



July 30, 2019

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

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

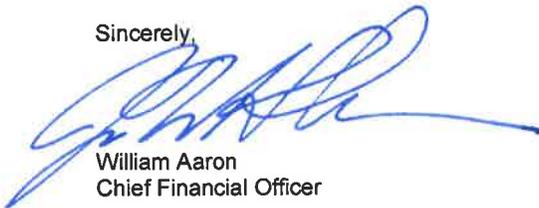
Dear Mrs. Lee Carsner:

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

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

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

Sincerely,



William Aaron  
Chief Financial Officer

cc: Gabe Roberts, Deputy Commissioner

# Amendment Request

This request form is not required for amendments to grant contracts. Route a completed request, as one file in PDF format, via e-mail attachment sent to: [Agsprs.Agsprs@tn.gov](mailto:Agsprs.Agsprs@tn.gov)

**APPROVED**

CHIEF PROCUREMENT OFFICER

DATE

<b>Agency request tracking #</b>	31865-00400	
<b>1. Procuring Agency</b>	Department of Finance and Administration, Division of TennCare	
<b>2. Contractor</b>	QSource	
<b>3. Edison contract ID #</b>	47352	
<b>4. Proposed amendment #</b>	2	
<b>5. Contract's Original Effective Date</b>	September 1, 2015	
<b>6. Current end date</b>	September 30, 2019	
<b>7. Proposed end date</b>	September 30, 2020	
<b>8. Current Maximum Liability or Estimated Liability</b>	\$ 9,884,976.00	
<b>9. Proposed Maximum Liability or Estimated Liability</b>	\$ 12,356,220.00	
<b>10. Strategic Technology Solutions Pre-Approval Endorsement Request</b> <i>– information technology service (N/A to THDA)</i>	<input checked="" type="checkbox"/> Not Applicable <input type="checkbox"/> Attached	
<b>11. eHealth Pre-Approval Endorsement Request</b> <i>– health-related professional, pharmaceutical, laboratory, or imaging</i>	<input checked="" type="checkbox"/> Not Applicable <input type="checkbox"/> Attached	
<b>12. Human Resources Pre-Approval Endorsement Request</b> <i>– state employee training service</i>	<input checked="" type="checkbox"/> Not Applicable <input type="checkbox"/> Attached	
<b>13. Explain why the proposed amendment is needed</b>	The purpose of this amendment is to exercise the last Renewal Option extending the contract to the maximum of sixty (60) months and adding additional dollars to ensure funding throughout the final year of the contract.	
<b>14. If the amendment involves a change in Scope, describe efforts to identify reasonable, competitive, procurement alternatives to amending the contract.</b>	N/A	

<b>Agency request tracking #</b>	<b>31865-00400</b>
<b>Signature of Agency head or authorized designee, title of signatory, and date</b> (the authorized designee may sign his or her own name if indicated on the Signature Certification and Authorization document)	



## CONTRACT AMENDMENT COVER SHEET

<b>Agency Tracking #</b> 31865-00400	<b>Edison ID</b> 47352	<b>Contract #</b>	<b>Amendment #</b> 02		
<b>Contractor Legal Entity Name</b> QSource			<b>Edison Vendor ID</b> 0000076873		
<b>Amendment Purpose &amp; Effect(s)</b> Extends Term and Increases Maximum Liability					
<b>Amendment Changes Contract End Date:</b> <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO		<b>End Date:</b> September 30, 2020			
<b>TOTAL Contract Amount INCREASE or DECREASE per this Amendment</b> (zero if N/A):			<b>\$ 2,471,244.00</b>		
<b>Funding —</b>					
<b>FY</b>	<b>State</b>	<b>Federal</b>	<b>Interdepartmental</b>	<b>Other</b>	<b>TOTAL Contract Amount</b>
2016	\$463,358.25	\$1,390,074.75			\$1,853,433.00
2017	\$617,811.00	\$1,853,433.00			\$2,471,244.00
2018	\$617,811.00	\$1,853,433.00			\$2,471,244.00
2019	\$617,811.00	\$1,853,433.00			\$2,471,244.00
2020	\$617,811.00	\$1,853,433.00			\$2,471,244.00
2021	\$154,452.75	\$463,358.25			\$617,811.00
<b>TOTAL:</b>	<b>\$3,089,055.00</b>	<b>\$9,267,165.00</b>			<b>\$12,356,220.00</b>
<b>Budget Officer Confirmation:</b> There is a balance in the appropriation from which obligations hereunder are required to be paid that is not already encumbered to pay other obligations.			<i>CPO USE</i>		
<b>Speed Chart</b> (optional) TN0000000064		<b>Account Code</b> (optional) 70803000			

**AMENDMENT #2 TO #47352  
BETWEEN THE STATE OF TENNESSEE,  
DEPARTMENT OF FINANCE AND ADMINISTRATION  
DIVISION OF TENNCARE  
AND  
QSOURCE**

This Amendment is made and entered by and between the State of Tennessee, Department of Finance and Administration, Division of TennCare, hereinafter referred to as the "State" or "TennCare," and QSource, 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 September 1, 2015 ("Effective Date") and extend for a period of sixty (60) months after the Effective Date ("Term"). The State shall have no obligation for goods or services provided by the Contractor prior to the Effective Date.
  
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 Twelve Million Three Hundred Fifty Six Thousand Two Hundred Twenty Dollars (\$12,356,220.00) ("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.

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

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

**IN WITNESS WHEREOF,**

**QSOURCE**

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**CONTRACTOR SIGNATURE**

**DATE**

**Dawn M. Fitzgerald, MS, MBA, Chief Executive Officer**

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

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

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**STUART C. MCWHORTER, COMMISSIONER**

**DATE**

Supplemental Documentation Required for  
Fiscal Review Committee

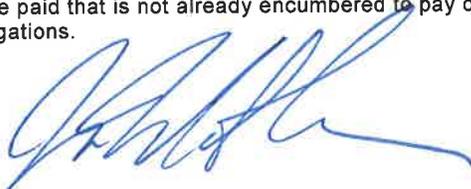
*Contact Name:	Matt Brimm	*Contact Phone:	615-687-5811		
*Presenter's name(s):	William Aaron				
Edison Contract Number: <i>(if applicable)</i>	47352	RFS Number: <i>(if applicable)</i>	31865-00400		
*Original or Proposed Contract Begin Date:	09/01/2015	*Current or Proposed End Date:	09/30/2018		
Current Request Amendment Number: <i>(if applicable)</i>	1				
Proposed Amendment Effective Date: <i>(if applicable)</i>	September 30, 2019				
*Department Submitting:	Department of Finance and Administration				
*Division:	Division of TennCare				
*Date Submitted:	July 30, 2019				
*Submitted Within Sixty (60) days:	Yes				
<i>If not, explain:</i>	N/A				
*Contract Vendor Name:	QSource				
*Current or Proposed Maximum Liability:	\$9,884,976.00				
*Estimated Total Spend for Commodities:	N/A				
<b>*Current or Proposed Contract Allocation by Fiscal Year: (as Shown on Most Current Fully Executed Contract Summary Sheet)</b>					
FY: 2016	FY: 2017	FY: 2018	FY: 2019	FY: 2020	FY:2021
\$1,853,433.00	\$2,471,244.00	\$2,471,244.00	\$2,471,244.00	\$2,471,244.00	\$617,811.00
<b>*Current Total Expenditures by Fiscal Year of Contract: (attach backup documentation from Edison)</b>					
FY:2016	FY:2017	FY:2018	FY:2019	FY	FY
\$1,853,433.00	\$2,471,244.00	\$2,471,244.00	\$2,471,244.00 (Expenditures through June 2019)	\$	\$
<b>IF</b> Contract Allocation has been greater than Contract Expenditures, please give the reasons and explain where surplus funds were spent:			N/A		
<b>IF</b> surplus funds have been carried forward, please give the reasons and provide the authority for the carry forward provision:			N/A		
<b>IF</b> Contract Expenditures exceeded Contract Allocation, please give the reasons and explain how funding			N/A		

Supplemental Documentation Required for  
Fiscal Review Committee

was acquired to pay the overage:			
*Contract Funding Source/Amount:			
State:	\$2,471,244.00	Federal:	\$7,413,732.00
<i>Interdepartmental:</i>		<i>Other:</i>	
If “ <i>other</i> ” please define:		N/A	
If “ <i>interdepartmental</i> ” please define:		N/A	
Dates of All Previous Amendments or Revisions: <i>(if applicable)</i>		Brief Description of Actions in Previous Amendments or Revisions: <i>(if applicable)</i>	
Amendment #1 June 30, 2018		Extended Term and Increased Maximum Liability	
Amendment #2 July 30, 2019		Extended Term and Increased Maximum Liability	
Method of Original Award: <i>(if applicable)</i>		RFP	
*What were the projected costs of the service for the entire term of the contract prior to contract award? How was this cost determined?		\$7,413,732.00 for the base period. This amount is based on rates submitted in the cost proposal.	
*List number of other potential vendors who could provide this good or service; efforts to identify other competitive procurement alternatives; and the reason(s) a sole-source contract is in the best interest of the State.		This contract was competitively procured. There were 3 proposers to this RFP. QSource won the award based on highest combined experience/technical and cost proposals.	
*Provide information on the circumstances and status of any disciplinary action taken or pending against the vendor during the past 5 years with state agencies/ departments, professional organizations, or through any legal action.		No disciplinary actions identified.	
*In addition, please provide any information regarding the due diligence that the Department has taken to ensure that the vendor is not or has not been involved in any circumstances related to illegal activity, including but not limited to fraud.		TennCare Googled this contractor and did not identify any illegal activity. Language in the contract requires immediate notification to the state regarding illegal activity or fraud if discovered during the term of this Contract.	



## CONTRACT AMENDMENT COVER SHEET

<b>Agency Tracking #</b> 31865-00400	<b>Edison ID</b> 47352	<b>Contract #</b>	<b>Amendment #</b> 01		
<b>Contractor Legal Entity Name</b> QSource			<b>Edison Vendor ID</b> 0000076873		
<b>Amendment Purpose &amp; Effect(s)</b> Extends Term, Increases Maximum Liability					
<b>Amendment Changes Contract End Date:</b> <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO		<b>End Date:</b> September 30, 2019			
<b>TOTAL Contract Amount INCREASE or DECREASE per this Amendment (zero if N/A):</b>			<b>\$ \$2,471,244.00</b>		
<b>Funding —</b>					
<b>FY</b>	<b>State</b>	<b>Federal</b>	<b>Interdepartmental</b>	<b>Other</b>	<b>TOTAL Contract Amount</b>
2016	\$463,358.25	\$1,390,074.75			\$1,853,433.00
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2018	\$617,811.00	\$1,853,433.00			\$2,471,244.00
2019	\$617,811.00	\$1,853,433.00			\$2,471,244.00
2020	\$154,452.75	\$463,358.25			\$617,811.00
<b>TOTAL:</b>	<b>\$2,471,244.00</b>	<b>\$741,3732.00</b>			<b>\$9,884,976.00</b>
<b>American Recovery and Reinvestment Act (ARRA) Funding:</b> <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO					
<b>Budget Officer Confirmation:</b> There is a balance in the appropriation from which obligations hereunder are required to be paid that is not already encumbered to pay other obligations.  				<i>CPO USE</i>	
<b>Speed Chart (optional)</b> TN00000064		<b>Account Code (optional)</b> 70803000			

Qsource  
Edison Contract ID: 47352  
Vendor #: 0000076873

CONTRACT EXPENDITURES BY FISCAL YEAR  
(Payment Detail Attached)

FY 2016	\$1,853,433.00	
FY 2017	\$2,471,244.00	
FY 2018	\$2,471,244.00	
FY 2019	<u>\$2,471,244.00</u>	(Expenditures through June 2019)
TOTAL	<u><u>\$9,267,165.00</u></u>	

\*No Liquidated Damages have been assessed at this time.

Qsource

Edison Contract ID: 47352

Vendor ID: 0000076873

### FY 2016 Payments

Fiscal Year	Unit	Voucher ID	Invoice	Payment Date	Payment Amt
2016	31865	01222334	EQRO220	12/4/2015	\$205,937.00
2016	31865	01257003	EQRO222	1/28/2016	\$205,937.00
2016	31865	01256993	EQRO221	1/29/2016	\$205,937.00
2016	31865	01273502	EQRO223	3/2/2016	\$205,937.00
2016	31865	01295117	EQRO224	4/1/2016	\$205,937.00
2016	31865	01303540	EQRO225	5/4/2016	\$205,937.00
2016	31865	01343117	EQRO226	6/22/2016	\$205,937.00
2016	31865	01343119	EQRO227	7/1/2016	\$205,937.00
2016	31865	01357646	EQRO228	7/29/2016	\$205,937.00

**Total FY 2016:**

**\$1,853,433.00**

### FY 2017 Payments

Fiscal Year	Unit	Voucher ID	Invoice	Payment Date	Payment Amt
2017	31865	01512473	EQRO237	4/21/2017	\$205,937.00
2017	31865	01373514	EQRO229	8/31/2016	\$205,937.00
2017	31865	01392861	EQRO230	9/30/2016	\$205,937.00
2017	31865	01404655	EQRO231	11/2/2016	\$205,937.00
2017	31865	01422980	EQRO232	12/2/2016	\$205,937.00
2017	31865	01436974	EQRO233	12/30/2016	\$205,937.00
2017	31865	01458251	EQRO234	2/2/2017	\$205,937.00
2017	31865	01470683	EQRO235	3/3/2017	\$205,937.00
2017	31865	01487606	EQRO236	3/31/2017	\$205,937.00
2017	31865	01524202	EQRO238	5/31/2017	\$205,937.00
2017	31865	01558300	EQRO239	7/14/2017	\$205,937.00
2017	31865	01558332	EQRO240	8/4/2017	\$205,937.00

**Total FY 2017:**

**\$2,471,244.00**

Contract Expenditures by Fiscal Year (Continued)

Qsource - Edison #47352

**FY 2018 Payments**

Fiscal Year	Unit	Voucher ID	Invoice	Payment Date	Payment Amt
2018	31865	01576468	EQRO241	8/31/2017	\$205,937.00
2018	31865	01591033	EQRO242	9/29/2017	\$205,937.00
2018	31865	01605167	EQRO243	11/1/2017	\$205,937.00
2018	31865	01623251	EQRO244	12/1/2017	\$205,937.00
2018	31865	01644101	EQRO245	1/4/2018	\$205,937.00
2018	31865	01651008	EQRO246	2/2/2018	\$205,937.00
2018	31865	01665452	EQRO247	3/2/2018	\$205,937.00
2018	31865	01681333	EQRO248	4/13/2018	\$205,937.00
2018	31865	01699634	EQRO249	5/17/2018	\$205,937.00
2018	31865	01713801	EQRO250	6/15/2018	\$205,937.00
2018	31865	01730979	EQRO251	7/16/2018	\$205,937.00
2018	31865	01744251	EQRO252	8/16/2019	\$205,937.00

**Total FY 2018:**

**\$2,471,244.00**

**FY 2019 Payments**

Fiscal Year	Unit	Voucher ID	Invoice	Payment Date	Payment Amt
2019	31865	01757345	EQRO253	9/14/2018	\$205,937.00
2019	31865	01773696	EQRO254	10/19/2018	\$205,937.00
2019	31865	01783617	EQRO255	11/15/2018	\$205,937.00
2019	31865	01799662	EQRO256	12/14/2018	\$205,937.00
2019	31865	01812417	EQRO257	1/17/2019	\$205,937.00
2019	31865	01827939	EQRO258	2/15/2019	\$205,937.00
2019	31865	01844635	EQRO259	3/18/2019	\$205,937.00
2019	31865	01859693	EQRO260	4/15/2019	\$205,937.00
2019	31865	01873813	EQRO261	5/16/2019	\$205,937.00
2019	31865	01887489	EQRO262	6/14/2019	\$205,937.00
2019	31865	01904154	EQRO263	Pending	\$205,937.00
2019	31865	01916780	EQRO264	Pending	\$205,937.00

**Total FY 2019:**

**\$2,471,244.00**