcerated offenders. Vendor indicated they provide similar programming services in other states and general information on how they could provide something similar for the State of Tennessee.

Request Tracking #	32901-31255
18. Explanation of Need for or requirement placed on the State to acquire the goods or services	Following the reassignment of probation and parole supervision from the former Board of Probation and Parole to the Tennessee Department of Correction in 2012, efforts continue agency-wide to standardize programming provided to offenders whether they are incarcerated in a prison or under agency supervision in the community. Although agency staff received in-house training in evidence based curricula prior to 2012, the number of staff available to provide this training to new staff and to offenders has diminished due to attrition and reallocation of officers due to caseload demands. Limited ongoing training opportunities available, and diminished facilitator capacity has resulted in diminished program delivery capacity. Spectrum currently provides services to incarcerated offenders in four TDOC facilities. Spectrum has the necessary expertise and infrastructure to provide the programming with minimal start-up time and cost. Evidence-based programming has been proven to reduce recidivism (offenders returning to incarceration due to new offenses) and to help offenders successfully complete their terms of supervision and their complete reintegration into society. Spectrum has been providing substance abuse and mental health treatment since 1969. Spectrum was responsible for establishing one of the first therapeutic communities in the country for the treatment of drug abuse. Over the past forty-five years, Spectrum has become a leading addiction treatment provider, providing a continuum of Commission on Accreditation of Rehabilitation Facilities (CARF) accredited addiction and mental health treatment services. Spectrum's Correctional Treatment Division was established in 1993 to provide specialized treatment to criminal offenders with a history of chronic substance abuse and criminal behavior.

Request Tracking #	32901-31255
19. Proposed contract impact on current State operations	It is in the State's best interest to permit Spectrum, a contractor already providing programming to incarcerated offenders to provide comparable programming to offenders who are still under agency supervision but out in the community. Spectrum is already familiar with State program delivery objectives and constraints rather than delaying offenders receiving necessary programming and treatment, which are part of ongoing agency initiatives for the amount of time that a solicitation release and procurement process would take. Although former BOPP staff underwent train the trainer training for the curriculum before the reassignment, the number of offenders needing the programming outweighs the agency capacity to provide the needed programming in a timely fashion. Spectrum also has a unique state-wide presence that is required to deliver these educational and treatment services in both urban and rural communities across Tennessee. Having the programming component delivered by a contractor instead of agency staff removes the programming burden from agency staff, allowing probation and parole officers to focus completely on offender supervision and managing their caseloads more effectively.
20. **Justification** – Specifically explain why the goods or services should be acquired through the procurement method or contract type selected.	TDOC will be issuing an RFP for offender programming and treatment services in early 2015 with an anticipated contract start date of July 1, 2015. In order to provide programming for offenders until that time, a 12-month contract is in the best interest of the State.
For No Cost and Revenue Contracts Only	
21. What costs will the State incur as a result of this contract? If any, please explain.	
22. What is the total estimated revenue that the State would receive as a result of this contract?	
23. Could the State also contract with other parties interested in entering substantially the same agreement? Please explain.	☐ NO ☐ YES

Request Tracking #	32901-31255
24. Summary of State responsibilities under proposed contract	**Monitor training results and participant evaluations, work with Contractor to make necessary curriculum and delivery adjustments and revisions as needs dictate.**
For Sole Source and Proprietary Procurements Only	
25. Explanation of Need for or requirement placed on the State to acquire the goods or services	
26. Evidence of Contractor's experience & length of experience providing the goods or services to be procured.	
27. Has the contracting agency procured the subject goods or services before? If yes, provide the method used to purchase the goods or services and the name and address of the contractor.	☐ No ☐ Yes
28. Contractor selection process and efforts to identify reasonable, competitive, procurement alternatives	
Signature Required for all Special Contract Requests	

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

Signature: Derek D. Schofield CS Date: 20AUG14

CONTRACT AMENDMENT COVER SHEET

Agency Tracking #	Edison ID	Contract #	Amendment #
32901-31255	45516		1

Contractor Legal Entity Name	Edison Vendor ID
Spectrum Health Systems, Inc.	4805

Amendment Purpose & Effect(s)

Add 6 staff positions and locations for program delivery, extend contract term 20 months and increase maximum liability accordingly.

Amendment Changes Contract End Date: ☒ YES ☐ NO **End Date:** December 31, 2017

TOTAL Contract Amount INCREASE or DECREASE per this Amendment (zero if N/A): **$ 2,332,786.00**

Funding —

FY	State	Federal	Interdepartmental	Other	TOTAL Contract Amount
2015	155,607.00				155,607.00
2016	1,011,312.50				1,011,312.50
2017	1,399,671.00				1,399,671.00
2018	699,835.50				699,835.50
TOTAL:	3,266,426.00				3,266,426.00

American Recovery and Reinvestment Act (ARRA) Funding: ☐ YES ☐ 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.

Lisa C Parks

Speed Chart (optional)	Account Code (optional)

CPO USE

AMENDMENT 1 OF CONTRACT 45516

This Amendment is made and entered by and between the State of Tennessee, Department of Correction, hereinafter referred to as the "State" and Spectrum Health Systems, Inc., 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 A.13 is deleted in its entirety and replaced with the following:

A.13. Warranty. Contractor represents and warrants that the term of the warranty ("Warranty Period") shall be the greater of the Term of this Contract or any other warranty general offered by Contractor, its suppliers, or manufacturers to customers of its goods or services. The goods or services provided under this Contract shall conform to the terms and conditions of this Contract throughout the Warranty Period. Any nonconformance of the goods or services to the terms and conditions of this Contract shall constitute a "Defect" and shall be considered "Defective." If Contractor receives notice of a Defect during the Warranty Period, then Contractor shall correct the Defect, at no additional charge.

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

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

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

2. 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 May 1, 2015 ("Effective Date") and extend for a period of thirty-two (32) months after the Effective Date ("Term"). The State shall have no obligation for goods or services provided by the Contractor prior to the Effective Date.

B.2. Renewal Options. This Contract may be renewed upon satisfactory completion of the Term. The State reserves the right to execute up to 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 sixty (60) months.

3. 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, Two Hundred Sixty Six Thousand, Four Hundred Twenty-Six Dollars ($3,266,426.00) ("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.

4. Contract section C.3. is deleted in its entirety and replaced with the following:

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

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

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

Goods or Services Description	Amount (per compensable increment) May 1, 2015 – April 30, 2016	Amount (per compensable increment) May 1, 2016 – December 31, 2017	Amount (per compensable increment)*	Amount (per compensable increment)*	Amount (per compensable increment)*
Evidence-Based Programming Delivery	$ 77,803.33 per month	$ 116,639.25 per month	$ per month	$ per month	$ per month

*If further extended by Amendment

5. The following is added as Contract section D.31.

D.31. Insurance. Contractor shall provide the State a certificate of insurance ("COI") evidencing the coverages and amounts specified below. The COI shall be provided ten (10) business days prior to the Effective Date and again upon renewal or replacement of coverages required by this Contract. If insurance expires during the Term, the State must receive a new COI at least thirty (30) calendar days prior to the insurance's expiration date. If the Contractor loses insurance coverage, does not renew coverage, or for any reason becomes uninsured during the Term, the Contractor shall notify the State immediately.

The COI shall be on a form approved by the Tennessee Department of Commerce and Insurance ("TDCI") and signed by an authorized representative of the insurer. The COI shall list each insurer's national association of insurance commissioners (also known as NAIC) number or federal employer identification number and list the State of Tennessee, Risk Manager, 312 Rosa L. Parks Ave., 3rd floor Central Procurement Office, Nashville, TN 37243 in the certificate holder section. At any time, the State may require the Contractor to provide a valid COI detailing coverage description; insurance company; policy number; exceptions; exclusions; policy effective date; policy expiration date; limits of liability; and the name and address of insured. The Contractor's failure to maintain or submit evidence of insurance coverage is considered a material breach of this Contract.

If the Contractor desires to self-insure, then a COI will not be required to prove coverage. In place of the COI, the Contractor must provide a certificate of self-insurance or a letter on the Contractor's letterhead detailing its coverage, liability policy amounts, and proof of funds to reasonably cover such expenses. Compliance with Tenn. Code Ann. § 50-6-405 and the rules of the TDCI is required for the Contractor to self-insure workers' compensation.
All insurance companies must be: (a) acceptable to the State; (b) authorized by the TDCI to transact business in the State of Tennessee; and (c) rated A- VII or better by A. M. Best. The Contractor shall provide the State evidence that all subcontractors maintain the required insurance or that the subcontractors are included under the Contractor's policy.

The Contractor agrees to name the State as an additional insured on any insurance policies with the exception of workers' compensation (employer liability) and professional liability (errors and omissions) ("Professional Liability") insurance. Also, all policies shall contain an endorsement for a waiver of subrogation in favor of the State.

The deductible and any premiums are the Contractor's sole responsibility. Any deductible over fifty thousand dollars ($50,000) must be approved by the State. The Contractor agrees that the insurance requirements specified in this Section do not reduce any liability the Contractor has assumed under this Contract including any indemnification or hold harmless requirements. The State agrees that it shall give written notice to the Contractor as soon as practicable after the State becomes aware of any claim asserted or made against the State, but in no event later than thirty (30) calendar days after the State becomes aware of such claim. The failure of the State to give notice shall only relieve the Contractor of its obligations under this Section to the extent that the Contractor can demonstrate actual prejudice arising from the failure to give notice. This Section shall not grant the Contractor or its insurer, through its attorneys, the right to represent the State in any legal matter, as the right to represent the State is governed by Tenn. Code Ann. § 8-6-106.

All coverage required shall be on a primary basis and noncontributory with any other insurance coverage or self-insurance carried by the State. The State reserves the right to amend or require additional endorsements, types of coverage, and higher or lower limits of coverage depending on the nature of the work. Purchases or contracts involving any hazardous activity or equipment, tenant, concessionaire and lease agreements, alcohol sales, cyber-liability risks, environmental risks, special motorized equipment, or property may require customized insurance requirements (e.g. umbrella liability insurance) in addition to the general requirements listed below.

The Contractor shall obtain and maintain, at a minimum, the following insurance coverages and policy limits.

a. Commercial General Liability Insurance

1) The Contractor shall maintain commercial general liability insurance, which shall be written on an Insurance Services Office, Inc. (also known as ISO) occurrence form (or a substitute form providing equivalent coverage) and shall cover liability arising from property damage, premises/operations, independent contractors, contractual liability, completed operations/products, personal and advertising injury, and liability assumed under an insured contract (including the tort liability of another assumed in a business contract).

2) The Contractor shall maintain bodily injury/property damage with a combined single limit not less than one million dollars ($1,000,000) per occurrence and two million dollars ($2,000,000) aggregate for bodily injury and property damage, including products and completed operations coverage with an aggregate limit of at least two million dollars ($2,000,000).

b. Workers' Compensation and Employer Liability Insurance

1) For Contractors statutorily required to carry workers' compensation and employer liability insurance, the Contractor shall maintain:

i. Workers' compensation and employer liability insurance in the amounts required by appropriate state statutes; or

ii. In an amount not less than one million dollars ($1,000,000) including employer liability of one million dollars ($1,000,000) per accident for bodily injury by accident, one million dollars ($1,000,000) policy limit by disease, and one million dollars ($1,000,000) per employee for bodily injury by disease.

2) If the Contractor certifies that it is exempt from the requirements of Tenn. Code Ann. §§ 50-6-101 – 103, then the Contractor shall furnish written proof of such exemption for one or more of the following reasons:

i. The Contractor employees fewer than five (5) employees;

ii. The Contractor is a sole proprietor;

iii. The Contractor is in the construction business or trades with no employees;

iv. The Contractor is in the coal mining industry with no employees;

v. The Contractor is a state or local government; or

The Contractor self-insures its workers' compensation and is in compliance with the TDCI rules and Tenn. Code Ann. § 50-6-405.

c. Automobile Liability Insurance

i. The Contractor shall maintain automobile liability insurance which shall cover liability arising out of any automobile (including owned, leased, hired, and non-owned automobiles).

ii. The Contractor shall maintain bodily injury/property damage with a limit not less than one million dollars ($1,000,000) per occurrence or combined single limit.

d. Professional Liability Insurance

i. Professional liability insurance shall be written on an occurrence basis. This coverage may be written on a claims-made basis but must include an extended reporting period or "tail coverage" of at least two (2) years after the Term;

ii. Any professional liability insurance policy shall have a limit not less than one million dollars ($1,000,000) per claim and two million dollars ($2,000,000) in the aggregate; and

iii. If the Contract involves the provision of services by medical professionals, a policy limit not less than two million ($2,000,000) per claim and three million dollars ($3,000,000) in the aggregate for medical malpractice insurance.

6. The following is added as Contract section E.10.

E.10. Additional lines, items, or options. At its sole discretion, the State may make written requests to the Contractor to add lines, items, or options that are needed and within the Scope but were not included in the original Contract. Such lines, items, or options will be added to the Contract through a Memorandum of Understanding ("MOU"), not an amendment.

a. After the Contractor receives a written request to add lines, items, or options, the Contractor shall have ten (10) business days to respond with a written proposal. The Contractor's written proposal shall include:

(1) The effect, if any, of adding the lines, items, or options on the other goods or services required under the Contract;

(2) Any pricing related to the new lines, items, or options;

(3) The expected effective date for the availability of the new lines, items, or options; and

(4) Any additional information requested by the State.

b. The State may negotiate the terms of the Contractor's proposal by requesting revisions to the proposal.

c. To indicate acceptance of a proposal, the State will sign it. The signed proposal shall constitute a MOU between the Parties, and the lines, items, or options shall be incorporated into the Contract as if set forth verbatim.

d. Only after a MOU has been executed shall the Contractor perform or deliver the new lines, items, or options.

7. Contract Attachment Two is deleted in its entirety and replaced with the new attachment Two attached hereto.

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 1, 2016. All other terms and conditions of this Contract not expressly amended herein shall remain in full force and effect.

IN WITNESS WHEREOF,

Spectrum Health Systems, Inc.:

SIGNATURE — DATE 4/23/16

Kurt Isaacson, COO

PRINTED NAME AND TITLE OF SIGNATORY (above)

Tennessee Department of Correction:

Derrick D. Schofield, Commissioner — DATE 4-19-2016

ATTACHMENT 1

ATTESTATION RE PERSONNEL USED IN CONTRACT PERFORMANCE

SUBJECT CONTRACT NUMBER:	45516
CONTRACTOR LEGAL ENTITY NAME:	Spectrum Health Systems, 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.

CONTRACTOR SIGNATURE

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

KURT ISAACSON, COO

PRINTED NAME AND TITLE OF SIGNATORY

4/13/16

DATE OF ATTESTATION

STAFFING REQUIREMENTS ATTACHMENT TWO

Position	Location/District	Number of positions	Total positions
Statewide coordinator	TBD	1	1
Group Facilitator	**District 20:** Knoxville and Sevierville	1	1
Group Facilitator	**District 30:** Chattanooga, Cleveland, Madisonville, McMinnville and Marion County	1	1
Group Facilitator	40, 41,42: Nashville/Davidson County	1	1
Group Facilitator	**Districts 70, 71 and 72:** Memphis/Shelby County	1	1
Group Facilitator	**District 10**: Johnson City, Blountville, Greeneville and Morristown	1	1
Group Facilitator	**District 21:** Clinton, Maryville and Jacksboro	1	1
Group Facilitator	**District 31:** Cookeville, Crossville	1	1
Group Facilitator	**District 50:** Murfreesboro and Tullahoma	1	1
Group Facilitator	**District 51:** Columbia, Franklin and Lawrenceburg	1	1
Group Facilitator	**District 60:** Jackson, Chester, McNairy, Bolivar, Haywood, Somerville and Covington	1	1
Group Facilitator	**District 61:** Dresden, Dyersburg and Lexington	1	1
Group Facilitator	**District: 80:** Clarksville and Dickson	1	1
Group Facilitator	**District 81:** Gallatin, Springfield and Lebanon	1	1
Group Facilitator	7 Day Reporting Centers – Locations TBD	7	7
Totals:			
Statewide Coordinator			**1**
Group Facilitators			**20**
Total Positions:			**21**

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

TO : Lovel VanArsdale, Office of e-Health Initiatives
Department of Finance & Administration
E-mail: Lovel.Vanarsdale@tn.gov

FROM : **Priscilla E. Wainwright**
E-mail: priscilla.wainwright@tn.gov

DATE : 5/23/2014

RE : Request for eHealth Pre-Approval Endorsement

Applicable RFS # **32901-31255**
Office of e-Health Initiatives Endorsement Signature & Date:
Office of e-Health Initiatives

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

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

Contracting Agency	**Department of Correction**
Agency Contact (name, phone, e-mail)	**Priscilla E. Wainwright** **(615) 253-5571** **priscilla.wainwright@tn.gov**
Attachments Supporting Request (as applicable – copies without signatures acceptable) ☐ Solicitation Document ☒ Special Contract Request ☐ Amendment Request ☒ Proposed contract or amendment	
Subject Medical/Mental Health-Related Service Description (Brief summary of eHealth services involved. As applicable, identify the contract and solicitation sections related to eHealth services.) **Provision of evidence-based programming for offenders under probation and parole supervision. 25 weeks Cognitive-Behavioral programming; 13 weeks You Have the Power Victim Impact programming;**	

Applicable RFS # 32901-31255
and 26 weeks Men At Work, a Batterers Intervention program

SOURCING ACCOUNT SPECIALIST RECOMMENDATION

APPROVED

Central Procurement Officer

DATE: August 25, 2014

SUBJECT: Special Contract Request #32901-31255 for a Non-Competitive Contract between the Tennessee Department of Correction (TDOC), and Spectrum Health Systems, Inc.

I. RECOMMENDATION:

I, Lorraine Rea, recommend the approval of this non-competitive Special Contract Request to contract with Spectrum Health Systems, Inc. for the provision of evidence-based programming for offenders under probation and parole supervision.

II. ANALYSIS:

The evidence-based programming services consist of:

- 25 week Cognitive-Behavioral programming;
- 13 week You Have the Power Victim Impact; and,
- 26 week Batters Intervention programming.

Evidence-based programming has been proven to reduce recidivism (offenders returning to incarceration due to new offenses) and to help offenders successfully complete their terms of reintegration in to society.

Spectrum Health Systems, Inc. has been providing substance abuse and mental health treatment since 1969. Spectrum's Correctional Treatment Division was established in 1993 to provide specialized treatment to criminal offenders. It is in the State's best interest to permit Spectrum, a contractor already providing programming to incarcerated offenders, and that is already familiar with the State program deliver objectives and constraints, to provide comparable programming to offenders who are still under agency supervision but out in the community, rather than delaying offenders receiving necessary programming and treatment during the amount of time it takes for the solicitation process. The TDOC anticipates an RFP to be issued with a contract in place July 1, 2015 for these services. Therefore, this 12-month contract is in the best interest to the State.

Lorraine Rea
TDOC Agency Sourcing Account Specialist

CONTRACT

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

Begin Date	End Date	Agency Tracking #	Edison Record ID
May 1, 2015	April 30, 2016	32901-31255	45516

Contractor Legal Entity Name	Edison Vendor ID
Spectrum Health Systems, Inc.	4805

Goods or Services Caption (one line only)

Evidence-based programming for Community Supervision offenders

Subrecipient or Contractor	CFDA #
☐ Subrecipient ☒ Contractor	N/A

Funding —

FY	State	Federal	Interdepartmental	Other	TOTAL Contract Amount
2015	$155,607.00				$155,607.00
2016	$778,034.00				$778,034.00
TOTAL:	$933,640.00				$933,640.00

Contractor Ownership Characteristics:

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

☐ Woman Business Enterprise (WBE)

☐ Tennessee Service Disabled Veteran Enterprise (SDVBE)

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

☒ Other: Not Minority/Disadvantaged

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

☐ Competitive Selection

☒ Other — Special Contract Request was Approved by CPO and COT

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.

Lisa C Parks

Speed Chart (optional)

Account Code (optional)

CONTRACT
BETWEEN THE STATE OF TENNESSEE,
Department of Correction
AND
Spectrum Health Systems, Inc.

This Contract, by and between the State of Tennessee, Department of Correction ("State") and Spectrum Health Systems, Inc. ("Contractor"), is for the provision of Evidence-based programming for offenders under community supervision, as further defined in the "SCOPE." State and Contractor may be referred to individually as a "Party" or collectively as the "Parties" to this Contract.

The Contractor is a Non-Profit Corporation.
Contractor Place of Incorporation or Organization: Worchester, Massachusetts
Contractor Edison Registration ID # 4805

A. SCOPE:

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

The Scope Of Services in this contract are mandatory and must be provided at Probation/Parole Sites, unless otherwise specified. The State shall be the final authority in matters of disagreement between the contractor and the TDOC over the provision of these services.

A.2. **GENERAL PROGRAM REQUIREMENTS**

a. The Contractor shall implement evidence-based programming for offenders under probation and parole supervision. The evidence-based curricula provided by the contractor shall include: 1) a cognitive behavioral program; 2) Victim Impact program curriculum, and 3) a Batterers' intervention/domestic violence programming curriculum which meets the requirements for certification by the Tennessee Domestic Violence State Coordinating Council. The program curriculum shall be submitted for approval to the State 30 days prior to programs initiation. The Contractor shall provide programming at least five (5) days per week, including morning and evening groups except on approved State holidays.

b. Each of the programs will be offered at Probation/Parole district sites as outlined in Attachment Two. Contractor is to design and implement class schedules that maximize accessibility for offenders. Classes should be offered mornings, midday and evenings based on referral patterns.

A.3. **Cognitive Behavioral Program General Requirements**

a. Pre/Post Assessment. Assessment tool requires the State's approval prior to implementation.

1. Pre-testing designed to evaluate the participant's criminal thinking, social desirability, and motivation for treatment.

2. Post-testing designed to evaluate the program's effect on change in the participant's criminal thinking, social desirability, and engagement.

3. All completed Pre and Post-tests shall be sent to the Director of Reentry Services for data recording on a monthly basis.

b. Cognitive-based curriculum

1. The curriculum must utilize Motivational Interviewing skills set.
2. The contractor shall deliver all the curriculum specific chapters for a successful completion.
3. Open enrollment to Cognitive Behavioral Program groups is subject to established program capacity. Program capacity shall adhere to Fire Marshall Regulations for the assigned group room capacity.
4. Groups shall not be less than 3 or exceed 24 participants at any given time.

c. **Documentation and Communication**

1. Contractor will be responsible for weekly communication of the offender's attendance and adherence to program requirements to the Supervising Probation/Parole Officer.

2. The Contractor shall provide a report to the Supervising Probation/Parole Officer upon a participant's completion/discharge from the program. Monthly Summary Reports shall also be submitted to the Assistant Commissioner of Rehabilitative Services or designee.

3. Discharges from the programs require prior approval by the District Director or designee.

4. Contractor shall maintain a program roster for each program facilitated for the State's review.

5. Contractor shall document in TOMIS program completion and or discharges as specified in TDOC Policies # 703.02 and #705.08.

A.4 Victim Impact and Batterers' Intervention/Domestic Violence Program General Requirements

a. Pre/Post Assessment. Assessment tool requires the State's approval prior to implementation.

1. Pre-testing designed to evaluate the participant's criminal thinking, social desirability, and motivation for treatment.

2. Post-testing designed to evaluate the program's effect on change in the participant's criminal thinking, social desirability, and engagement.

3. All completed Pre and Post-tests shall be sent to the Director of Victim Services for data recording on a monthly basis.

b. Victim Impact, Batterers' Intervention and Pro-Social Life Skills curricula:

1. All curricula must utilize Motivational Interviewing skills set
2. The contractor shall deliver all the curriculum specific chapters for a successful completion
3. Open enrollment to these groups is subject to established program capacity. Program capacity shall adhere to Fire Marshall Regulations for the assigned group room capacity.
4. Groups shall not exceed 24 participants at any given time.

c. Documentation and Communication

1. Contractor will be responsible for communication of the offender's attendance and adherence to program requirements to the Supervising Probation/Parole Officer.
2. The Contractor shall provide a report to the Supervising Probation/Parole Officer upon a participant's completion/discharge from the program. Monthly summary reports shall also be submitted to the Assistant Commissioner to Rehabilitative Services or designee.
3. Contractor shall document in TOMIS program completion and or discharges as specified in TDOC Policy# 706.03, Offender Contact Notes.

A.5. ADDITIONAL PROGRAMMING REQUIREMENTS.

All services rendered or required pursuant to this contract shall conform to the following standards:

a. All services provided shall be designed to meet accreditation standards promulgated by the American Correctional Association regarding Adult Probation & Parole Field Office Standards 4th Edition.

b. TDOC retains the right to alter staffing plan as part of ongoing improvement efforts.

c. The Contractor shall offer programming that includes cognitive/behavioral skills development. Programming shall be designed to meet the participants' specific criminogenic needs, including classroom instruction and experiential exercises on thinking errors, criminal behavior problem identification, and development of problem-solving and social skills

d. Response to Grievances/Inquires. The Contractor shall provide written policy and procedures for response to offender complaints and other inquiries regarding any aspects of the program delivery system. The Contractor's policy and procedure shall conform to applicable TDOC and District policies governing assessment, program delivery practices regarding offender program complaints.

The Contractor shall, within the time-frame specified by the request, provide timely written responses to all requests regarding grievances, inmate complaints and third party complaints regarding the delivery of programing. A summary including the month-to-date and year-to date inquires, resolutions, and status of the resolution will be included in the contractor's monthly statistical report.

Complaints regarding the provision of services shall be subject to review by the TDOC Assistant Commissioner of Rehabilitative Services and/or designee designated in accordance with the circumstances of the disputed services. Based upon such review, the State reserves the right to direct the provision of services in disputed cases. In such event, the Contractor shall comply with the Sate's directives for the delivery of programing.

e. Prison Rape Elimination ACT (PREA). Contractor agrees to abide by the 2003 PRISON RAPE Elimination ACT, 42 U.S.C. 15601 through 15609 (PREA), and Title 28 CFR Part 115.

f. The Contractor shall provide programming which meets the unique needs and concerns of racial or ethnic minority individuals, including such factors as cultural orientations, beliefs, and value systems relevant to the population served.

g. The contractor shall make all curriculums available for review by the Assistant Commissioner of Rehabilitative Services/Designee of the Tennessee Department of Correction (TDOC) prior to any training or delivery of the curriculum. This Division reserves the right to approve or deny the provided curriculum.

h. Except as noted in section A.6 (f.2) of this agreement the contractor is responsible for peripheral costs associated with training including the cost of curriculum, travel expenses and on-going training of staff who are delivering services.

i. The Contractor shall submit a schedule of delivery of program(s) for each district for approval at the start of services and any time after should there be a change in program delivery. Program changes shall be approved prior to their implementation.

j. NON-Compliance. The contractor acknowledges that failure to comply with the above referenced provisions may result in the assessment of liquidated damages and/or termination of the contract in whole or in part, and/or imposition of other sanctions as set forth in this contract. Liquidated damages are further described in Section E.9.and Attachment THREE of this contract.

A.6 STAFFING.

a. Notwithstanding any provisions contained herein to the contrary, the Contractor shall use its best efforts to provide adequate and qualified staff to fulfill its obligations under this contract. Staffing should at a minimum, be in accordance with the staffing plans in this contract. The Contractor is to utilize the State's approved minimum staffing plan for each office in each district. In the event of vacant positions, staff vacation, sick leave and other circumstances, the Contractor is to make reasonable provisions to provide adequate coverage to meet the staffing patterns required in Attachment TWO. Unless otherwise approved in writing by the Commissioner with regard to a particular position, vacancies should be filled within in thirty (30) work days; provided, however, during the period of any vacancy, the services associated with said position shall be provided by the Contractor unless the Commissioner has agreed in writing to the contrary.

The Contractor shall submit monthly staffing reports as part of the Monthly Statistical Summary on or before the fifteenth (15th) of each month demonstrating the preceding month's actual staffing compared to the staffing plan for each District office site(s). If a change in circumstances calls for a modification in those requirements, the Contractor and the State will review those changed circumstances and a formal review will determine any changes in staffing requirements as mutually decided by the parties. The State reserves the right to remove from a district office or prohibit entry to a district office site any of the Contractor's employees or subcontractors if necessary. Expected staffing levels are delineated in Attachment TWO.

Staff selected by the Contractor for assignment on this project shall be asked if they have any association or affiliation with any inmate or offender under any type of supervision by the Tennessee Department of Correction. If any such association or affiliation exists, written approval from the State shall be required prior to assignment on this project.

Pre-employment Screening. The Contractor, at a minimum shall include the following in its pre-employment review:

1. College Degree verification from an accredited educational institution
2. Health Screening to ensure absence of communicable disease -- TB.
3. Drug Testing

b. Background Investigations. The Contractor shall not hire ex-felons or relatives of felons currently supervised in Tennessee. Prior to employment with the Contractor, applicants shall be subjected to a thorough background investigation performed by the contractor. The investigation shall include a criminal history record check using the Tennessee Bureau of Investigation's contracted vendor with local Field Service District Directors or their designee reviewing results following fingerprinting.

c. Personnel Records. Personnel files records of all subcontractors and contract employees shall be made available to the district office director or designee on an as needed basis.

d. Bilingual Personnel. The Contractor shall make its best efforts to ensure that a sufficient number of staff are bilingual in English and Spanish. The Contractor shall contact the TDOC designee for a referral to translation services from the Tennessee Foreign Language Institute.

e. Approval of Staff. The State reserves the right to approve or disapprove any individual or business entity whether it is an independent contractor or subcontractor that the Contractor seeks to utilize. The District Directors in consultation with the Assistant Commissioner of Rehabilitative Services or designee shall interview Contractor's staff prior to their assignment to the contract. The Contractor shall not assign any employees until written approval is received from the State. The Contractor shall request and receive written approval from the State for the following prior to their assignment to the contract:

1. The Contractor's personnel with overall responsibility for this contract

2. All service providers

3. The Contractor shall consult the State for input and recommendations before hiring, dismissing, or changing a location of an employee.

f. Employee Orientation and Training. The Contractor shall ensure that all of its full-time employees assigned to this contract participate in the TDOC's pre-service training program regarding State policies and procedures and security considerations as defined in TDOC policy.

1. General Requirements. The Contractor shall be responsible for salaries/wages and travel expenses of its employees while in training. Contractor to be reimbursed at contract rates.

2. Staff Training Curriculum. The Contractor shall be responsible for recruiting, training, and supervising all contract program staff. TDOC will be responsible for providing training to contract staff. Contractor shall be responsible for all costs associated with the training except TDOC will pay the salaries and expenses of TDOC training staff. Staff must complete any recommended training by the Department of Correction prior to delivery of programming and provide documentation of completion and understanding of training.

A.7 PROGRAM STAFF CREDENTIALING.

a. Credentialing.

Representatives of the State shall conduct periodic audits of the Contractor's credentialing files. Copies of all files shall be maintained in the Contractor's Tennessee office. Each employee of the contractor's credential file shall contain at a minimum the following documents:

1. Employment history
2. Copy of Accredited College Diploma
3. Evidence of reasonable inquiry into employment history with emphasis on delivery of evidenced based programing
4. Signed release of information form or consent to contact previous employers
5. Information regarding any criminal proceedings

b. The Contractor, its employees, and others acting under the Contractor's control shall at all times observe and comply with all applicable State statutes and the Tennessee Department of Correction policies and procedures. The Contractor and its employees shall at all times adhere to Tennessee Department of Correction policies regarding supervision of offenders. Current TDOC policies are accessible at each TDOC district office and available to the Contractor.

A. 8 CONTRACT MANAGEMENT. The State recognizes that service issues may arise during the course of any contractual agreement. Some issues are district or office specific, while others will affect multiple Districts. The Contractor shall retain, at a minimum, the following personnel on-site in Tennessee to coordinate and manage the scope of services of this Contract.

Administrator(s). The State requires the Contractor to designate an administrator(s) or manager(s) to be responsible for managing all operations of the contract. These individuals will be responsible for working with the State to execute the transition plan and manage daily operations as outlined in the contract and as approved by the State.

A. 9 QUALITY IMPROVEMENT. The Contractor shall comply with the State's quality improvement initiatives.

A.10. ADMINISTRATIVE REQUIREMENTS.

a. Monthly Operating Report. Within the first 60 days of the effective start date of the contract, the Contractor shall work with the State to design a monthly reporting template which will be most useful to the State. Beginning in the third month of the contract, the Contractor shall provide a Monthly Statistical report delineating the status of the program delivery operations occurring in the prior month. At a minimum, the monthly report shall include: total participants accepted to each program, total participants completing programs, total dismissals from programs, and pre and post testing assessment averages on all program participants who successfully complete the program, number of groups run in each district office, staffing levels including shortfalls and unfilled positions, ancillary statistics, services statistics, incident reports, and all other monthly reporting requirements delineated under the scope of services of this contract or required by TDOC policy. Said report will be due on or before the 15th business day of the following month and shall identify successes and potential problems and resolutions. Ad hoc reports may be requested as needed.

b. The Contractor shall develop clearly defined program goals and measurable outcomes that directly relate to the program's objectives. Approved outcome measures must be reported to the state on a monthly basis as part of the Monthly Statistical Report.

The Contractor shall present to the State a description of the procedures that shall be used to track and evaluate program outcomes. This procedure will be used to create an Annual program report that will include, but is not limited to: total participants accepted to the program, total

participants completing program, total dismissals from program, and pre and post testing assessment averages on all program participants who successfully complete the program, and number of groups run in each district office. Each program should also maintain an up to date list of all program participants with associated TDOC numbers that reflects all past and current program participants.

The Contractor shall maintain, for all program participants, weekly progress reports that outline program participants' progress toward completion of programming.

The Contractor shall be responsible for completing and submitting all required State program forms including, but not limited to, monthly program statistical report, pre/post-test report forms, and discharge summaries.

The Contractor and the State shall jointly develop and maintain standardized operating and disciplinary procedures that reflect both TDOC as well as programming rules and regulations.

c. Annual Review. The Contractor shall complete and present an Annual report of utilization statistics and narrative summary delineating accomplishments, barriers to improvement, and recommendations.

A.11. CONTRACT MONITORING. The Contractor is required to meet the performance measures outlined as possible grounds for Liquidated Damages in Attachment Three of this contract. To evaluate and assess that all standards are being met and that the Contractor is in full compliance with the Contactor's proposal and this contractual agreement, the TDOC shall provide Contract Monitors. The Contactor's activities shall be subject to monitoring and evaluation by the State.

To accomplish this objective the Contractor shall cooperate fully with all monitoring Activity.

The Contract Monitors shall perform, but not be limited to, the following tasks

a. Review of service levels, quality of care, and administrative practices as specified in the contract.
b. Report on a monthly basis to the TDOC Assistant Commissioner of Rehabilitative Services to address contractual issues
c. Review the Contactor's documentation to ensure compliance with contractual obligations.
d. Review of the Contactor's Personnel Work Schedules, Time Sheets, applicable Personnel Records, to ensure compliance with staffing levels and contractual obligations.
e. Review of all files, records, and reports pertinent to the provision of programming.

The Contract Monitors shall submit a monthly report of provider services and fulfillment of contractual obligations to the TDOC contact person. Based on these reports, the State may require that the Contractor take specified corrective action.

A.12. CONTRACT CLOSE-OUT AND TRANSITION

Upon termination of this Contract, either through expiration, or a termination, the Contractor shall fully cooperate with the State for the purpose of conducting an orderly closeout, and transition of the Contractor's services to another entity. The contractor's duty to cooperate as noted in a-e below shall continue for 60 days after the expiration of this contract. The contractor shall provide all reasonable transition assistance requested by the State during the process of closeout and transition. The Contractor shall continue to provide services without interruption or adverse effect during the transition period. In particular, the Contractor shall:

a. Between 30 and 60 days prior to the contract end date, provide the successor entity with reasonable access to the contractor's on-site employees. If less than 30 days of the Contract term remains as of the time a successor is named the Contractor shall make use best efforts to provide the contractor access to its staff noted above in this section.

b. Participate in any contract-ending physical inventory.

c. Transfer any TDOC-specific databases to the successor as of the end of final day of the Contract.

d. As requested by the State, provide appropriate representation at work initiating meetings between the Department and the successor to help ensure a smooth transition of services.

e. Ensure that all required records, reports, data, etc. are current and properly documented in the appropriate database or file for use by the successor contractor as of start of the successor contract.

f. The Contractor shall ensure that all required Contract closeout activities are properly performed as requested by the State. Specifically, but not exclusively, the Contractor shall ensure that:

1 The final invoice to the Department is submitted within 31 days of the end of the Contract.

2 All supplies, equipment, manuals, etc. owned by the Department are turned over to the Department as of the end of the Contract.

3 All source codes to software specifically developed for use under the Contract are turned over to the Department Contract Manager or placed with an appropriate escrow agent.

g. Contractor agrees to make any records available upon request from the state for a period of five years.

A.13. Warranty. Contractor represents and warrants that throughout the Term of this Contract ("Warranty Period"), the goods or services provided under this Contract shall conform to the terms and conditions of this Contract. Any nonconformance of the goods or services to the terms and conditions of this Contract shall constitute a "Defect" and shall be considered "Defective." If Contractor receives notice of a Defect during the Warranty Period, then Contractor shall correct the Defect, at no additional charge.

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

If Contractor fails to provide the goods or services as warranted, then Contractor will re-provide the goods or services at no additional charge. If Contractor is unable or unwilling to re-provide the goods or services as warranted, then the State shall be entitled to recover the fees paid to Contractor for the Defective goods or services.

A.14. Inspection and Acceptance. The State shall have the right to inspect all goods or services provided by Contractor under this Contract. If, upon inspection, the State determines that the goods or services are Defective, the State shall notify Contractor, and Contractor shall re-deliver the goods or provide the services at no additional cost to the State. If after a period of thirty (30) days following delivery of goods or performance of services the State does not provide a notice of any Defects, the goods or services shall be deemed to have been accepted by the State.

B. TERM OF CONTRACT:

This Contract shall be effective on May 1, 2015 ("Effective Date") and extend for a period of twelve (12) months after the Effective Date ("Term"). The State shall have no obligation for goods or services provided by the Contractor prior to the Effective Date.

C. PAYMENT TERMS AND CONDITIONS:

C.1. Maximum Liability. In no event shall the maximum liability of the State under this Contract exceed Nine Hundred Thirty-Three Thousand, Six Hundred Forty Dollars ($933,640.00) ("Maximum Liability"). This Contract does not grant the Contractor any exclusive rights. The State does not guarantee that it will buy any minimum quantity of goods or services under this Contract. Subject to the terms and conditions of this Contract, the Contractor will only be paid for goods or services provided under this Contract after a purchase order is issued to Contractor by the State or as otherwise specified by this Contract.

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

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

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

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

Goods or Services Description	Amount (per compensable increment)
Evidence-Based Programming Delivery	$ 77,803.33 per month

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

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

Fiscal Services
320 Sixth Avenue North
Nashville Tennessee 37243

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

(1) Invoice number (assigned by the Contractor);
(2) Invoice date;
(3) Contract number (assigned by the State);
(4) Customer account name: Tennessee Department of Correction, Community Supervision
(5)Customer account number (assigned by the Contractor to the above-referenced

Customer);

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

b. Contractor's invoices shall:

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

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

C.6. Payment of Invoice. A payment by the State shall not prejudice the State's right to object to or question any payment, invoice, or other matter. A payment by the State shall not be construed as acceptance of goods delivered, any part of the services provided, or as approval of any amount invoiced.

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

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

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

a. The Contractor shall complete, sign, and present to the State an "Authorization Agreement for Automatic Deposit Form" provided by the State. By doing so, the Contractor acknowledges and agrees that, once this form is received by the State, 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.

b. The Contractor shall complete, sign, and present to the State a "Substitute W-9 Form" provided by the State. The taxpayer identification number in the Substitute W-9 Form must be the same as the Contractor's Federal Employer Identification Number or Tennessee Edison Registration ID.

D. MANDATORY TERMS AND CONDITIONS:

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

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

The State:

Dr. Marina Cadreche, Assistant Commissioner, Rehabilitative Services
Tennessee Department of Correction
320 Sixth Avenue North
Nashville TN 37243
marina.cadreche@tn.gov
Telephone # (615) 253-8260
FAX # (615) 532-4846

The Contractor:

Charles J. Faris, President and CEO
10 Mechanic Street, Suite 302
Worchester, MA 01608
chuck.faris@spectrumsys.org
Telephone # (508) 792-5400 ext. 1188
FAX # (508) 831-0074

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

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

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

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

D.6. Termination for Cause. If the Contractor fails to properly perform its obligations under this Contract in a timely or proper manner, or if the Contractor materially violates any terms of this Contract ("Breach Condition"),the State shall have the right to immediately terminate the Contract and withhold payments in excess of compensation for completed services or provided goods. Notwithstanding the above, the Contractor shall not be relieved of liability to the State for damages sustained by virtue of any Breach Condition and the State may seek other remedies allowed at law or in equity for breach of this Contract.

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

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

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

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

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

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

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

c. The Contractor shall maintain records for all personnel used in the performance of this Contract. Contractor's records shall be subject to review and random inspection at any reasonable time upon reasonable notice by the State.

d. The Contractor understands and agrees that failure to comply with this section will be subject to the sanctions of Tenn. Code Ann. § 12-3-309 for acts or omissions occurring after its effective date.

e. For purposes of this Contract, "illegal immigrant" shall be defined as any person who is not: (i) a United States citizen; (ii) a Lawful Permanent Resident; (iii) a person whose physical presence in the United States is authorized; (iv) allowed by the federal Department of Homeland Security and who, under federal immigration laws or regulations, is authorized to be employed in the U.S.; or (v) is otherwise authorized to provide services under the Contract.

D.11. Records. The Contractor shall maintain documentation for all charges under this Contract. The books, records, and documents of the Contractor, for work performed or money received under this Contract, shall be maintained for a period of five (5) full years from the date of the final payment and shall be subject to audit at any reasonable time and upon reasonable notice by the State, the Comptroller of the Treasury, or their duly appointed representatives. The financial statements shall be prepared in accordance with generally accepted accounting principles.

D.12. Monitoring. The Contractor's activities conducted and records maintained pursuant to this Contract shall be subject to monitoring and evaluation by the State, the Comptroller of the Treasury, or their duly appointed representatives.

D.13. Progress Reports. The Contractor shall submit brief, periodic, progress reports to the State as requested.

D.14. Strict Performance. Failure by any Party to this Contract to require, in any one or more cases, the strict performance of any of the terms, covenants, conditions, or provisions of this Contract shall not be construed as a waiver or relinquishment of any term, covenant, condition, or provision. No term or condition of this Contract shall be held to be waived, modified, or deleted except by a written amendment signed by the Parties.

D.15. Independent Contractor. The Parties shall not act as employees, partners, joint ventures, or associates of one another. The Parties are independent contracting entities. Nothing in this Contract shall be construed to create an employer/employee relationship or to allow either Party to exercise control or direction over the manner or method by which the other transacts its business affairs or provides its usual services. The employees or agents of one Party are not employees or agents of the other Party.

D.16. Patient Protection and Affordable Care Act. The Contractor agrees that it will be responsible for compliance with the Patient Protection and Affordable Care Act ("PPACA") with respect to itself and its employees, including any obligation to report health insurance coverage, provide health insurance coverage, or pay any financial assessment, tax, or penalty for not providing health insurance. The Contractor shall indemnify the State and hold it harmless for any costs to the State arising from Contractor's failure to fulfill its PPACA responsibilities for itself or its employees.

D.17. Limitation of State's Liability. The State shall have no liability except as specifically provided in this Contract. In no event will the State be liable to the Contractor or any other party for any lost revenues, lost profits, loss of business, decrease in the value of any securities or cash position, time, money, goodwill, or any indirect, special, incidental, punitive, exemplary or consequential damages of any nature, whether based on warranty, contract, statute, regulation, tort (including but not limited to negligence), or any other legal theory that may arise under this Contract or otherwise. The State's total liability under this Contract (including any exhibits, schedules, amendments or other attachments to the Contract) or otherwise shall under no circumstances exceed the Maximum Liability. This limitation of liability is cumulative and not per incident.

D.18. Limitation of Contractor's Liability. In accordance with Tenn. Code Ann. § 12-3-701, the Contractor's liability for all claims arising under this Contract shall be limited to an amount equal to two (2) times the Maximum Liability amount detailed in Section C.1. and as may be amended, PROVIDED THAT in no event shall this Section limit the liability of the Contractor for intentional torts, criminal acts, fraudulent conduct, or omissions that result in personal injuries or death.

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

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

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

a. Contractor warrants to the State that it is familiar with the requirements of the Privacy Rules, and will comply with all applicable requirements in the course of this Contract.

b. Contractor warrants that it will cooperate with the State, including cooperation and coordination with State privacy officials and other compliance officers required by the Privacy Rules, in the course of performance of the Contract so that both parties will be in compliance with the Privacy Rules.

c. The State and the Contractor will sign documents, including but not limited to business associate agreements, as required by the Privacy Rules and that are reasonably necessary to keep the State and Contractor in compliance with the Privacy Rules. This provision shall not apply if information received or delivered by the parties under this Contract is NOT "protected health information" as defined by the Privacy Rules, or if the Privacy Rules permit the parties to receive or deliver the information without entering into a business associate agreement or signing another document.

d. The Contractor will indemnify the State and hold it harmless for any violation by the Contractor or its subcontractors of the Privacy Rules. This includes the costs of responding to a breach of protected health information, the costs of responding to a government enforcement action related to the breach, and any fines, penalties, or damages paid by the State because of the violation.

D.21. Tennessee Consolidated Retirement System. Subject to statutory exceptions contained in Tenn. Code Ann. §§ 8-36-801, *et seq.*, the law governing the Tennessee Consolidated Retirement System ("TCRS"), provides that if a retired member of TCRS, or of any superseded system administered by TCRS, or of any local retirement fund established under Tenn. Code Ann. §§ 8-35-101, *et seq.*, accepts State employment, the member's retirement allowance is suspended during the period of the employment. Accordingly and notwithstanding any provision of this Contract to the contrary, the Contractor agrees that if it is later determined that the true nature of the working relationship between the Contractor and the State under this Contract is that of "employee/employer" and not that of an independent contractor, the Contractor, if a retired member of TCRS, may be required to repay to TCRS the amount of retirement benefits the Contractor received from TCRS during the Term.

D.22. Tennessee Department of Revenue Registration. The Contractor shall comply with all applicable registration requirements contained in Tenn. Code Ann. §§ 67-6-601 – 608. Compliance with applicable registration requirements is a material requirement of this Contract.

D.23. Debarment and Suspension. The Contractor certifies, to the best of its knowledge and belief, that it, its current and future principals, its current and future subcontractors and their principals:

a. are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any federal or state department or agency;

b. have not within a three (3) year period preceding this Contract been convicted of, or had a civil judgment rendered against them from commission of fraud, or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, state, or local) transaction or grant under a public transaction; violation of federal or state antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification, or destruction of records, making false statements, or receiving stolen property;

c. are not presently indicted or otherwise criminally or civilly charged by a government entity (federal, state, or local) with commission of any of the offenses detailed in section b. of this certification; and

d. have not within a three (3) year period preceding this Contract had one or more public transactions (federal, state, or local) terminated for cause or default.

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

D.24. Force Majeure. "Force Majeure Event" means fire, flood, earthquake, elements of nature or acts of God, wars, riots, civil disorders, rebellions or revolutions, acts of terrorism or any other similar cause beyond the reasonable control of the Party except to the extent that the non-performing Party is at fault in failing to prevent or causing the default or delay, and provided that the default or delay cannot reasonably be circumvented by the non-performing Party through the use of alternate sources, workaround plans or other means. A strike, lockout or labor dispute shall not excuse either Party from its obligations under this Contract. Except as set forth in this Section, any failure or delay by a Party in the performance of its obligations under this Contract arising from a Force Majeure Event is not a default under this Contract or grounds for termination. The non-performing Party will be excused from performing those obligations directly affected by the Force Majeure Event, and only for as long as the Force Majeure Event continues, provided that the Party continues to use diligent, good faith efforts to resume performance without delay. The occurrence of a Force Majeure Event affecting Contractor's representatives, suppliers, subcontractors, customers or business apart from this Contract is not a Force Majeure Event under this Contract. Contractor will promptly notify the State of any delay caused by a Force Majeure Event (to be confirmed in a written notice to the State within one (1) day of the inception of the delay) that a Force Majeure Event has occurred, and will describe in reasonable detail the nature of the Force Majeure Event. If any Force Majeure Event results in a delay in Contractor's

performance longer than forty-eight (48) hours, the State may, upon notice to Contractor: (a) cease payment of the fees until Contractor resumes performance of the affected obligations; or (b) immediately terminate this Contract or any purchase order, in whole or in part, without further payment except for fees then due and payable. Contractor will not increase its charges under this Contract or charge the State any fees other than those provided for in this Contract as the result of a Force Majeure Event.

D.25. State and Federal Compliance. The Contractor shall comply with all applicable state and federal laws and regulations in the performance of this Contract.

D.26. Governing Law. This Contract shall be governed by and construed in accordance with the laws of the State of Tennessee. The Tennessee Claims Commission or the state or federal courts in Tennessee shall be the venue for all claims, disputes, or disagreements arising under this Contract. The Contractor acknowledges and agrees that any rights, claims, or remedies against the State of Tennessee or its employees arising under this Contract shall be subject to and limited to those rights and remedies available under Tenn. Code Ann. §§ 9-8-101 - 407.

D.27. Entire Agreement. This Contract is complete and contains the entire understanding between the Parties relating to its subject matter, including all the terms and conditions of the Parties' agreement. This Contract supersedes any and all prior understandings, representations, negotiations, and agreements between the Parties, whether written or oral.

D.28. Severability. If any terms and conditions of this Contract are held to be invalid or unenforceable as a matter of law, the other terms and conditions of this Contract shall not be affected and shall remain in full force and effect. The terms and conditions of this Contract are severable.

D.29. Headings. Section headings of this Contract are for reference purposes only and shall not be construed as part of this Contract.

D.30. Incorporation of Additional Documents. Each of the following documents is included as a part of this Contract by reference. In the event of a discrepancy or ambiguity regarding the Contractor's duties, responsibilities, and performance under this Contract, these items shall govern in order of precedence below:

a. any amendment to this Contract, with the latter in time controlling over any earlier amendments;
b. this Contract with any attachments or exhibits (excluding the items listed at subsections c. through f., below);
c. any clarifications of or addenda to the Contractor's proposal seeking this Contract;
d. the State solicitation, as may be amended, requesting responses in competition for this Contract;
e. any technical specifications provided to proposers during the procurement process to award this Contract; and,
f. the Contractor's response seeking this Contract.

E. SPECIAL TERMS AND CONDITIONS:

E.1. Conflicting Terms and Conditions. Should any of these special terms and conditions conflict with any other terms and conditions of this Contract, the special terms and conditions shall be subordinate to the Contract's other terms and conditions.

E.2. Confidentiality of Records. Strict standards of confidentiality of records and information shall be maintained in accordance with applicable state and federal law. All material and information, regardless of form, medium or method of communication, provided to the Contractor by the State or acquired by the Contractor on behalf of the State 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.3. Printing Authorization. The Contractor agrees that no publication coming within the jurisdiction of *Tennessee Code Annotated*, Section 12-7-101, *et. seq.*, shall be printed pursuant to this contract unless a printing authorization number has been obtained and affixed as required by *Tennessee Code Annotated*, Section 12-7-103 (d).

E.4. Reimbursement. This Contract provides for reimbursement of the cost of goods, materials, supplies, equipment, or contracted services. Any goods, materials, supplies, equipment or contracted services procured by Contractor under this Contract shall be procured on a competitive basis when practicable. The Contractor shall maintain documentation supporting Contractor's request for reimbursement. In each instance where it is determined that use of a competitive procurement method was not practicable, Contractor shall seek approval of the Commissioner to procure by non-competitive procurement as a condition for reimbursement.

E.5. Prohibited Advertising or Marketing. The Contractor shall not suggest or imply in advertising or marketing materials that Contractor's goods or services are endorsed by the State. The restrictions on Contractor advertising or marketing materials under this Section shall survive the termination of this Contract

E.6. Public Accountability. If the Contractor is subject to Tenn. Code Ann. §§ 8-4-401, *et seq.*, or if this Contract involves the provision of services to citizens by the Contractor on behalf of the State, the Contractor agrees to establish a system through which recipients of services may present grievances about Contractor's operation of the service program. The Contractor shall also display in a prominent place, located near the passageway through which the public enters in order to receive contract-supported services, a sign at least eleven inches (11") in height and seventeen inches (17") in width stating the following:

NOTICE: THIS AGENCY IS A RECIPIENT OF TAXPAYER FUNDING. IF YOU OBSERVE AN AGENCY DIRECTOR OR EMPLOYEE ENGAGING IN ANY ACTIVITY THAT YOU CONSIDER TO BE ILLEGAL, IMPROPER, OR WASTEFUL, PLEASE CALL THE STATE COMPTROLLER'S TOLL-FREE HOTLINE: 1-800-232-5454

The sign shall be of the form prescribed by the Comptroller of the Treasury. The contracting state agency shall request copies of the sign from the Comptroller of the Treasury and provide signs to contractors.

E.7. Unencumbered Personnel. The Contractor shall not restrict its employees, agents, subcontractors or principals who perform services for the State under this Contract 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.

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

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

E.9. Liquidated Damages: If one of the following conditions—curriculum is not delivered as specified, documentation not provided as specified, or staffing patterns as specified not maintained—occurs, ("Liquidated Damages Event"), the State may assess damages on Contractor ("Liquidated Damages"). The State shall notify the Contractor of amounts to be assessed as Liquidated Damages. The Parties agree that due to the complicated nature of the Contractor's obligations under this contract, it would be difficult to specifically designate a monetary amount for Contractor's failure to fulfill its obligations regarding the Liquidated Damages Event as these amounts are likely to be uncertain and not easily proven. Contractor has carefully reviewed the Liquidated Damages contained in Attachment Three and agrees that these amounts represent a reasonable relationship between the amount and what might reasonably be expected in the event of a Liquidated Damages Event, and are a reasonable estimate of the damages that would occur from a Liquidated Damages Event. The Parties agree that the Liquidated Damages represent solely the damages and injuries sustained by the State in losing the benefit of the bargain with the Contractor and do not include any injury or damage sustained by a third party. The Contractor agrees that the Liquidated Damages are in addition to any amounts Contractor may owe the State pursuant to the indemnity provision or any other sections of this contract.

The State is not obligated to assess Liquidated Damages before availing itself of any other remedy. The State may choose to discontinue Liquidated Damages and avail itself of any other remedy available under this Contract or at law or equity.

IN WITNESS WHEREOF,

Spectrum Health Systems Inc.:

4/2/15

CONTRACTOR SIGNATURE DATE

KURT ISHACSON, COO

PRINTED NAME AND TITLE OF CONTRACTOR SIGNATORY (above)

Tennessee Department of Correction::

4-7-2015

Derrick D. Schofield, Commissioner DATE

ATTACHMENT ONE

ATTESTATION RE PERSONNEL USED IN CONTRACT PERFORMANCE

SUBJECT CONTRACT NUMBER:	45516
CONTRACTOR LEGAL ENTITY NAME:	SPECTRUM HEALTH SYSTEMS, 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.

CONTRACTOR SIGNATURE

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

KURT ISAACSON, COO

PRINTED NAME AND TITLE OF SIGNATORY

4/2/15

DATE OF ATTESTATION

STAFFING REQUIREMENTS **ATTACHMENT TWO**

Position	Location/District	Number of positions	Total positions
Statewide coordinator	TBD	1	1
Group Facilitator	**District 20:** Knoxville and Sevierville	1	1
Group Facilitator	**District 30:** Chattanooga, Cleveland, Madisonville, McMinnville and Marion County	1	1
Group Facilitator	40, 41,42: Nashville/Davidson County	1	1
Group Facilitator	**Districts 70, 71 and 72:** Memphis/Shelby County	1	1
Group Facilitator	**District 10**: Johnson City, Blountville, Greeneville and Morristown	1	1
Group Facilitator	**District 21:** Clinton, Maryville and Jacksboro	1	1
Group Facilitator	**District 31:** Cookeville, Crossville	1	1
Group Facilitator	**District 50:** Murfreesboro and Tullahoma	1	1
Group Facilitator	**District 51:** Columbia, Franklin and Lawrenceburg	1	1
Group Facilitator	**District 60:** Jackson, Chester, McNairy, Bolivar, Haywood, Somerville and Covington	1	1
Group Facilitator	**District 61:** Dresden, Dyersburg and Lexington	1	1
Group Facilitator	**District: 80:** Clarksville and Dickson	1	1
Group Facilitator	**District 81:** Gallatin, Springfield and Lebanon	1	1
Totals:			
Statewide Coordinator			1
Group Facilitators			13
Total Positions:			14

LIQUIDATED DAMAGES **ATTACHMENT THREE**

Service Delivery	1. Appropriately deliver approved curriculum as outlined in Sections A.2 through A.11, pp. 2-8. 2. Submit pre & post-test results as outlined in the contract *pg. 2 & 3* 3. Provide programming at least five (5) days per week, except on approved State holidays *pg. 1*	$500 **per incident** $200 **per incident** $500 **per week**
Documentation	1. Provide monthly reports on all participant's completions and/or discharges *pg. 3* 2. Contractor documents referrals, participation, completion, and termination in TOMIS *pg. 3* 3. Failure to specify reasons for terminations (successful/unsuccessful completions) *pg. 3* 4. The contractor shall maintain a program roster for each facilitated program. Said rosters to be available to TDOC for review. *pg. 3*	$200 **per monthly report** $200 **per incident** $200 **per incident** $200 **per site audit**
Staffing	1. Coverage to meet staffing patterns as described on p.6 and in Attachment Two pg. 6 2. Vacancies filled within 30 work days pg.6 3. Monthly staffing reports pg. 6 4. Conduct pre-employment screening to include felons currently supervised in Tennessee and to check offender affiliation pg. 6	$200 per position, per day that classes are not provided. Coverage credit is given for per diem or other qualified staff if instruction is provided. $200 per day the position remains unfilled after 30 work days. Coverage credit is given for per diem or other qualified staff $200 per monthly report $500