# CONTRACT #2
# RFS # N/A
# Tennessee Board of Regents
# East Tennessee State University

# VENDOR:
# Tennessee Rural Health Recruitment and Retention Center

# Tennessee Board of Regents

1415 Murfreesboro Road - Suite 350 - Nashville, Tennessee 37217-2833
(615) 366-4400 FAX (615) 366-4464


October 31, 2005

RECEIVED

NOV 03 2005

FISCAL REVIEW

Ms. Leni S. Chick
Fiscal Analyst
Rachel Jackson Building, 8th Floor
Nashville, TN 37243

Dear Ms. Chick:

Enclosed please find an agreement between East Tennessee State University and the Tennessee Rural Health Recruitment and Retention Center which establishes and provides management of the statewide TennCare Revised Residency Stipend Program.

I realize that contracts are to be submitted to you 60 days prior to the proposed implementation date. The contract was received and finalized at the TBR central office to be approved on October 31, 2005. **Please contact me or Angela Gregory regarding the date this will go before the Fiscal Review Committee and I will inform the representatives to insure they are present for the meeting in which the contract will be discussed.** If you have any questions, please do not hesitate to contact me at 366-3920 or Ms. Greogry at 366-4436.

Information regarding the contract may be sent to my attention at the Tennessee Board of Regents, 1415 Murfeesboro Road, Suite 340, Nashville, Tennessee 37217.

Sincerely,

Elizabeth H. McClaran

Elizabeth Holton McClaran
Administrative Assistant/Coordinator

Cc: Charles Manning
Bob Adams
Angela Gregory
David Collins

# East Tennessee State University
# Justification for Non-competitive Purchases and Contracts

## 1. Description of service to be acquired

The contractor will provide statewide health professions recruitment and retention services, particularly focused upon rural Tennessee counties. The services will include: (1) generate recommendations to the TennCare Bureau regarding the revision of the TennCare Residency Stipend Program to improve its comprehensiveness and effectiveness; (2) develop a statewide multi-disciplinary rural curriculum available to all medical residents in state interested in rural practice; (3) operate a statewide program that (a) conducts annual health professionals demand assessments, (b) collects specific information about rural practice opportunities, (c) coordinates publication and dissemination of practice opportunities, (d) tracks post-graduate practice selection for residency graduates completing training in Tennessee; and (4) develop the Tennessee Specialty Resident Rural Practice Experience program.

## 2. Explanation of the need for or requirement placed on the procuring institution to acquire the service

ETSU annually receives funding from the TennCare Bureau to recruit and allocate stipend awards to medical residents enrolled in its post-graduate residency programs through the TennCare Residency Stipend Program. The program has been unsuccessful in recruiting residents. The TennCare Bureau has accepted a proposal from all four state medical schools to pool the Residency Stipend Program funds and create a statewide program develop a comprehensive program that would create demand for rural practice and better manage the stipend program. ETSU would be required to contract its portion of the Residency Program funding to the contractor as part of this statewide plan.

## 3. Name and address of the proposed contractor's principal owner(s)

Tennessee Rural Recruitment and Retention Center is located in Nashville. This is a not-for-profit corporation with board membership that represents rural health interests and appointed representatives from each of the four Tennessee medical schools.

## 4. Evidence that the proposed contractor has experience in providing the same or similar service and evidence of the length of time the contractor has provided the same or similar service

The contractor, acting as a committee of the whole, with representatives from the four medical schools in Tennessee and with representatives of the Rural Health Association of Tennessee, has accomplished the following since 2002: (1) completed a Statewide Rural Demand Assessment, (2), developed and distributed a Practice Opportunity Directory, (3) designed a Statewide Rural Recruitment and Retention Plan. These tasks

and products include many elements similar to those required through the proposed contract.

5. **Explanation of whether the service was ever bought by the procuring institution in the past, and if so, what method was used to acquire it and who was the contractor**

These services were never bought by ETSU in the past.

6. **Description of procuring institution's efforts to use existing institutional employees and resources or, in the alternative, to identify reasonable competitive a procurement alternatives (rather than to use non-competitive negotiation)**

ETSU has been unsuccessful in recruiting and awarding TennCare Residency Stipends to our medical residents since 1994. Each year unused funds for these awards have reverted to the TennCare Bureau. Other medical schools were equally unable to use the funds.

7. **Justification of why the state institution should acquire the service through non-competitive negotiation (list applicable factors) from Section XV(B) of TBR Policy No. 4:02:10:00)**

The proposed contractor, the Tennessee Rural Health Recruitment and Retention Center, was formed specifically to accept funds from all four medical schools to develop and manage a new TennCare Revised Residency Stipend Program. The comprehensive nature of the approaches taken by the new organization is expected to create demand for the stipends and to support a recruitment and placement process that will enable those who accept stipends to more easily find and locate in rural practices in Tennessee.

**APPROVAL:** _____ 9/21/05
**President (may not be delegated)** **Date**

**APPROVAL:** _____ 11/31/05
**Chancellor** **Date**

**REVIEW BY FISCAL REVIEW COMMITTEE:**

_____ _____
**Chairman** **Date**

# CONTRACT
# BETWEEN
# EAST TENNESSEE STATE UNIVERSITY
# AND
# TENNESSEE RURAL HEALTH RECRUITMENT AND RETENTION CENTER

This Contract, by and between East Tennessee State University hereinafter referred to as "ETSU" and the Tennessee Rural Health Recruitment and Retention Center (TRHRRC), hereinafter referred to as the "Contractee," is for the coordination of a work plan to begin the implementation of the Revised TennCare Residency Stipend Program, as further defined in the "SCOPE OF SERVICES."

The Contractee is a not-for-profit corporation.

The Contractee's place of incorporation or organization is Tennessee.

A. SCOPE OF SERVICES:

A.1. The Contractee will be established as a not-for-profit organization to manage the TennCare Residency Stipend Program with an application to the Internal Revenue Service for 501c3 tax exemption

A.2 The Contractee will coordinate a work plan to engage relevant health professions education and rural health interests to begin the implementation of developing the new corporation that will administer the Revised TennCare Residency Stipend Program by creating and overseeing the following:

A.2.a. Recruitment and retention program matching residents and rural communities;

A.2.b. Rural experiences and curriculum for primary care residents; and

A.2.c. Rural experiences for specialty residents/fellows together with attending faculty physicians.

A.3. The Contractee will prepare implementation of elements of statewide primary care Rural Resident Curriculum by:

A.3.a. Appointing a multi-institutional Rural Primary Care Curriculum Task Force;

A.3.b. Identifying graduate medical education program requirements and identifying cross-specialty requirements and determining how an inter-institutional curriculum shall meet the educational needs of medical residents while addressing the special needs of the state's TennCare population and its rural communities;

A.3.c. Developing recommendations for elements of a three-year curriculum including different types of experiences and topical areas that would support and cultivate the interests of medical residents who desire rural practice in Tennessee; and

A.3.d Recommending how telecommunications can be used in rural practice sites for resident education and for continuing education for new rural health professionals.

A.4. The Contractee will begin to promote rural primary care residency rotations by:

A.4.a. Conducting a survey of family practice and other appropriate residency programs to identify existing models of resident rotations in rural practice;

A.4.b. Developing criteria for optimal rural rotations (types of sites, rural experiences, curricular models, etc.);

A.4.c. Recommending criteria for sites and resources necessary to support resident and site time, expenses within the limits of the TennCare stipend program; and

A.4.d. Making recommendations on requirements for rural rotations for Stipend awardees.

A.5. The Contractee will recommend improvements to the TennCare Residency Stipend Program by:

A.5.a. Conducting a survey of previous Stipend awardees and designated medical school representatives to identify recommendations for potential changes;

A.5.b. Clarifying minimum stipend contract standards with Bureau of TennCare;

A.5.c. Reviewing Statewide Recruitment and Retention Plan recommendations on combined marketing programs for Stipend and other incentive programs;

A.5.d. Discussing potential collaboration and conflicts with other rural placement and practice incentive programs to identify potential marketing links;

A.5.e. Conducting focus groups in selected residences to identify desirable program characteristics for potential Stipend awardees; and

A.5.f. Producing final recommendations that link Stipend awards with primary care residency rotations in rural practices that will result in more medical residents choosing to participate in a revised Stipend Program and practice in rural Tennessee communities.

A.6. The Contractor will establish placement processes and systems by:

A.6.a. Contracting with Minnesota Center for Rural Health for technical assistance and guidance, recommend structures and processes for a statewide rural recruitment and retention program;

A.6.b. Conducting a second, validation survey using the Statewide Demand Assessment comprehensive survey and producing a second Tennessee Practice Opportunity Directory;

A.6.c. Identifying and designating key residency contacts for involvement in recruitment;

A.6.d. Securing arrangement for use of Practice Sights software with the Tennessee Department of Health;

A.6.e. Joining national rural recruiting organization 3RNET and publicizing Contractee's existence and services to prospective recruits and organizations;

A.6.f. Loading practice site data from first Demand Assessment and updating data from second Demand Assessment; and

A.6.g. conducting visits with Tennessee medical residency and other appropriate health professions education programs;

A.7. The Contractee will establish the Tennessee Specialty Resident Rural Practice Experience Program by:

A.7.a. Producing recommendations through a multi-institutional Task Force for rural practice experiences that will result in desired specialty resident knowledge, attitudes and future practice skills for recommended specialty residencies to include all four medical schools;

A.7.b Developing potential models for rural experiences including specialty resident and attending physician time in selected rural hospitals and practice sites that will meet educational objectives, improve delivery of specialty care, and improve referral communication with rural sites;

A.7.c. Requesting TennCare to identify rural counties/regions with specialty care access difficulties by types of care;

A.7.d. Conducting the first Task Force meeting at RHAT Conference to review R&R Plan concepts, presentation of models and establishing multi-year timeframe; and

A.7.e. Producing recommendations for a request for proposal process to match rural sites with specialty residency training to include descriptive materials on program goals, strategies and objectives, proposed resource availability and limitations, and a bidding process and criteria for selection for pairs of residency training programs and rural hospitals and practice sites.

A.8. The Contractee will establish a statewide tracking system by:

A.8.a. Convening Advisory Group to discuss current status of tracking systems and objectives for establishing statewide system;

A.8.b. Completing report on variables to be tracked, by whom and why;

A.8.c. Conducting an initial tracking test to identify practice locations and post-graduate fellowships for residents completing training in 2005; and,

A.8.d. Surveying characteristics of other state tracking systems.

B. CONTRACT TERM:

B.1. Term of Contract. This Contract shall be effective commencing on execution and approval by all parties. ETSU shall have no obligation for services rendered by the contractee which are not performed within the specified period.

B.2. Term Extension. ETSU reserves the right to extend this Contract for additional periods of time to a maximum of five (5) years representing increments of no more than one year provided that Contractee provides required annual progress and financial reports in writing and proposed plans of action for the additional periods at least thirty (30) days prior to the contract expiration date. An extension of the term of this Contract will be affected through an amendment to the Contract. If the extension of the Contract necessitates additional funding beyond that which was included in the original Contract, the increase in ETSU's maximum liability will also be affected through an amendment to the Contract and shall be based upon rates provided for in the original contract.

C. PAYMENT TERMS AND CONDITIONS:

C.1. Maximum Liability. In no event shall the maximum liability of ETSU under this Contract exceed the amount of ETSU Graduate Medical Education Program payment designated for the Residency Stipend Program as calculated by TennCare Bureau. This amount shall constitute the maximum amount due the Contractee for the service and all of the Contractee's obligations hereunder. The Budget line-items include, but are not limited to, all applicable taxes, fees, overhead, and all other direct and indirect costs incurred or to be incurred by the Contractee under this Contract.

C.2. Compensation Firm. Based on funding from the TennCare bureau, the maximum liability of ETSU is not subject to escalation for any reason unless amended. The Contract Budget amounts are firm for the duration of the Contract and are not subject to escalation for any reason unless amended, except as provided in Section C.5.

C.3. Payment Methodology. The Contractee shall be compensated for actual, reasonable, and necessary costs based upon the Budget, not to exceed the maximum liability established in Section C.1. The Contractee may submit an invoice to ETSU for one-quarter of the total Budget provided in Section C.1 upon execution of the Contract. Thenceforth upon progress toward the completion of the work as described in Section A of this Contract, the Contractee shall submit invoices, in form and substance acceptable to ETSU, with all of the necessary supporting documentation, for reimbursement of allowable costs. Such invoices shall be submitted no more often than quarterly. Invoices shall indicate at a minimum the amount charged by budget line-item for the period invoiced, the amount charged by line-item to date, the total amount charged for the period invoiced, and the total amount charged under this Contract to date. Submission of the fourth quarterly invoice shall represent a preliminary year-end reconciliation of invoiced costs with payments made by ETSU during the contract year. The final invoice shall indicate any balance due by ETSU to the Contractee, or, include a repayment to ETSU by the Contractee of payments in excess of allowable costs.

C.4. Travel Compensation. Reimbursement to the Contractee for travel, meals, or lodging shall be subject to amounts and limitations specified in the "State Comprehensive Travel Regulations," as they are amended from time to time and subject to the Budget.

C.5. Budget Line-items. Expenditures, reimbursements, and payments under this Contract shall adhere to the Budget. The Contractee may request revisions of Budget line-items by letter, giving full details supporting such request, provided that such revisions do not increase the total Contract amount. Budget line-item revisions may not be made without prior, written approval of ETSU in which the terms of the approved revisions are explicitly set forth. Any increase in the total Contract amount shall require a contract amendment.

C.6. Disbursement Reconciliation and Close Out. The Contractee shall submit a final Contract disbursement reconciliation report within three (3) months of the end of the Contract. This report shall be submitted with a copy of certified public accountant's audit of the contract year in form and substance acceptable to ETSU. ETSU will not be responsible for the payment of invoices that are submitted to the state after the final Contract disbursement reconciliation report.

If total disbursements by ETSU pursuant to this Contract exceed the amounts permitted by the Section C, Payment Terms and Conditions of this Contract, the Contractee shall refund the difference to ETSU. The Contractee shall submit said refund with the final contract disbursement reconciliation report.

The Contractee must close out its accounting records at the end of the Contract period in such a way that reimbursable expenditures and revenue collections are NOT carried forward.

C.7. Indirect Cost. The Contractee shall not seek reimbursement for indirect costs.

C.8. Cost Allocation. All costs to be reimbursed under this Contract are considered joint costs involving allocation to more than one university contractor. Such costs shall be allocated and reported in accordance with the distribution formula used under the TennCare Graduate Medical Education contracts. The final certified public accountant audit shall confirm that this cost allocation formula was used.

C.9. Payment of Invoice. The payment of the invoice by ETSU shall not prejudice ETSU's right to object to or question any invoice or matter in relation thereto. Such payment by ETSU shall

neither be construed as acceptance of any part of the work or service provided nor as an approval of any of the costs invoiced therein.

C.10. Unallowable Costs. The Contractee's invoice shall be subject to reduction for amounts included in any invoice or payment theretofore made which are determined by ETSU, on the basis of audits or monitoring conducted in accordance with the terms of this Contract, not to constitute allowable costs.

C.11. Deductions. ETSU reserves the right to deduct from amounts which are or shall become due and payable to the Contractee under this or any Contract between the Contractee and ETSU any amounts which are or shall become due and payable to ETSU by the Contractee.

C.12. Automatic Deposits. The contractee shall complete and sign an "Authorization Agreement for Automatic Deposit (ACH Credits) Form." This form shall be provided to the Contractee by the State. Once this form has been completed and submitted to ETSU by the Contractee all payments to the Contractee, under this or any other contract the Contractee has with ETSU shall be made by Automated Clearing House (ACH). The Contractee shall not invoice ETSU for services until the Contractee has completed this form and submitted it to the State.

D. STANDARD TERMS AND CONDITIONS:

D.1. Required Approvals. ETSU is not bound by this Contract until it is approved by the appropriate officials in accordance with applicable Tennessee State laws and regulations.

D.2. Modification and Amendment. This Contract may be modified only by a written amendment executed by all parties hereto and approved by the appropriate Tennessee State officials in accordance with applicable Tennessee State laws and regulations.

D.3. Termination for Convenience. ETSU may terminate this Contract without cause for any reason. Said termination shall not be deemed a Breach of Contract by ETSU. ETSU shall give the Contractee at least 30 days written notice before the effective termination date. The Contractee shall be entitled to compensation for authorized expenditures and satisfactory services completed as of the termination date, but in no event shall ETSU be liable to the Contractee for compensation for any service which has not been rendered. The final decision as to the amount, for which ETSU is liable, shall be determined by ETSU. Should ETSU exercise this provision, the Contractee shall not have any right to any actual general, special, incidental, consequential, or any other damages whatsoever of any description or amount.

D.4. Termination for Cause. If the Contractee fails to properly perform its obligations under this Contract in a timely or proper manner, or if the Contractee violates any terms of this Contract, ETSU shall have the right to immediately terminate the Contract and withhold payments in excess of fair compensation for completed services. Notwithstanding the above, the Contractee shall not be relieved of liability to ETSU for damages sustained by virtue of any breach of this Contract by the Contractee.

D.5. Subcontracting. The Contractee shall not assign this Contract or enter into a subcontract for any of the services performed under this Contract without obtaining the prior written approval of ETSU. If such subcontracts are approved by ETSU, they shall contain, at a minimum, sections of this Contract pertaining to Conflicts of Interest, Lobbying, Nondiscrimination, Public Accountability, and Public Notice (Sections D.6, D.7, D.8, D.9, and D.10). Notwithstanding any use of approved subcontractors, the Contractee shall be the prime contractor and shall be responsible for all work performed.

D.6. Conflicts of Interest. The Contractee warrants that no part of the total Budget shall be paid directly or indirectly to an employee or official of ETSU as wages, compensation, or gifts in exchange for acting as an officer, agent, employee, subcontractor, or consultant to the Contractee

in connection with any work contemplated or performed relative to this Contract except as indicated as a sub-contracted item with ETSU in the Scope of Services in Section A.

D.7. Lobbying. The Contractee certifies, to the best of its knowledge and belief, that:

a. No federally appropriated funds have been paid or will be paid, by or on behalf of the Contractee, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress in connection with the awarding of any federal contract, the making of any federal Contract, the making of any federal loan, and entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal contract, loan, or cooperative agreement.

b. If any funds other than federally appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Contract, loan, or cooperative agreement, the Contractee shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

c. The Contractee shall require that the language of this certification be included in the award documents for all sub-awards at all tiers (including subcontracts, loans, and cooperative agreements) and that all sub-recipients of federally appropriated funds shall certify and disclose accordingly.

D.8. Nondiscrimination. The Contractee 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 Contractee on the grounds of disability, age, race, color, religion, sex, national origin, or any other classification protected by Federal, Tennessee State constitutional, or statutory law. The Contractee shall, upon request, show proof of such nondiscrimination and shall post in conspicuous places, available to all employees and applicants, notices of nondiscrimination.

D.9. Public Accountability. If this Contract involves the provision of services to citizens by the Contractee on behalf of ETSU, the Contractee agrees to establish a system through which recipients of services may present grievances about the operation of the service program, and the Contractee agrees to display a sign stating:

"NOTICE: This Contractee is a recipient of taxpayer funding. If you observe an employee engaging in any activity which you consider to be illegal or improper, please call the State Comptroller's toll free hotline: 1-800-232-5454"

Said sign shall be displayed in a prominent place, located near the passageway(s) through which the public enters in order to receive Contract supported services.

D.10. Licensure. The Contractee and its employees and all sub-Contractees shall be licensed pursuant to all applicable federal, state, and local laws, ordinances, rules, and regulations and shall upon request provide proof of all licenses.

D.11. Records. The Contractee shall maintain documentation for all charges against ETSU under this Contract. The books, records, and documents of the Contractee, insofar as they relate to work performed or money received under this Contract, shall be maintained for a period of three (3) full years from the date of the final payment and shall be subject to audit at any reasonable time and upon reasonable notice by the state agency, the Comptroller of the Treasury, or their duly appointed representatives. The records of not-for-profit entities shall be maintained in accordance with the *Accounting Manual for the Recipients of Contract Funds in the State of Tennessee*,

published by the Tennessee Comptroller of the Treasury. The financial statements shall be prepared in accordance with generally accepted accounting principles.

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

D.13. Progress Reports. The Contractee shall submit brief, periodic, progress reports quarterly to ETSU to accompany the invoices under Section C.3.

D.14. Annual Report and Audit. The Contractee shall prepare and submit, within three (3) months after the close of the reporting period, an annual report of its activities funded under this Contract and shall include audited financial statements. All books of account and financial records shall be subject to annual audit by the Tennessee Comptroller of the Treasury or the Comptroller's duly appointed representative. When an audit is required, the Contractee may, with the prior approval of the Comptroller, engage a licensed independent public accountant to perform the audit. The audit contract between the Contractee and the licensed independent public accountant shall be on a contract form prescribed by the Tennessee Comptroller of the Treasury. Any such audit shall be performed in accordance with generally accepted government auditing standards, the provisions of OMB Circular A-133, if applicable, and the *Audit Manual for Governmental Units and Recipients of Contract Funds* published by the Tennessee Comptroller of the Treasury. The Contractee shall be responsible for reimbursement of the cost of the audit prepared by the Tennessee Comptroller of the Treasury, and payment of fees for the audit prepared by the licensed independent public accountant. Payment of the audit fees of the licensed independent public accountant by the Contractee shall be subject to the provisions relating to such fees contained in the prescribed contract form noted above. Copies of such audits shall be provided to the designated cognizant state agency, the State Granting Department, the Tennessee Comptroller of the Treasury, and the Department of Finance and Administration and shall be made available to the public.

D.15. Procurement. If the other terms of this Contract allow reimbursement for the cost of goods, materials, supplies, equipment, and/or services, such procurement shall be made on a competitive basis, including the use of competitive bidding procedures, where practical. Further, if such reimbursement is to be made with funds derived wholly or partially from federal sources, the determination of cost shall be governed by and reimbursement shall be subject to the Contractee's compliance with applicable federal procurement requirements.

The Contractee shall obtain prior approval from ETSU before purchasing any equipment under this Contract.

D.16. Strict Performance. Failure by any party to this Contract to insist in any one or more cases upon the strict performance of any of the terms, covenants, conditions, or provisions of this agreement shall not be construed as a waiver or relinquishment of any such term, covenant, condition, or provision. No term or condition of this Contract shall be held to be waived, modified, or deleted except by a written amendment signed by the parties hereto.

D.17. Independent Contractor. The parties hereto, in the performance of this Contract, shall not act as employees, partners, joint venturers, or associates of one another. It is expressly acknowledged by the parties hereto that such parties are independent contracting entities and that nothing in this Contract shall be construed to create an employer/employee relationship or to allow either to exercise control or direction over the manner or method by which the other transacts its business affairs or provides its usual services. The employees or agents of one party shall not be deemed or construed to be the employees or agents of the other party for any purpose whatsoever.

The Contractee, being an independent contractor and not an employee of ETSU, agrees to carry adequate public liability and other appropriate forms of insurance, including adequate public

liability and other appropriate forms of insurance on the Contractee's employees, and to pay all applicable taxes incident to this Contract.

D.18. ETSU Liability. ETSU shall have no liability except as specifically provided in this Contract.

D.19. Force Majeure. The obligations of the parties to this Contract are subject to prevention by causes beyond the parties' control that could not be avoided by the exercise of due care including, but not limited to, acts of God, riots, wars, strikes, epidemics or any other similar cause.

D.20. State and Federal Compliance. The Contractee shall comply with all applicable state and federal laws and regulations in the performance of this Contract.

D.21. Governing Law. This Contract shall be governed by and construed in accordance with the laws of the State of Tennessee. The Contractee agrees that it will be subject to the exclusive jurisdiction of the courts of the State of Tennessee in actions that may arise under this Contract. The Contractee acknowledges and agrees that any rights or claims against the State of Tennessee or its employees hereunder, and any remedies arising therefrom, shall be subject to and limited to those rights and remedies, if any, available under ***Tennessee Code Annotated***, Sections 9-8-101 through 9-8-407.

D.22. Completeness. This Contract is complete and contains the entire understanding between the parties relating to the subject matter contained herein, including all the terms and conditions of the parties' agreement. This Contract supersedes any and all prior understandings, representations, negotiations, and agreements between the parties relating hereto, whether written or oral.

D.23. Severability. If any terms and conditions of this Contract are held to be invalid or unenforceable as a matter of law, the other terms and conditions hereof shall not be affected thereby and shall remain in full force and effect. To this end, the terms and conditions of this Contract are declared severable.

D.24. Headings. Section headings are for reference purposes only and shall not be construed as part of this Contract.

E. SPECIAL TERMS AND CONDITIONS:

E.1. Conflicting Terms and Conditions. Should any of these special terms and conditions conflict with any other terms and conditions of this Contract, these special terms and conditions shall control.

E.2. Communications and Contacts. All instructions, notices, consents, demands, or other communications required or contemplated by this Contract shall be in writing and shall be made by facsimile transmission, by overnight courier service, or by first class mail, postage prepaid, addressed to the respective party at the appropriate facsimile number or address as set forth below or to such other party, facsimile number, or address as may be hereafter specified by written notice.

ETSU:

East Tennessee State University
Department of Finance and Administration
Box 70420, Johnson City, TN 37614
(423) 439-6318
(423) 439-8854 Fax

The Contractee:

Tennessee Rural Health Recruitment and Retention Center
Nashville, TN

All instructions, notices, consents, demands, or other communications shall be considered effectively given as of the day of delivery; as of the date specified for overnight courier service delivery; as of three (3) business days after the date of mailing; or on the day the facsimile transmission is received mechanically by the telefax machine at the receiving location and receipt is confirmed telephonically by the sender if prior to 4:30 p.m. EST. Any communication by facsimile transmission shall also be sent by United States mail on the same date of the facsimile transmission.

E.3. Subject to Funds Availability. The Contract is subject to the appropriation and availability of State and/or Federal funds. In the event that the funds are not appropriated or are otherwise unavailable, the State reserves the right to terminate the Contract upon written notice to the Contractee. Said termination shall not be deemed a breach of Contract by the State. Upon receipt of the written notice, the Contractee shall cease all work associated with the Contract. Should such an event occur, the Contractee shall be entitled to compensation for all satisfactory and authorized services completed as of the termination date. Upon such termination, the Contractee shall have no right to recover from the State any actual, general, special, incidental, consequential, or any other damages whatsoever of any description or amount.

E.4. Equipment Acquisition. This Contract does not involve the acquisition and disposition of equipment acquired with funds provided under this Contract.

E.5. Workpapers Subject to Review. The Contractee shall make all audit, accounting, or financial analysis workpapers, notes, and other documents available for review by ETSU and the Comptroller of the Treasury or his representatives, upon request, during normal working hours either while the analysis is in progress or subsequent to the completion of this Contract.

E.6. Prohibited Advertising. The Contractee shall not refer to this Contract or the Contractee's relationship with ETSU hereunder in commercial advertising in such a manner as to state or imply that the firm or its services are endorsed.

E.7. 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 Contractee by ETSU or acquired by the Contractee on behalf of ETSU 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 Contractee 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 Contractee'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 Contractee of this Contractee; previously possessed by the Contractee without written obligations to ETSU to protect it; acquired by the Contractee without written restrictions against disclosure from a third party which, to the Contractee's knowledge, is free to disclose the information; independently developed by the Contractor without the use of ETSU's information; or, disclosed by ETSU to others without restrictions against disclosure. Nothing in this paragraph shall permit the Contractee 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 Contractee due to intentional or negligent actions or inactions of agents of ETSU or third parties.

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

E.8. HIPAA Compliance. The Contractee warrants to ETSU that it is familiar with the requirements of the Health Insurance Portability and Accountability Act of 1996 (HIPAA) and its accompanying regulations, and will comply with all applicable HIPAA requirements in the course of this Contract. Contractee warrants that it will cooperate with ETSU in the course of performance of the Contract so that both parties will be in compliance with HIPAA, including cooperation and coordination with State privacy officials and other compliance officers required by HIPAA and its regulations. Contractee will sign any documents that are reasonably necessary to keep ETSU and Contractee in compliance with HIPAA, including but not limited to business associate agreements.

E.9. Environmental Tobacco Smoke. Pursuant to the provisions of the federal "Pro-Children Act of 1994" and the Tennessee "Children's Act for Clean Indoor Air of 1995," the Contractee shall prohibit smoking of tobacco products within any indoor premises in which services are provided to individuals under the age of eighteen (18) years. The Contractee shall post "no smoking" signs in appropriate, permanent sites within such premises. This prohibition shall be applicable during all hours, not just the hours in which children are present. Violators of the prohibition may be subject to civil penalties and fines. This prohibition shall apply to and be made part of any subcontract related to this Contract.

E.10. Date/Time Hold Harmless. As required by ***Tennessee Code Annotated***, Section 12-4-118, the contractor shall hold harmless and indemnify ETSU; its officers and employees; and any agency or political subdivision of the State for any breach of contract caused directly or indirectly by the failure of computer software or any device containing a computer processor to accurately or properly recognize, calculate, display, sort or otherwise process dates or times.

E.11. Hold Harmless. The Contractee agrees to indemnify and hold harmless ETSU 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 Contractee, its employees, or any person acting for or on its or their behalf relating to this Contract. The Contractee further agrees it shall be liable for the reasonable cost of attorneys for the State in the event such service is necessitated to enforce the terms of this Contract or otherwise enforce the obligations of the Contractee to ETSU.

In the event of any such suit or claim, the Contractee shall give ETSU immediate notice thereof and shall provide all assistance required by ETSU in ETSU's defense. ETSU shall give the Contractee written notice of any such claim or suit, and the Contractee shall have full right and obligation to conduct the Contractee's own defense thereof. Nothing contained herein shall be deemed to accord to the Contractee, through its attorney(s), the right to represent ETSU in any legal matter, such rights being governed by ***Tennessee Code Annotated***, Section 8-6-106.

E.12. Debarment and Suspension. The Contractee certifies, to the best of its knowledge and belief, that it and its principles:

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 offence in connection with obtaining attempting to obtain, or performing a public (Federal, State, or Local) transaction or Contract 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 for 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.

**IN WITNESS WHEREOF:**

**TENNESSEE RURAL HEALTH RECRUITMENT AND RETENTION CENTER:**

_____

**President** **Date**

**EAST TENNESSEE STATE UNIVERSITY:**

_____

**Ronald D. Franks, MD** **Date**

**Vice President for Health Affairs and Dean, Quillen College of Medicine**

_____

**Paul E. Stanton, Jr., MD** **Date**

**President**

_____

# Proposed Budget
# First Year Start Up Budget Expenses for the TennCare Graduate Medical Education Stipend Program Tennessee Rural Health Recruitment and Retention Center

**CENTER PERSONNEL** **$127,875**

A full time staff of three will be hired, targeted to be employed for 9 months in first year. Two additional part-time Center regional coordinators will be fired for six months in the first year.

| | |
|---|---|
| Personnel | $103,125 |
| Fringe benefits @ 24% | 24,750 |

CONTRACTS $212,750

***Center for Non-Profit Management***

A subcontract with the Center will include assistance in filing incorporation, appropriate IRS applications and a corporate retreat including drafting writing strategic plan $9,000

***Minnesota Rural Health Resource Center***

The Minnesota program is the model upon which the Statewide Plan has been developed. The Minnesota Center provided assistance in the Plan development, and a subcontract would allow their expertise to be accessible for the Task Forces to provide advice on formation of the new corporation, a statewide workforce assessment design, and the recruitment and placement process.

| | |
|---|---|
| Technical assistance subcontract ($500 per day x 30 days) | $15,000 |
| Travel to Tennessee by personnel for technical assistance (six trips) | $7,500 |

***Community Informatics Resource Center, Ann Peton***

This center has assisted several states in production of visual mapping of key workforce and care demand indicators through use of geographic information systems software. Key Tennessee data sets will be identified and maps created to identify locations of counties/regions of greatest need.

| | |
|---|---|
| Contract ($500 per day x 10 days) | $5,000 |
| Travel to Tennessee by personnel for technical assistance (one trip) | $1,250 |

***Second Tennessee Health Professions Demand Assessment and Practice Opportunity Directory***

Conduct of a second, updated demand assessment would be contracted. Data and data bases from the first assessment completed through medical School resources by East Tennessee State University will be used to begin the second assessment. The output will include a statistical report including comparison to 2003 results and production a second Practice Opportunity Directory. $140,000

| | |
|---|---|
| *Audit services* | $10,000 |
| ***Rural Health Association of Tennessee*** | |
| For program support in completion of tasks to be completed prior to hiring of Center personnel (clerical, logistics and expenses for meetings and conference calls for new Board and Task Forces, copying and supplies) | $25,000 |
| **TRAVEL** | **$32,110** |
| Staff in-state travel including mileage reimbursement and perdiem expenses | $14,560 |
| Task Force and Board in-state travel | $7,500 |
| Out-of state trips for staff and board. Six are budgeted, including two for national 3RNET meetings, one national presentation on formation of Center and three site visits to model states. | $10,050 |
| **SUPPLIES** | **$113,000** |
| Two all-Task Force meetings in Nashville meeting (for 40 persons Including hotel, mileage reimbursement and meals) @ $12,000 | $24,000 |
| Task Force budgets including subcontracted assignments @ $10,000 | $30,000 |
| Membership in Rural Recruitment and Retention Network as he national organization through which to share placement opportunities across the nation using interactive WEB sites. | $3,000 |
| TN WEB site improvements for 3RNET | $5,000 |
| Office supplies and equipment for staff | $15,000 |
| Other office expenses (software, phone, postage, copying, printing and advertising) | $31,000 |
| Marketing meeting expenses | $5,000 |
| **OTHER EXPENSES** | |
| Space rental and utilities assumes the Center will be based in Nashville. | $10,000 |
| Other expenses | $4,000 |
| **Total Budget** | **$499,735** |

c. are not presently indicted for 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.

**IN WITNESS WHEREOF:**

**TENNESSEE RURAL HEALTH RECRUITMENT AND RETENTION CENTER:**

**President** **Date**

**EAST TENNESSEE STATE UNIVERSITY:**

9-2-05

**Ronald D. Franks, MD** **Date**

**Vice President for Health Affairs and Dean, Quillen College of Medicine**

9/22/05

**Paul E. Stanton, Jr., MD** **Date**

**President**

Charles Manning, Chancellor
Tennessee Board of Regents