



**STATE OF TENNESSEE
PROCUREMENT COMMISSION**

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- REVISED AGENDA -

**PROCUREMENT COMMISSION MEETING #007
WEDNESDAY, NOVEMBER 20, 2013 – 10:00 A.M.
LEGISLATIVE PLAZA – ROOM 29**

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I. Call to Order	--
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New Business:	
III. Proposed “TRICOR Purchasing Procedures Manual Business and Program Support Policy 311.01” (see attached documentation)	6
IV. Proposed changes to the following Central Procurement Office documents (see attached documentation):	
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**MINUTES OF AUGUST 22, 2013
MEETING**



STATE OF TENNESSEE
DEPARTMENT OF GENERAL SERVICES

BILL HASLAM
GOVERNOR

ROBERT E. OGLESBY, AIA
COMMISSIONER

MINUTES
PROCUREMENT COMMISSION MEETING #006
THURSDAY, AUGUST 22, 2013 – 2:00 P.M.
LEGISLATIVE PLAZA, ROOM 29

Members in Attendance:

Justin P. Wilson, Comptroller of the Treasury; Robert E. Oglesby, Commissioner for the Department of General Services; Larry Martin, Commissioner for the Department of Finance and Administration; and Mike Perry, Chief Procurement Officer

Others in Attendance:

Paul D. Krivacka, Hannah Terry, Charles Key, Lou Alsobrooks, Jamil Moore, Andy Kidd, Shelia Simpson, Chris Cooper, Shannon Howell, Byron Trauger, Sherry Whitby, Laura Kinard, Jennifer Thinnis, Mary Anne Queen, Don Ivancic, Bryan Chriske, Jane Chittenden, Toni Stuart, Tony Bybee, Eric Kohler, John Bissell, Buddy Lea, Shay Oliphant, Cindy Heatherly, Tom Eck, Tina Pennington, Charlotte McKinney, Matt Brimm, Robin Atwood, Elaine Williams, Melvin Malone, Claire Harris, Melinda Parton, Mike Morrow

I. Call to Order/Roll Call.

Commissioner Martin called the meeting to order and recognized that Commissioner Oglesby, Comptroller Wilson, and Chief Procurement Officer Perry were present.

II. Minutes from the May 28, 2013 Procurement Commission Meeting.

Commissioner Martin presented the May 28, 2013 minutes and asked if any corrections were needed. Comptroller Wilson made a motion to approve the May 28, 2013 minutes as presented, which was seconded by Commissioner Oglesby, whereupon the minutes were unanimously approved.

III. Election of Procurement Commission Vice Chairperson.

Comptroller Wilson acknowledged for the record that a memorandum from Governor Haslam dated June 7, 2013, appointing Commissioner Martin as Chairperson of the Procurement Commission had been provided to all Procurement Commission members. Commissioner

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Oglesby nominated Comptroller Wilson as Vice Chairperson of the Procurement Commission with Commissioner Martin seconding his nomination. Commissioner Martin asked if there was any discussion. Seeing none, Commissioner Martin asked for a vote, whereupon Comptroller Wilson was unanimously elected as Vice Chairperson.

IV. Proposed changes to Section 6.2 of Policy Number 2013-004, *Central Procurement Office Contract Management Policy and Procedures*, Section 8 of Policy Number 2013-006, *Central Procurement Office Authority Delegation Policy and Procedures*, and Section 5.15.3.1 of the *Procurement Procedures Manual of the Central Procurement Office*.

Proposed changes to Section 6.2 of Policy Number 2013-004, *Central Procurement Office Contract Management Policy and Procedures*, Section 8 of Policy Number 2013-006, *Central Procurement Office Authority Delegation Policy and Procedures*, and Section 5.15.3.1 of the *Procurement Procedures Manual of the Central Procurement Office* were considered by the Procurement Commission after being recommended for approval by the Advisory Council on July 29, 2013 and by the Procurement Commission Staff on August 14, 2013. Comptroller Wilson asked if all entities listed as Approvers on the proposed matrix had reviewed the language and Chief Procurement Officer Perry stated that all had reviewed and their suggested edits were incorporated into the proposed changes. Chief Procurement Officer Perry asked Paul D. Krivacka, Director of Category Management and Legal Team for the Central Procurement Office, to come forward to discuss each of the changes individually. Mr. Krivacka stated that the first change would affect Section 6.2 of Policy No. 2013-004, *Central Procurement Office Contract Management Policy and Procedures*, Section 8 of Policy No. 2013-006, *Central Procurement Office Authority Delegation Policy* and Section 5.15.3.1 of the *Procurement Procedures Manual*. Mr. Krivacka further stated that the current approval matrix does not reflect changes to statutory law effective July 1, 2013. The proposed approval matrix reflects all governmental approvals by contract type consistent with changes in statutory law as of July 1, 2013. Mr. Krivacka indicated that the proposed changes had been vetted by the Comptroller's Office, Finance and Administration ("F&A"), and all the approving entities. Comptroller Wilson stated that the changes were consistent with the statute as adopted this past legislative session. Comptroller Wilson made a motion to approve the changes, which was seconded by Commissioner Oglesby, whereupon the changes to Section 6.2 of Policy Number 2013-004, *Central Procurement Office Contract Management Policy and Procedures*, Section 8 of Policy Number 2013-006, *Central Procurement Office Authority Delegation Policy and Procedures*, and Section 5.15.3.1 of the *Procurement Procedures Manual of the Central Procurement Office* were unanimously approved.

V. Proposed changes to Section 7 of Policy Number 2013-004, *Central Procurement Office Contract Management Policy and Procedures*, and Section 5.15.3.2 of the *Procurement Procedures Manual of the Central Procurement Office*.

Mr. Krivacka stated that the proposed change to Section 7 of Policy Number 2013-004, *Central Procurement Office Contract Management Policy and Procedures*, and Section 5.15.3.2 of the *Procurement Procedures Manual of the Central Procurement Office* reflected fiscal review requirements consistent with statutory changes effective July 1, 2013. Mr. Krivacka stated that the proposed changes had been reviewed and approved by the Fiscal Review Committee staff, the Comptroller's Office, F&A, and all members of the Procurement Commission staff. Chief Procurement Officer Perry stated that the primary change would require commodities type contracts to be reviewed by the Fiscal Review Committee. Comptroller Wilson made a motion in favor of accepting the proposed changes, which was seconded by Commissioner Oglesby, whereupon the changes to Section 7 of Policy Number 2013-004, *Central Procurement Office Contract Management Policy and Procedures*, and Section 5.15.3.2 of the *Procurement Procedures Manual of the Central Procurement Office* were unanimously approved.

VI. Proposed changes to Section 6.4 of the *Procurement Procedures Manual of the Central Procurement Office* and Transactional and Fiscal Impact Data.

Mr. Krivacka next presented the proposed changes to Section 6.4 of the *Procurement Procedures Manual of the Central Procurement Office* and Transactional and Fiscal Impact Data, which showed the economic effect of changes to the dollar thresholds for local purchases. Mr. Krivacka stated that this proposed change would clarify that there are two (2) types of local purchases – a small purchase authority and an informal purchase authority. The proposed changes would also increase the dollar thresholds for exercising small or informal purchase authority. Mr. Krivacka stated that the approval of these changes to the *Procurement Procedures Manual of the Central Procurement Office* would require unanimous Procurement Commission approval. Comptroller Wilson asked for an explanation, which was provided by Mr. Krivacka. Mr. Krivacka explained that without Procurement Commission approval, the small purchase authority had a limit of \$5,000 and the informal purchase authority had a limit of \$25,000. Mr. Krivacka stated that procedures detailing the requirements for exercising small and informal purchase authority have been expanded as part of this proposal. The proposed changes would increase the small purchase authority from \$5,000 to \$10,000 and the informal purchase authority from \$25,000 to \$50,000. Mr. Krivacka reiterated that the proposed changes to the procedures detail requirements for using the small purchase authority and the informal purchase authority. Comptroller Wilson inquired as to how many transactions this would affect. Mr. Krivacka directed the Procurement Commission to the Transactional and Fiscal Impact Data on page 15 of the documentation provided to the Procurement Commission and went over the data. Comptroller Wilson stated that it seemed as though the risk was not substantial and that he was in favor of the proposed changes. Commissioner Oglesby confirmed that the proposed changes, once approved by the Procurement Commission, would apply to all agencies. Comptroller Wilson made a motion to approve the changes, which was seconded by Commissioner Oglesby,

whereupon the changes to Section 6.4 of the *Procurement Procedures Manual* were unanimously approved.

VII. Proposed modification of a template in the *Procurement Procedures Manual of the Central Procurement Office – Standard Terms and Conditions, No. 32.*

Mr. Krivacka stated that the proposed modification would change the standard template that goes into all solicitation documents. The change is the result of a statute that requires all vendors to register with the Department of Revenue for sales and use tax in order to enter into a contract with the State of Tennessee. Comptroller Wilson made a motion to approve the proposed changes, which was seconded by Commissioner Oglesby, whereupon the change to No. 32, *Standard Terms and Conditions, Procurement Procedures Manual of the Central Procurement Office*, was unanimously approved.

VIII. Increase of Small Purchase Authority Threshold for TDEC State Parks from \$5,000 to \$10,000.

Mr. Krivacka stated that the proposed request to increase the small purchase authority threshold for TDEC State Parks from \$5,000 to \$10,000 is in line with other state agencies. Mr. Tom Eck, Assistant Commissioner for TDEC, stated he had reviewed and approved the language. Comptroller Wilson made a motion to accept the changes, which was seconded by Commissioner Oglesby, whereupon the increase of the small purchase authority threshold was unanimously approved.

IX. Certification Related Items.

Chief Procurement Officer Perry reviewed the history and the procedures of the CMRA and the Certification Committee. Chief Procurement Officer Perry stated that no action was required by the Procurement Commission, whereupon, the report was accepted by the Procurement Commission.

X. Adjournment.

A motion was made by Comptroller Wilson to adjourn, which was seconded by Commissioner Oglesby, which was unanimously approved, whereupon the August 22, 2013 Procurement Commission Meeting was adjourned.

**PROPOSED “TRICOR PURCHASING
PROCEDURES MANUAL, BUSINESS AND
PROGRAM SUPPORT POLICY 311.01”**



PURCHASING PROCEDURES MANUAL
Business and Program Support Policy 311.01

Issue Date:

TRICOR Purchasing Procedures Manual
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Attachment A: TO-0053 Purchase Requisition

Attachment B: Signature Authorization Form

Attachment C: TRICOR Policy 211 Conflicts of Interest and the Acceptance of Gifts
and Gratuities

Attachment D: Guideline for Supplier Classification

Attachment E: Contract for Goods and Services Form

A. DEFINITIONS OF TERMS USED IN THE MANUAL

1. Edison: Edison is the State of Tennessee's Enterprise Resource Planning (ERP) system. An ERP system is an integrated software package that is used to perform administrative business functions such as financials and accounting, procurement, payroll, benefits, and personnel administration.
2. Equipment: Machinery, implements, tools, furniture, livestock, vehicles, and other apparatus with a unit cost of \$5,000 or more, a minimum useful life expectancy of three years, and does not lose its identity when used for the intended purpose.
3. Instrumentality of Government: Any entity created by a political subdivision of the State.
4. Invoice Splitting: Repetitive buying, within a calendar month, to intentionally limit purchases under a specific dollar amount and avoid approval of a greater purchase value.
5. MRO: Maintenance, repair, operating supplies.
6. MRP Order: Material requirement order for a production component initiated through TIMS.
7. Material Resource Planning (MRP): Module within the TRICOR Integrated Management System (TIMS) used to manage and control manufacturing operations.
8. Minority-Owned Business: A continuing, independent, for-profit business which performs a commercially useful function and is at least 51% owned and controlled by one or more minority individuals who are impeded from normal entry into the economic mainstream because of past practices of discrimination based on race, ethnic background..
9. Political Subdivision: Any local governmental entity, including, but not limited to, any municipality, metropolitan government, county, utility district, school district, public building authority, and development district created and existing pursuant to the laws of Tennessee, or any instrumentality of government created by any one (1) or more of the named local governmental entities.
10. Procurement Request (PR): Requisition document used to initiate a purchase.
11. Proprietary Procurement: A procurement where competition is restricted to authorized distributors of certain goods or services.

12. Purchasing Agent: Buyer Planner, Purchasing Manager, Contracts Manager, Buyer Planner Manager or other staff as designated by the appointing authority to make purchases for TRICOR.
13. Purchase Order: A document issued by TRICOR to a contracting party authorizing a purchase. A purchase order, when given to a Vendor, may contain statements as to the quantity, description, and price of the goods or services ordered; agreed terms, and all other agreements pertinent to the purchase and its execution by the Vendor.
14. Professional Service Contracts: Contract that directly engages the time and effort of a contractor whose primary purpose is to perform an identifiable task rather than to furnish an end item of supply.
15. Small Business: A business which is independently owned and operated, in accordance with the provisions of [T.C.A. § 12-3-1102(5)], and is not dominant in its field of operation.
16. Sole Source Procurement: A procurement where only one vendor possesses the unique and singularly available capability to meet the requirements of the solicitation, such as technical qualifications, ability to deliver at a particular time, or services from a public utility or situation where a particular supplier or person is identified as the only qualified source available to the requisitioning authority.
17. Tennessee Service-Disabled Veteran Owned Business: A business owned by any person who served honorably on active duty in the Armed Forces of the United States with at least a twenty percent (20%) disability that is service-connected meaning that such disability was incurred or aggravated in the line of duty in the active military, naval or air service. "Tennessee service disabled veteran owned business" means a service-disabled veteran owned business that is a continuing, independent, for profit business located in the state of Tennessee that performs a commercially useful function.
18. TRICOR Integrated Management System (TIMS): Integrated system software application which migrates all of TRICOR's business functions and operations within a single database, also referred to as an Enterprise Resource System (ERP). References to TIMS shall also include any replacement software applications.
19. Under Shipment (Shortage): Actual units received are less than the number of units as it appears on the packing slip.
20. Woman-Owned Business: A continuing, independent, for-profit business which performs a commercially useful function, and is at least 51% owned and controlled by one or more women; or, in the case of any publicly owned business, at least 51% of the stock of which is owned and

controlled by one or more women and whose management and daily business operations are under the control of one or more women.

B. TYPES OF BIDS, PURCHASES AND REQUIREMENTS

Procedure

All purchases of goods, equipment, or services shall be obtained through competitive bidding unless otherwise noted in these procedures. A MRP order from TIMS and/or a Procurement Request (TO-0053, see Attachment A, or TIMS Requisition) must be initiated by the requestor and approved by his/her supervisor for all purchases. All Procurement Requests (PRs) must meet the required approval authority prior to a Purchase Order being awarded (Section C-1).

Process

1. With the exception of Small Non-Competitive Purchases and Professional Service Contracts, discussed below, three competitive bids are required for all purchases. When a competitive bid is not obtained, such as in emergency situations, the reason must be clearly explained and documented. As soon as practicable, the Chief Executive Officer shall report to the Executive Committee of the Board of Directors in writing any contracts (except Small Non-Competitive Purchases) awarded on an emergency basis that were not competitively bid.
2. Purchases will be identified according to the following categories:
 - a. Small Non-Competitive (Local) Purchases - Purchases of \$10,000 or less (or an amount in compliance with the State's purchasing policy, if greater), per commodity or service, do not require competitive bidding. However, competitive pricing is encouraged. These purchases will require an approved Procurement Request or MRP order and will be processed by the assigned authorized Purchasing Agent. The only approval required is the originating Manager. The purchasing agent shall exercise care to ensure maximum value received on purchases obtained without competitive bids.
 - b. Competitive Purchases - All purchases above \$10,000 to \$50,000 (or an amount in compliance with the State's purchasing policy, if greater) requires at least three (3) competitive bids on all purchases which exceed \$10,000. Written confirmation from the successful vendor shall be retained for purchases over \$10,000. When purchases are from a single source of supply, proprietary to a particular brand or model or for used equipment, requestors are required to fully document on the purchase requisition and to adhere to the applicable purchasing procedure for each of these type purchases. All purchases above \$50,000 require a formal solicitation process with the exception of livestock purchased at public auction. Purchase of livestock will be

conducted in accordance with the requirements of TRICOR Policy 542 "Purchase of Breeding Stock". In instances where bids are not obtained from minority owned, woman owned, Tennessee service-disabled owned, or small businesses, buyer planners are required to fully document his/her good faith effort to solicit bids from such businesses. All necessary levels of approval are required on the PR.

- c. Contract Purchases – Raw Material, equipment, supply purchases may be made from statewide contracts or agency contracts issued by the Central Procurement Office, or TRICOR term contracts with the same approval levels applying. All Purchase orders generated from Procurement Requests or MRP orders must identify the current contract number.
- d. Professional Service Contracts – [T.C.A. § 41-22-408] Personal, professional and consultant services shall be procured in an effective manner for the efficient discharge of duties to manage and operate TRICOR. Except as otherwise provided in these procedures, contracts representing the procurement of services shall be made on a competitive basis.

Due to the unique mission of TRICOR, the Chief Executive Officer has the discretion to enter into professional service contracts which enhance the organization's ability to meet the needs of its business, the development of its blended workforce and other areas as required. In the event services are procured under this authority, the purpose and method of selection shall be documented prior to selection of the contractor.

(a) Prior Notice of Professional Service Contracts. In the event the cumulative maximum liability of any contract awarded under this authority, with any given vendor, exceeds or is reasonably expected to exceed \$50,000 over any three (3) year period, the Chief Executive Officer will notify the Executive Committee of the Board of Directors in writing the purpose and method of selection, the identity of the proposed vendor and provide a copy of the proposed agreement at least ten (10) days before such contract is executed. Any Member of the Executive Committee can request in writing to the Chief Executive Officer a meeting to discuss and approve and/or disapprove such contract before it being executed. Absent such written request being received within such timeframe, the Chief Executive Officer may proceed to execute such agreement. If the payments to such vendor ever exceed \$75,000 in any 12 month period, the Chief Executive Officer shall give additional written notice of same to the Executive Committee.

(b) Notice of Professional Service Contracts Not Approved in (a). As to any agreement not approved in (a) above where the actual payments

to any vendor exceeds \$50,000 in any three (3) year period, the Chief Executive Officer shall give the Executive Committee of the Board of Directors written notice of same promptly, but in no event more than thirty (30) days from the end of the month when such threshold of payments is crossed.

3. Bid Process will be identified according to the following categories:

a. Competitive Bid Process, Formal

Upon receipt of the Requisition for Purchase with all appropriate approvals, the Purchasing Department will process the requisition, attach an Invitation to Bid and secure sealed bids from vendors. The bid is to be posted publically on the TRICOR website.

b. Competitive Bid Process, (Local) Informal

Upon receipt of the Requisition for Purchase with all appropriate approvals, the Purchasing Department will process the requisition and secure informal written or telephone bids from vendors.

Informal bid process may be utilized for purchases not exceeding \$50,000. Fax and email confirmation is acceptable as written confirmation of bids on informal purchases.

A bid list for one-time purchases of large value and term contracts is determined by the vendor's diversity certification status, (minority owned, woman owned, Tennessee service-disabled veteran owned, or small business) qualifications, the apparent ability of the vendor to perform the contract, geographic location, and past performance. Measures used in determining ability may include net worth, number of employees, gross annual sales, time in business and comparable contracts.

c. Multi-Step Bidding

1. This is a two phase method consisting of a technical first phase. This is composed of one or more steps in which bidders submit un-priced technical offers to be evaluated by TRICOR. The second phase occurs when those bidders whose technical offers are determined to be acceptable during the first phase, have submitted their bids for consideration.

The multi-step sealed bidding process is designed to obtain the benefit of competitive sealed bidding by award of a contract to the lowest responsible and responsive bidder. This process provides the benefits of the competitive sealed proposals procedure through the Invitation to Bid of technical offers and to conduct discussions to evaluate and determine the acceptability of technical offers.

2. For acquisitions made under the provisions of multi-step sealed bidding, validation tests for the purpose of determining compliance with performance standards, or for objectively determining the validity of the bidder's performance outputs which has resulted in an adjustment to bid price may be conducted in phase two (2). After the apparent lowest responsible and responsive bidder has been determined, no such tests shall be required of the bidder unless, prior to the completion of phase one (1), validation tests shall be set forth in sufficient detail to enable bidders to perform such tests prior to the submission of the final technical offer. All performance standards, criteria for measuring performance output and validation tests shall be set forth in the Invitation to Bid. However, nothing herein shall be construed to mean that such validation tests shall be required to be conducted by TRICOR.
3. Acceptability of Technical Offers shall be determined by an evaluation team consisting of TRICOR personnel. The TRICOR Purchasing Department will chair the evaluation team. Other evaluation team personnel will be determined based on the type of commodity being purchased, special requirements of the facility, cost of purchase, and other factor(s) stated in the Invitation to Bid.

d. Best Value Bid

“Best value contracting” is the process of selecting the bid which provides the greatest value to TRICOR. This selection is based on evaluating and comparing all pertinent factors, including price, so the overall combination will result in TRICOR’s needs being met.

Factors that may be included as part of the technical bid evaluation include, but are not limited to:

1. Quality and reliability of products/goods; experience and qualifications (i.e. pending litigation, years in business, utilization of minority owned, woman owned, Tennessee service-disabled veteran owned, and small businesses as sub consultants, subcontractors, and/or suppliers to assist in providing goods and services, partnering with or mentoring of minority owned, woman owned, Tennessee service-disabled veteran owned, and small business programs associated with the delivery of goods
2. and services, customer references);
3. Delivery terms (i.e. number of days for product to be shipped or for job to be started);
4. Past vendor performance, financial resources, and ability to perform to specification requirements;

5. Cost of any TRICOR employee training associated with the purchase;
 6. The effect of the purchase on TRICOR productivity;
 7. Implementation and start-up cost, including installation costs; life cycle costs, trade-in value and warranty options;
 8. Discounts;
 9. Environmental options and resources (green, energy efficiency and earth-conscious considerations) such as recycle options, remanufactured/refurbished products and/or equipment, packaging, certificates, permits, awards, successful and ongoing programs;
 10. Used products and/or equipment;
 11. The weight values (percent) options of items when applied to contract bid groups to ensure that the aggregate costs of a group reflects an accurate value of the items within the group that have the greatest volume or cost; or
 12. Contract group bid award factors such as the aggregate cost of creating purchase documents, receiving labor versus direct distribution or desktop delivery e.g. Just In Time (J.I.T.) methods, inventory carrying costs, invoice payment process and costs associated with the contract bid and administration process.
- e. Service Contract [T.C.A. § 41-22-408]. The procedures shall apply to all Service procurements and resulting contracts for personal services, professional services, and consultant services with the exception of those services that are in accordance with the approval as outlined in Section B, 2d of this manual.
1. Service contracting is the process of selecting the method by which TRICOR selects one or more contractors with which to contract for a given service which provides the greatest value to TRICOR. This selection is based on evaluating and comparing all pertinent factors, including price, so the overall combination will result in TRICOR's needs being met.
 - a. Personal, professional, and consultant services shall be procured by a method that is determined in TRICOR's discretion to be efficient and reasonable. Except as otherwise provided in these processes, contracts representing the procurement of services shall be made on a competitive basis.
 - b. To be competitive, a procurement method must include a consideration and comparison of potential contractors, based

upon both cost and quality (i.e., service provider qualifications, experience, and technical approach). The terms "proposal," "bid," "quote," and "offer" shall all denote that which a service provider provides for competitive consideration and comparison under any competitive procurement methodology.

- c. Accordingly, the Request for Proposal process, Competitive Negotiation, or an Alternative Competitive Procurement Method may be used. Notwithstanding the foregoing, Non-Competitive Negotiation may also be used, in order for TRICOR to meet procurement objectives efficiently and effectively and in the best interests of TRICOR.
 - d. Regardless of the procurement methodology used, TRICOR shall retain a record of the procurement process and negotiations upon which each contract is based and documentation that each contract is awarded to a responsible and responsive proposer.
2. Request For Proposals (RFPs) - the formal solicitation of written proposals shall comply with the following requirements:

TRICOR shall prepare and issue an RFP and evaluate proposals.

An RFP shall set forth specific provisions including:

- a. directions regarding the submittal of proposals;
- b. a timeline of the RFP process that specifies deadlines - a clear and accurate description of the technical requirements for the service to be procured - the service technical requirements and scope shall not contain features which unduly restrict competition and shall be in sufficient detail to minimize the likelihood of requests by potential proposers for clarification;
- c. providers shall be given a reasonable time, as determined by TRICOR, to consider the required scope of services and the proposal evaluation factors before proposals must be submitted;
- d. TRICOR requirements and restrictions regarding the RFP;
- e. a description of the factors to be considered in evaluating the proposals - factors may include but are not limited to service provider qualifications, experience, technical approach, and cost; and

- f. a declaration of the contract terms and conditions which shall be required by TRICOR.
3. TRICOR Buyer Planner Manager or designee shall carefully consider all individuals involved with the development, formulation, drafting, or review of an RFP or its scope of services and safeguard against a conflict of interest.
- a. The appropriate TRICOR Director shall approve all RFPs and any addenda, amendments, and clarifications to RFPs that would result in contracts, before their public release. An RFP or its revisions shall be approved based on the following:
 - i. application of the requirements;
 - ii. adequacy of the scope of service description; and
 - iii. adequacy of the RFP's assurance of:
 - 1. fairness to potential service providers;
 - 2. clear and open competition;
 - 3. achievement of procurement objectives; and
 - 4. protection of the TRICOR's interests.
 - b. Upon approval, TRICOR purchasing department shall send an actual RFP document or a formal notice that the specific RFP has been released to a documented list of potential service providers. The purchasing department shall determine the number of service providers to include on the list by considering the nature of the service sought, the anticipated amount of the resulting contract, and the number of known service providers.
 - c. The purchasing department shall disseminate the RFP and RFP Notice publically through posting on the TRICOR website and to all that request the specific RFP. A general or standing request for notice of all RFPs or all RFPs of a given type of service shall not suffice as a request for a specific RFP and shall create no obligation on TRICOR.
 - d. To foster the integrity of the RFP evaluation process, each proposer shall be required to submit the Cost Proposal component of the proposal in a sealed and labeled envelope separate from the Technical Proposal component. The purpose is to allow the cost component to be evaluated separately from the technical component.
 - 1. The cost proposals shall not be opened until after the evaluation of the technical component is completed. After

the technical proposal evaluation is completed, the cost proposals shall be opened and evaluated, and the scores of both components shall be combined to arrive at a total evaluation score provided, however, that the cost proposal shall not be opened if the associated technical proposal has been deemed non-responsive and is rejected by TRICOR.

2. Any proposal which fails to adequately separate the cost proposal components from the technical proposal shall be considered non-responsive and rejected by TRICOR.
- e. Proposal evaluations shall be conducted by TRICOR employees in such a manner as to reasonably ensure that all proposals are impartially considered and TRICOR requirements are adequately met.
1. Proposals shall be evaluated by a team of at least three (3) TRICOR employees.
 2. Prior to reviewing proposals, each Proposal Evaluation Team member shall review a list of service providers making proposals, determine if a conflict of interest exists with a potential contractor, and sign a conflict of interest statement. Said statement shall be retained as procurement file documentation.
 3. Proposals shall be evaluated on the basis of factors pertinent to the service sought and detailed in the RFP document.
 4. Neither the technical proposal nor the cost shall be the only criterion for a contract award recommendation. However, specific factors may be set forth as a criterion for determining which proposals shall be considered responsive to the RFP.
 5. In the event that a proposal evaluation process results in two or more proposals receiving evaluation scores that tie for the rank of highest score, TRICOR shall request best and final cost proposals from only those proposers with scores that tie for the rank of highest score. TRICOR shall calculate new evaluation scores for the tying proposals by adding the original technical proposal scores to the recalculated cost proposal scores based on the best and final cost proposals. Should another tie result, the contract award shall be decided per section C.8. Award Criteria.

6. To affect a contract award to a service provider other than the proposer receiving the highest evaluation score, the Buyer Planner Manager, or designee of TRICOR shall provide written justification for such an award.
7. TRICOR shall communicate, clarify, and negotiate in the best interests of TRICOR, provided that all communication is conducted in a manner so as not to disclose any information that would give one or more proposers an unfair advantage or unfairly enable one or more proposers to improve their proposal.
8. TRICOR shall have the right, at its sole discretion, to amend an RFP in writing at any time. However, prior to any such amendment, TRICOR will consider whether it would negatively impact the ability of potential proposers to meet the proposal deadline and revise the RFP schedule if deemed appropriate.
9. TRICOR shall have the right, at its sole discretion, to reject any and all proposals.
10. Any proposal that does not meet the requirements of an RFP may be considered to be nonresponsive, and the proposal may be rejected.
11. Any proposal that restricts the rights of TRICOR or otherwise qualifies the proposal may be considered to be nonresponsive, and the proposal may be rejected.
12. Whenever TRICOR proposes to reject all proposals for a certain purchase, such action shall be taken only for the following reasons:
 - a. unreasonably high prices or failure of all proposals to meet technical specifications;
 - b. error in the request for proposals;
 - c. cessation of need;
 - d. unavailability of funds;
 - e. a determination by TRICOR that proceeding with the procurement would be detrimental to the best interests of TRICOR, the reason for which must be documented and approved by the CFO.

13. TRICOR shall have the right, at its sole discretion, to cancel an RFP in its entirety and, at its sole discretion, to reissue or not reissue an RFP.

14. All proposals and other material submitted in response to an RFP become subject to public record requirements of TRICOR. Selection or rejection of a proposal does not affect its public records status. Upon the completion of the review and evaluation of proposals submitted in response to an RFP, evaluated proposals and associated materials shall be open for review by the public in accordance with [T.C.A. 10-7-504(a)(7)].

4. Competitive Negotiation - the informal process of verbal or written solicitation of proposals shall comply with the following requirements:

a. The Competitive Negotiation process may be used when it is determined by CFO that one of the following is true:

- i. public need will not permit the delay incident to the RFP process;
- ii. no acceptable proposals have been received after an RFP process;
- iii. rates payable for the services are regulated by law;
- iv. the services to be procured are legal or expert witness services; or
- v. the total cost of the services does not exceed an amount in excess of TRICOR CEO Authorization level, provided that service requirements shall not be artificially divided so that procurement meets these criteria.

b. Prior to proceeding with a Competitive Negotiation process, the Buyer Planner Manager, or designee of TRICOR shall justify such a procurement method in writing, based on the criteria set forth in Section B.2.a., and request and obtain the written approval of the CFO. Said request shall document the criteria and methodology to be used in evaluating offers in response to the solicitation.

c. Upon approval to proceed with the Competitive Negotiation process, purchasing shall:

- i. identify and contact at least three (3) potential service providers for Competitive Negotiation, provided, however, that purchasing shall contact minority, disadvantaged, and small business service providers as required by purchasing Policy 311.01,(I);
 - ii. communicate the requirements of TRICOR, solicit proposals, and clarify and negotiate as necessary in the best interests of TRICOR, ensuring that all communication is conducted in a manner so as not to disclose any information that would give one or more proposers unfair advantage or unfairly enable one or more proposers to improve their proposal;
 - iii. document all proposals in response to the solicitation; and
 - iv. select for contract award, in accordance with the approved evaluation criteria and methodology, the service provider meeting required qualifications, terms, and conditions and offering the best proposal in terms of qualifications, delivery, and cost.
 - d. Purchasing shall document the Competitive Negotiation process. Purchasing shall provide a summary of said documentation upon submitting the contract for authorized approval.
 - e. Subsequent to selection and negotiation Purchasing shall write a contract and initiate contract approval.
5. Alternative Competitive Procurement Method - an alternative process of procuring service shall comply with the following requirements:
- a. TRICOR may devise and document procedures for an Alternative Competitive Procurement Method and use the methodology in a specific contractor selection process provided that:
 - i. prior, written approval of the CFO is obtained, and
 - ii. prior, written approval of the CEO is obtained for procurement processes that will result in a contract requiring the approval of the CEO.
6. Non-Competitive Negotiation - the negotiation of the terms of a service contract with only one service provider shall comply with the following requirements:

- a. Non-Competitive Negotiation may be used when it is determined by the CFO that one of the following is true:
 - i. there is only one uniquely qualified service provider capable of performing the needed service;
 - ii. the selected service provider is a state agency or any political subdivision of the state of Tennessee created and existing pursuant to the constitution and laws of Tennessee or any instrumentality of government created by one or more political subdivisions of Tennessee or by an act of the General Assembly;
 - iii. the selected service provider is an entity of the federal government;
 - iv. the use of Non-Competitive Negotiation is in the best interests of TRICOR;
 - v. contracts for services by professional persons or groups of high ethical standards shall not be based upon competitive bids, but shall be awarded on the basis of recognized competence and integrity;
 - vi. the total cost of the services for which the contract shall be written does not exceed an amount in excess of TRICOR CEO authorization level, provided that service requirements shall not be artificially divided so that a procurement meets this criteria.
- b. Before beginning Non-Competitive Negotiation, the CFO of TRICOR shall justify such a procurement in writing
 - i. A Non-Competitive Negotiation request shall specify:
 - 1. the petition to procure the subject service by means of negotiation with only the one, identified service provider;
 - 2. the service provider with whom TRICOR would negotiate for the service;
 - 3. the service to be procured;
 - 4. the specific process per Section B.6.a. requirement(s) for Non-Competitive Negotiation believed to be satisfied by the subject procurement;

5. the justification for Non-Competitive Negotiation detailing sound, business reasoning why a competitive procurement of the given services is not appropriate and why Non-Competitive Negotiation is in the best interests of TRICOR;
 6. the maximum cost of the non-competitive procurement; and
 7. the contract duration.
- ii. The request and approval for Non-Competitive Negotiation required by process per Section B.6.b. shall not be required when:
 1. the selected service provider is a state agency or any political subdivision of the state of Tennessee created and existing pursuant to the constitution and laws of Tennessee or any instrumentality of government created by one or more political subdivisions of Tennessee or by an act of the General Assembly;
 2. the selected service provider is an entity of the federal government; or
 3. the total cost of the services for which the contract shall be written does not exceed an amount in excess of TRICOR CEO authorization level so long as that amount does not exceed the informal purchase thresholds established by the Procurement Commission, provided that service requirements shall not be artificially divided so that a procurement meets this criteria
 - c. Upon approval to proceed with Non-Competitive Negotiation, TRICOR evaluation team (including procurement) shall negotiate the best possible terms and price with the service provider, write a contract, and initiate contract approval in accordance with these procedures. Any communications related to negotiations must be documented.
 - d. By signing the contract, TRICOR CEO indicates and confirms his/her determination that the contract price

resulting from non-competitive negotiations is fair, reasonable, and competitive.

- e. TRICOR shall document the Non-Competitive Negotiation process.
8. If bids are submitted by a vendor collectively in one large envelope, but respond to separate Invitations to Bid, each bid must be sealed in a separate envelope clearly marked on the outside or the bids will be rejected.
9. TRICOR will not accept mail with inadequate postage. When postage-due mail is delivered, TRICOR cannot assume the responsibility for paying the amount due and will refuse the mail.
10. A bid must be received in the TRICOR purchasing office on or before the date and time designated for the bid closing or the bid will be rejected.
11. A bid bond issued by a surety company licensed to do business in the State of Tennessee may be required by the Invitation to Bid. When required, the amount of the bid bond shall be stated as a set amount or as a percentage of the bid price in the Invitation to Bid [T.C.A. § 62-6-129]. The bid bond cannot exceed five (5) percent of the total estimated value of the contract. Bid bonds submitted by unsuccessful vendors will be returned upon award of a contract [T.C.A. § 12-3-502 (i)].
12. A performance bond issued by a surety company licensed to do business in the State of Tennessee may be required by the Invitation to Bid. When required, the amount of the performance bond [T.C.A. § 62-6-129] shall be equal to the combined monetary value of the services of the construction manager and the value of the work to be so managed. The amount may be reduced proportionately as performance under the contract moves forward successfully. Performance bonds must be filed with TRICOR within ten (10) business days after receipt of request. An irrevocable letter of credit or a certificate of deposit, from a state or national bank or a state or federal savings and loan association having its principle office in Tennessee may be accepted in lieu of a performance bond, subject to approval of the terms and conditions of said irrevocable letter of credit or certificate of deposit.
13. Any time a contractor will be required to do work on state property, beyond delivering items to the TRICOR location, the

contractor must submit an original (.pdf acceptable) certificate of insurance meeting the criteria listed below. The contractor is required to submit a certificate of insurance directly to the Purchasing Division for processing.

The contractor shall procure and maintain for the duration of the contract, at their own cost and expense insurance against claims for injuries to persons or damages to property including contractual liability which, may arise in connection with the performance of the work performed by the contractor, its agents, representatives, employees or subcontractors under the contract.

The insurance carrier(s) must be licensed to conduct business in the State of Tennessee. The insurance will be evidenced by an original or .pdf format document certificate of insurance. The certificate shall include wording which states the Purchasing Division will be notified thirty (30) days prior to cancellation of the coverage or a major change in the coverage provided. TRICOR shall be held harmless for any injuries, claims or judgments against the contractor.

Certificates for liability coverage shall name TRICOR as an additional insured. The following Insurance Coverages are required:

- i. Workers' Compensation Insurance: a certificate shall be provided which indicates the contractor provides workers' compensation coverage in compliance with the state laws of Tennessee, and Employer's Liability with the following limits:
 1. E.L. Each Accident \$500,000.
 2. E.L. Disease- Each Employee \$500,000.
 3. E.L. Disease - Policy Limit \$500,000.
- ii. General Liability and Property Damage Insurance: Comprehensive General Liability Insurance, including but not limited to, bodily injury, property damage, contractual liability, products liability, with combined single limits of \$500,000 per occurrence with a minimum aggregate of \$1,000,000.

The successful bidder(s) shall provide the TRICOR with an original certificate of insurance or .pdf format document as proof of insurance coverage, as stated above, naming TRICOR, as an additional insured, within ten (10) business days after request. If the certificate of insurance is in .pdf format, it must be received directly from the insurance company.

Failure to maintain insurance coverage for the duration of the contract period may result in cancellation of the contract. In the event that the insurance policy on file in the TRICOR Purchasing Division expires or is canceled, the contractor will be required to cease work until proof of insurance is presented.

14. An invitation to bid will be dispatched either electronically or via print, or an Invitation to Bid may be obtained by a prospective bidder or vendor at the issuing location for TRICOR.
15. Any Purchase Order issued as a result of a vendor's bid will be sent to the firm's name and address/e-mail address registered to the specific vendor number stated on the Invitation to Bid.
16. It is understood and agreed that the signature shall constitute an offer when accepted in writing by TRICOR and subject to the terms and conditions of such acceptance will constitute a valid, binding contract between TRICOR and the vendor/contractor submitting such offer. Unsigned bids will be rejected. Unsigned bids cannot be signed after the bid has been opened, even if the bidder or the bidder's representative is present at bid opening. No signatures shall be in pencil.
17. Invitations to Bid shall request an actual and net price for the unit specified for each item. All pricing is FOB destination. The requirement for inside delivery must be stated within the Invitation to Bid and the resultant purchase order to assure that bidders are notified of such requirement and price their bids accordingly. The net price is list price less all trade or other discounts offered, not including cash discount for prompt payment. Unit price must be shown on the price sheet of the invitation to bid.
18. Each correction of a line item unit price made by the bidder on the bid response must be initialed in ink by each correction. No corrections will be made in pencil. No bid or line item shall be altered or amended after the bid opening. Failure to comply with the above may be cause for provisional rejection of part, or all, of the bid.
15. Invitations to Bid, request net prices. If cash discount for prompt payment is offered by the bidder, it must be shown in the space provided on the Invitation to Bid. Discount for prompt payment periods of less than thirty (30) days will not be considered in the award process. All discounts offered for prompt payment will be taken if earned. Cash discounts will be computed either from the date of delivery at destination and acceptance of the goods

offered, or the date of receipt of correct and proper invoices prepared in accordance with the terms of the purchase order, whichever date is later. TRICOR is eligible for the cash discount if the warrant is issued and post marked to the appropriate vendor prior to the 30th day from the above computation. If the payment is made via ACH (direct deposit), the discount is earned if the effective date of the deposit is within the 30 day limit.

17. The number of calendar days required for delivery after receipt of order (ARO) must be shown by the vendor in the space provided on the Invitation to Bid. If delivery time is already specified by TRICOR and the bidder intends to comply, this space is not required to be completed by the vendor.
18. There are two terms that describe shipping methods accepted by TRICOR. No shipping charges will be paid when the terms of the purchase are "FOB Destination". This is the shipping method of choice. "Prepay and Add Freight" is the method of shipment used when the vendor will not ship "FOB Destination". The vendor pays the shipping charges and adds this amount to the invoice. The charges on the freight bill should be the same as the charges shown on the invoice. When utilizing the pre-pay and add freight method, the estimated shipping cost must be considered in the bid evaluation process and entered as a separate line on the purchase order. The freight bill must accompany the invoice when submitted for payment. One of the two methods of shipment must be used.
19. All competitive purchases will require a signed confirmation of the vendor's bid, either on TRICOR's bid form or the vendor's letterhead, according to the types of purchases identified above.
20. A minimum of two brands and models, or equivalents, will be sought for all materials, products, and equipment which meet minimum specifications. These brands and models are to be identified on the PR or solicitation request.
21. Prices quoted on bids shall be good for a minimum of thirty (30) days, unless a commodity is being purchased where prices are known to fluctuate. Bids can include an adder plus or minus of the index rate for a commodity item to cover fixed overhead costs. Should the price of the commodity fluctuate, bids will be taken as needed.
22. Employees shall not engage in invoice splitting. All Procurement Requests must be approved by the appropriate approval authority. When the purchase of items is foreseen to be repetitive, the purchasing staff shall seek to procure these items

with a TRICOR Term Contract (see Section J, "Term Contracts and Renewals").

23. All informal and formal bids to outside vendors shall be solicited by the designated authorized Purchasing Agent. The individual initiating the purchase request will complete a TRICOR PR and forward it to the appropriate Purchasing Agent. The authorized Purchasing Agent will review all PRs for completeness and required approval authorization. PRs not properly completed or approved will be returned to the initiator for corrections prior to continuing the purchasing process. Minimum requirements to initiate a PR are as follows:

- a. Complete a PR in its entirety, including suggested vendors (if any), the specification requirements, special handling, required delivery date, quantity, Unit of Measure (UOM), cost center, and any other unique requirements to expedite the purchasing process.
- b. Provide detailed documentation, justification, and appropriate approval for the purchase.
- c. Forward all approved procurement requests to the authorized Purchasing Agent.
- d. All PRs or MRP orders must meet approval authority level referenced in Section E, "Purchasing Approvals".

24. Responsibilities of the purchase initiator are as follows:

- a. Define a need for the product, equipment, or service.
- b. Develop the critical features for the product, equipment, or service required.
- c. Specify preferred unit of measures, cost center.
- d. Identify the minimum specifications to ensure a competitive bidding process can be initiated.
- e. When possible, identify preferred or suggested vendors on a listing with name, address, telephone number, fax number, and contact names.
- f. Attach any critical or special information pertaining to the purchase to the PR.

- g. When applicable, submit requests for equipment purchases to the Engineering and Quality Assurance Manager for review prior to bidding and awarding a Purchase Order.
 - h. Attach all general, sole source, or proprietary purchase justifications, blueprints, drawings, sketches, specifications, and detailed vendor requirements or work statement.
 - i. Request a Sole Source letter, if applicable, from the vendor/supplier on their letterhead for inclusion with the PR.
 - j. Obtain all appropriate approvals and forward completed PR and all supporting documentation to the appropriate purchasing agent.
25. Responsibilities of the Purchasing Agent are as follows:
- a. Receive completed PRs, assign a PR number, review supporting documentation, and consult with the TRICOR operations staff, if applicable, to determine whether requested purchase items can be produced by a TRICOR operation before initiating a Solicitation or Purchase Order. Submit the Supplier Proforma to supplier for raw material suppliers supporting a production facility and review upon receipt.
 - b. Process all PR's requiring a TRICOR solicitation format.
 - c. Tabulate all returned solicitations and prepare appropriate recommendations prior to awarding a Purchase Order or contract. Communicate with the purchase initiator as required.
 - d. Communicate with the initiating party, as required, to ensure goods, services, or equipment are purchased, by the required date needed.
 - e. Send completed Purchase Orders to the vendors, initiator of the PR, and accounts payable.
26. A PR is required to purchase from the Department of General Services, Surplus Property Division. The appropriate approvals shall be obtained as referenced in Section E, "Purchasing Approvals".
27. Purchase Orders may be awarded by one of two evaluation methods.

- a. When cost is the primary factor, the Purchase Order will be awarded to the lowest responsive and responsible vendor meeting specifications. The specifications will include delivery terms. If none of the bidders conform to all specifications, TRICOR reserves the right to negotiate further with the bidders. Documentation of negotiations will be maintained in solicitation files.
 - b. If cost is not the primary factor to consider, TRICOR will define the relative weighted evaluation factors in the solicitation. Weighted values will be defined in the solicitation or Request for Proposal (RFP) process. Factors which will be considered include, but are not limited to price, time to, delivery, warranty, and qualifications and experience of the proposed vendor. The award will be made to the best evaluated proposal based on the criteria set forth in the solicitation. When this method is utilized, justification will be provided for the chosen vendor. Cost will be a minimum of 40% of the criteria.
28. After all quotations have been received and examined for completeness, a summary sheet will be prepared identifying all pertinent information and discrepancies. Determination of the successful bidder, and awarding of the Purchase Order, will be made only after all aspects stated in the bid have been considered. A statement will be included to justify the award of the purchase order or contract.
29. TRICOR will use State of Tennessee statewide contracts where applicable, but reserves the right not to buy from the contracts and instead using the competitive bidding process. TRICOR shall document the reason for not utilizing a statewide contract.
- f. Cancellation/Amendment to the Invitation to Bid. The Invitation to Bid may be canceled or amended any time prior to bid opening by the issuing agency with a notice to all bidders. The procurement cancellation shall be approved by the Buyer Planner Manager, or designee.
 - g. Rejection of All Bids. Action to reject all bids shall be taken only for unreasonably high prices, error in the Invitation to Bid, cessation of need, unavailability of funds, or failure to secure adequate competition. Any rejection of all bids shall be approved by the Buyer Planner Manager, or designee.

C. AWARD POLICY

Procedure

The purchases from bids and solicitations will follow this award policy.

Process

1. The Purchasing Department reserves the right to reject any or all bids that contain prices for individual items that are inconsistent or unrealistic when compared to other prices in the same or other bids, if such action would be in the best interest of TRICOR. This rejection shall be approved by the Buyer Planner Manager, or designee.

Action to reject all bids shall be taken only for unreasonably high prices, error in the Invitation to Bid, cessation of need, unavailability of funds, failure to secure adequate competition.

2. If a bidder fails to state the time within which a bid may be accepted, TRICOR shall have ninety (90) days to accept.
3. TRICOR may inspect the facilities of any bidder or may require additional information regarding a bidder's ability to perform the proposed contract. Bidders may be requested to complete the TRICOR Pro-forma as part of the qualification process. Bids may be bypassed for lack of apparent ability to perform the proposed contract. TRICOR shall document the reason for which a bid is bypassed. A bidder must, upon request of TRICOR, furnish satisfactory evidence of the ability to furnish products or services in accordance with the terms, conditions, and specifications. Bid bonds, performance bonds and/or other security may be required for any contract. Any such requirement must be set forth in the Invitation to Bid.
4. Each contract shall be awarded and let by TRICOR with reasonable promptness. The solicitation coordinator shall notify the selected bidder and non-selected bidders of the intent to award by providing all bidders with a copy of the intent to award sent to the awarded bidder.

Where more than one item is specified in the Invitation to Bid, TRICOR reserves the right to determine the low bidder(s) either on the basis of each individual item, a group of items, or total of all items, unless otherwise provided in the Invitation to Bid.

5. Technical offers and bids shall be evaluated based on the requirements set forth in the Invitation to Bid. Evaluation factors may include criteria to determine acceptability of the good or service. Such criteria may include, but is not limited to, inspection, testing, quality, workmanship, delivery and suitability for a particular purpose. The criteria that will affect the bid price, and be considered in evaluation for award, shall be objectively measurable (quantifiable). The Invitation to Bid shall set forth the evaluation criteria to be used. No criteria or factors may be used in the bid

evaluation that are not set forth in the Invitation to Bid [T.C.A. § 12-3-502(e)].

6. Alternate bids may be accepted, unless specifically excluded from the solicitation, if the alternate bid meets specifications and submitted on TRICOR provided pricing documents prior to the bid closing deadline.
7. Each Invitation to Bid shall be opened at a date and time after the bid process closes. The solicitation coordinator shall notify the selected bidder and non-selected bidders of the intent to award by providing all bidders with a copy of the intent to award sent to the awarded bidder.
8. A tie bid exists when two or more bidders offer products or services that meet all specifications, terms and conditions at identical prices, including cash discount offered for prompt payment. In such case, a tie bid will be broken by the following methods, in descending order:
 1. "Tennessee Bidder" means a business [T.C.A. § 12-3-1113(c) (2)(C)]:
 - i. incorporated in this state;
 - ii. that has its principal place of business in this state; or
 - iii. that has an established physical presence in this state.
 2. Small business
 3. Award item (s) to bidder who was low bidder on other items being bid per the same requisition;
 4. Best delivery;
 5. By lot or coin toss.
9. Bid prices may not be amended or changed after the bid opening.
10. To be considered, foreign made goods must meet specifications and must be in stock in the continental United States and available for immediate shipment at the time bids are submitted. If foreign made machines or mechanical equipment are offered, such offer must be supported by evidence acceptable to TRICOR that adequate service locations, service personnel, and repair parts are available to TRICOR from stock in the continental United States.
11. The solicitation coordinator should have a complete procurement file available to the public before the notice of intent to award is sent out, which begins the open file period. Bidders will have seven days from the time they knew or should have known (they are deemed to "know" when the intent to award notice is sent) to protest the award.

12. The solicitation coordinator and evaluation team SHALL NOT reveal information regarding the evaluation process or costs to anyone (including other State employees, bidders, non-State entities) until the intent to award notice is issued.
13. Once the open file period has passed and no protests have been received, the solicitation coordinator may begin the award process in Edison.
14. The delivery of a TRICOR Contract Award requires signatures of both parties to be fully executed.

TRICOR personnel are not authorized to sign standard contract forms used by vendors, only the CEO for TRICOR is authorized to sign contract forms.

D. TERMS

Procedure

The purchases from bids and solicitations will follow these terms and conditions.

Process

1. Standard terms and conditions that apply to all Invitations to Bid are to be added to the event by the purchasing agent to become part of the bid document. These are normally referred to as the "boiler plate" and require the approval of Buyer Planner Manager, or designee for any changes, after General Counsel's review.
2. Special terms and conditions that apply to term contracts and one time purchases are to be added to the event by the purchasing agent in accordance with the specific requirements of the event to become part of the bid document. These terms may be amended as required with the approval of the Buyer Planner Manager, or designee.
3. Permanent changes to special terms and conditions shall require General Counsel's review.
4. Any request for a lease with an option to purchase at the end of the term of such lease should include documentation as to why this method is preferred in lieu of an initial open market purchase. These factors will be utilized in the analysis by Purchasing in determining the best method of purchase. If the lease purchase method is applied, the Invitation to Bid should include a cost for a buy-out at the end of the term of the lease.

Pursuant to Tenn. Code Ann. § 12-3-309, all persons and entities entering into a contract with the State must first attest in writing that such person or entity will not knowingly utilize the services of any subcontractor will will utilize the

services of illegal immigrants in the performance of the contract. All solicitations and awarded contracts shall require this signed attestation.

E. PURCHASING APPROVALS

Procedure

Each employee has the responsibility of obtaining maximum value for every dollar of funds expended. The Purchasing Department is responsible for ensuring that TRICOR obtains maximum value for all expenditures. It is the responsibility of the Purchasing Agents to ascertain that all elements of evaluation, negotiations, and recommendations pertaining to a proposed purchase are completed for review and approval by the approving authority.

Process

1. A properly completed Procurement Request or MRP order with approval at the appropriate level is required for all purchases.

A. PURCHASE ORDER SIGNATURE APPROVALS

- a. The Purchasing Agent will be responsible for reviewing **“contract” MRP** purchase orders generated from TIMS. The signature approval(s) required for MRP “contract” purchase orders are:

DOLLAR VALUE	APPROVAL REQUIRED (Approvals are cumulative)
Purchases up to \$50,000	Authorized Purchasing Agent
Purchases up to \$100,000	Buyer Planner Manager
Purchases up to \$200,000	Chief Operations Officer and Chief Financial Officer
Purchases in excess of \$200,000	Chief Executive Officer

- b. All **MRP “non-contract” purchase orders and production procurement requests** (whether for one time purchases or contracts) will require the following signature approval(s):

DOLLAR VALUE	APPROVAL REQUIRED (Approvals are cumulative)
Purchases up to \$5,000	Authorized Purchasing Agent
Purchases in excess of \$5,000	Buyer Planner Manager
Purchases in excess of \$25,000	Chief Operations Officer and Chief Financial
Purchases in excess of \$75,000	Chief Executive Officer
Purchases of any single payment in excess of \$100,000	TRICOR Board of Directors
Emergency purchases	Chief Executive Officer; Board Treasurer will be

	notified promptly.
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- c. Maintenance, repair, operating (**Expense Orders**) Contract and Non Contract purchase orders:

DOLLAR VALUE	APPROVAL REQUIRED (Approvals are cumulative)
Purchases up to \$5,000	Department Manager and Authorized Purchasing Agent
Purchases in excess of \$5,000	Buyer Planner Manager, Chief Operating Officer or Chief Financial Officer
Purchases in excess of \$75,000	Chief Executive Officer
Purchases of any single payment in excess of \$100,000	TRICOR Board of Directors
Emergency purchases	Chief Executive Officer; Board Treasurer will be notified promptly.
Capital Equipment	See Section on Capital Equipment Purchases

- d. All contracts must be signed by the Chief Executive Officer. In the event of an emergency or in the extended absence of the Chief Executive Officer, a designee will have signature authorization as noted on a Signature Authorization Form. (Note: See Section B.2.d.)
2. A Signature Authorization Form (see Attachment B) must be submitted to the Chief Financial Officer and Buyer Planner Manager, which identifies each person authorized to have signature approval authority.

Approval level does not imply authority level to purchase equipment, products, raw materials, supplies, or services. This means that approval must be granted at the appropriate management level for purchases. The approval process documents compliance with all State of Tennessee and TRICOR purchasing policies and procedures.

3. The last page of typed Purchase Orders and revision notices which reflects the dollar value of the Purchase Order must be signed by the Purchasing Agent.
4. It is an acceptable business practice for some commodities, such as printing and fabric, to have a 10% quantity variance. In these instances, overages or shortages are acceptable, within the variance, and do not require a purchase order change. The actual quantity received should be indicated on all receiving documents for inventory and accounting purposes. Any shipments in excess of the allowable variance shall be reported to the initiating Purchasing Agent for appropriate action.

5. TRICOR employees will maintain appropriate ethical standards and avoid conflicts of interest in accordance with TRICOR Policy 211, Conflicts of Interest and the Acceptance of Gifts and Gratuities

F. PURCHASE WITH P-CARD

Procedure

P-Cards are the State's payment cards and are used to pay for certain purchased items (MCC codes) with specific daily and transactional limits. The cards are used when an employee needs to make an immediate purchase on behalf of TRICOR. The purchases are typically a "Small Value Purchase", which is currently \$5,000 or less. This process is operated through the Edison System. Adherence including training, processing, reconciliation, and approvals are done in Edison.

Process

1. All purchases submitted to Purchasing for processing with a P-Card require a PR with all appropriate signature approvals.
2. P-Cards cannot be used for raw material purchases and must be used in accordance with guidelines in State P-Card manual.

G. EQUIPMENT PURCHASES

Procedure

All equipment needs shall be addressed in the formal annual budget process to ascertain the availability of funds for the proposed expenditure. Priorities will be established and justification guidelines will be provided during the budgeting process. Equipment requests not included in the budget will be considered contingent upon the status of revenue collections and/or on an emergency basis.

Process

1. Equipment requests will initially be submitted on a completed Procurement Request. The purchase request for equipment that has not been approved during the budgeting process should be accompanied with appropriate justification. Justification shall state whether the purchase is replacing existing equipment or how it will either create new revenues or reduce costs by gained efficiencies. Any known suppliers of the equipment shall be identified. A minimum of three suppliers is preferred. The Procurement Request must also include equipment specifications.
2. Equipment specifications will be submitted on a product comparison chart. Specifications shall be functional or performance specifications, whenever possible, must be clearly stated, and easily understood. Specifications

must be open and competitive with two or more models, identified by manufacturer or brand, which will meet or exceed minimum performance requirements. The use of brand name alone will not be permitted as a substitute for specifications. When specifications are not available and the brand name is used, the words or equal \cong , shall be included.

3. All equipment requests, whether for new or used/rebuilt items, must be reviewed and approved by the appropriate general manager to ensure appropriate utilities (electric, air, gas, or water) are available for the equipment (per Policy 805, Acceptance of New, Used, Rebuilt and Repaired Machinery) prior to Director's approval, to ensure critical specifications and Federal OSHA compliance requirements are met before solicitation is sent to vendors.
4. All equipment PR's will meet approval levels (Section E.) based upon the estimated cost, prior to being sent to the appropriate Purchasing Agent.
5. The PR must initially be approved at all appropriate levels and then forwarded to the Chief Financial Officer to ensure budget availability. After approved, the PR will then be forwarded to the Purchasing Agent designated to make equipment purchases by the appointing authority.
6. All equipment offered must be new unless the Invitation to Bid specifically permits offer of used equipment. Reconditioned items are considered used.
7. Used equipment may be bid if determined to be more economically feasible, while still obtaining quality standards. This can be accomplished by comparing and documenting, in the solicitation file, the cost of used equipment versus the cost of new equipment. Supporting documentation will be provided with the procurement request and maintained in the solicitation file. The willingness to accept used equipment must be identified to all potential bidders. The condition of used equipment will be verified before purchase and demonstrations may be required. Used items are not acceptable if serial numbers or other manufacturer's identifying labels/markings have been removed, defaced, or altered in any way. The value of used equipment will be determined in conjunction with the Department of General Services, Surplus Property Division.
8. TRICOR may request bids for new equipment by using a trade-in of used existing equipment. In such cases, two price quotations will be requested; one with a trade-in and one without a trade-in, for the desired equipment. TRICOR reserves the right to award the bid with or without a trade-in.
9. All equipment purchases exceeding \$5,000 or classified as "sensitive items" will be entered into the Edison system by the property manager in Finance Department for inclusion in the inventory system and establishing

accountability. Freight and installation charges shall be included in the cost of all equipment.

10. Any major maintenance, renovations, or capital project expenditures will be included in the State of Tennessee Capital Projects Budget and sent to the State Building Commission for approval.

H. PURCHASE ORDER PREPARATION, PROCESSING, AND CONTROL

Procedure

Purchase Orders authorizing vendors to ship and invoice goods or services will be generated using TIMS authorizations.

Process

1. When a Purchase Order/Contract is issued as an acceptance of the vendor's offer, a contractual relationship immediately arises. A Purchase Order constitutes the final and entire agreement between the vendor and TRICOR.
2. All purchase orders will be issued in TIMS.
3. Copies of signed Purchase Orders will be distributed by the Purchasing Agent as follows:
 - a. One copy to the Purchasing Agent's bid documentation file maintained at the central purchasing office.
 - b. One copy to TRICOR Accounts Payable,
 - c. One copy to the vendor, and
 - d. One copy to the requestor or receiver of the purchased items.
4. A record of Purchase Orders will be maintained in TIMS for audit purposes, in addition to supporting documentation of the purchase being maintained within the Purchasing Agent's file.
5. The Purchasing Department will keep records and documentation of the circumstances regarding any voided or destroyed Purchase Orders. All Purchase Order numbers must be accounted for in TIMS.

I. PURCHASING FROM SMALL, WOMAN-OWNED, TENNESSEE SERVICE-DISABLED VETERAN OWNED, AND MINORITY-OWNED BUSINESSES

Procedure

TRICOR shall give preference to small businesses, woman-owned businesses, Tennessee service-disabled veteran owned businesses, and minority-owned businesses when awarding contracts or agreements, and purchasing goods and services provided the terms, price, conditions, and quality associated with such businesses' proposals are equal to those from other businesses.

Process

1. **Soliciting Bids:** TRICOR staff will actively solicit bids from small businesses, woman-owned businesses, Tennessee service-disabled veteran owned businesses and minority-owned businesses whenever possible to acquire a fair proportion of purchases from these entities.
 - a. The Governor's Office of Diversity Business Enterprise has compiled a comprehensive directory of minority owned, woman-owned and small businesses and the directory of active and certified business will be used in locating potential sources for various product and services. The list is located on the world-wide-web at: www.tn.gov/diversity or intranet site at www.intranet@state.tn.us.
 - b. The Buyer Planner Manager shall report to the Governor's Office of Diversity Business Enterprise, as requested, forthcoming purchases and contract opportunities and the level of participation by minority-owned, woman-owned, Tennessee service-disabled veteran owned, and small businesses.
2. **Annual Report:** The Buyer Planner Manager will report annually, on or before November 30, to the Chief Financial Officer and the Chief Executive Officer concerning the awarding of purchases to small, minority, Tennessee service-disabled veteran owned, and woman-owned businesses and the total value of awards made during the preceding fiscal year. The annual report will include the following:
 - a. The number contract awards that included:
 1. Small businesses solicited,
 2. Minority-owned businesses solicited,
 3. Tennessee service-disabled veteran owned businesses solicited,
 4. Woman-owned businesses solicited,
 5. Bids received from small businesses,
 6. Bids received from minority-owned businesses,
 7. Bids received from Tennessee service-disabled veteran owned businesses, and
 8. Bids received from woman-owned businesses.
 - b. The amount of contract purchases awarded to small businesses, minority-owned businesses, Tennessee service-disabled veteran owned, and woman-owned businesses.

- c. The following information shall be included for each African-American, Hispanic, Asian-American, and Native-American owned businesses:
 - 1. The number of businesses solicited within each category,
 - 2. The number of bids received from each category, and
 - 3. The total number and dollar amount of all purchases awarded within each category.
- d. The total number and dollar amount of all purchases by TRICOR during the reporting period.

J. TERM CONTRACTS AND RENEWALS

Procedure

TRICOR will establish agency contracts, whenever possible, to obtain competitive prices. Contract renewals shall be executed prior to the expiration date of the existing contract.

Process

Contracts will be established for all goods or services that account for 80% of the annual dollar spend.

- 1. Types of contracts to be initiated are a Term Contract or a Multi-Year Contract.
 - a. Term contracts will be used to establish a vendor for specific products, materials, equipment, and services at a specified price, or discount percentage of catalog list price, from a supplier. These contracts normally do not exceed twelve (12) months. The estimated quantity does not obligate TRICOR to meet or exceed these solicitation requirements. These quantities may vary based upon time, historical usage, or market requirements.
 - b. A Multi-Year Contract includes an option to renew in twelve (12) month increments, after completion of the first year. Contracts will not exceed sixty (60) months (five (5) years). The intent for renewal options will be identified in the bid invitation. Prior to the expiration of the contract renewal, the Buyer Planner Manager, or designee will review, evaluate, and document contract compliance, complaints, or irregularities and determine whether to renew or proceed with cancellation of the contract.
- 2. Any TRICOR operation requiring a contract will complete a "Request for Contract for Goods or Service" form (see Attachment E) and forward it to the Buyer Planner Manager.

- a. The Requisition for Contract is submitted to the Buyer Planner Manager.

This request must include the following:

1. Specific type of commodity or service requested;
2. Term of the contract;
3. An estimate of the amount to be spent for the entire length of the contract;
4. Estimated quantity of items to be purchased;
5. Detailed open and competitive specifications for the product or service to be purchased.

- b. Justification is required as to why such a long-term contract request is advantageous or necessary. Some examples include:

1. Repetitive commodity or service with stable pricing market;
2. Services required that are dependent upon a continual high level of performance, or
3. Any other reason approved by Purchasing.
4. Guidelines for Supplier Classification when determining what type of contract should exist for the vendor. (Reference Attachment D)

3. Economic Order Quantity (EOQ), storage costs, early payment discounts, and alternative buying sources shall be considered during the contract solicitation process.

4. Solicitations for contracts will require completion and approval of all information identified on the Request for Contract or Service form.

5. TRICOR's intention is to competitively bid all contracts. The number of bid solicitations distributed will vary depending on the availability of suppliers.

6. When bidding a new contract, an extension of up to one hundred eighty (180) days may be granted to an existing contract, if the existing contract contains the one hundred eighty (180) day extension clause.. Contract extensions must be approved by the Buyer Planner Manager.

7. A mechanism for tracking contracts will be maintained to include the following:

- a. Product Number (if applicable),
- b. Description of items purchased,
- c. Vendor Name,
- d. Contract Number,

- e. Purchasing Volume,
- f. Contract amount, dates, and notes,
- g. Small businesses,
- h. Minority-owned businesses,
 - i. African American owned businesses,
 - ii. Hispanic American owned businesses,
 - iii. Asian American owned businesses,
 - iv. Native-American owned businesses.
- i. Woman-owned businesses,
- j. Tennessee service-disabled owned businesses,

The Excel database will be updated daily as contract changes and/or new developments occur.

- 8. The Purchasing Department Section shall initiate the new contract ninety (90) days prior to the current contract expiration, as follows:
 - a. 0 to 15 Days - Gather information and prepare solicitation to bid. (Specifications, Quantities, etc.)
 - b. 15 to 30 Days - Mail bid solicitation to potential vendors and award contract to successful vendor.
 - c. 30 to 60 Days - Re-bid if necessary or obtain approval signatures.
 - d. 60 to 90 Days - Obtain approval signatures.

K. SOLE SOURCE PURCHASING

Procedure

Sole source purchases will be approved when only one particular vendor can supply the purchase.

Process

- 1. Sole Source Purchases must meet one or more of the following criteria:
 - a. The vendor's product possesses exclusive and/or predominant capabilities or contains a patented feature.
 - b. The product or service is unique and easily established as one of a kind.
 - c. The product is only available from one source and not merchandised through wholesalers, jobbers, or retailers.
 - d. Items are interchangeable or compatible with existing items.

- e. Whether the program requirements can be modified so that competitive products or services may be used.

The individual initiating the purchase must provide a written justification for the sole source which includes, but is not limited to, appropriate and applicable criteria identified in 1.a. through e., above.

2. Sole Source justification must accompany any sole source purchase request. The individual initiating the purchase must request a letter from the vendor stating that they are the sole supplier of the product or it is not sold through other distributors. Purchasing staff will document, within the purchasing file, all contacted vendors to verify and substantiate the sole source requirement. A written bid must be submitted and received by the Purchasing Section, which will be placed in the documentation file.
3. Monetary approval levels identified in Section E. "Purchasing Approvals" are required for all sole source purchases.
4. All Sole Source Purchases must be approved by the Buyer Planner Manager and documented in accordance with the requirements of this section. A Purchase Order/Contract will be issued once the bid is received, reviewed, and evaluated, by the Purchasing Division.

L. PROPRIETARY PURCHASES

Procedure

Marketing of a proprietary product is generally controlled by franchisees which may include competitive sales at wholesale or retail levels. Any request for a proprietary purchase must be justified by the initiator and approved by the Buyer Planner Manager.

Process

1. Written justification, as indicated below, must accompany any proprietary purchase request.
 - a. Vendor possesses exclusive and/or predominant capabilities or contains patented feature.
 - b. Product or service is unique and easily established as one of a kind.
 - c. Items must be interchangeable or compatible with existing items.
2. Written bids (faxed, mailed, or sealed) will be sent to suppliers capable of delivering proprietary products or services.

M. PURCHASE DOCUMENTATION FILE

Procedure

All purchasing transactions will be properly documented and maintained on file for a minimum of three (3) years and until audited. Documentation of purchasing transactions will be available for auditing review at any time.

Process

1. The authorized Purchasing Agent will establish a documentation file which contains the following information:
 - a. Copy of completed Procurement Request form TO-0053, and/or TIMS Requisition,
 - b. Copy of all bids and vendor responses,
 - c. Vendor bid tabulation spreadsheet indicating all pricing information,
 - d. Purchasing Agent's recommendation for award,
 - e. Approved Procurement Request and related supporting documentation,
 - f. Copy of the Purchase Order, and all Purchase Order Changes,
 - g. Reference number of active contract, if applicable, and
 - h. Copy of each Purchase Order released from active contracts.

N. PURCHASE ORDER CANCELLATION

Procedure

Suppliers will be given thirty (30) days notification, in writing, prior to cancellation of a Purchase Order. Purchase Orders may be canceled in one day for cause or non-performance.

Process

1. A TIM's cancellation will be initiated for any cancelled Purchase Order. The words "Cancellation Notice" shall appear conspicuously on the face of a copy of the cancelled Purchase Order.

2. The authorized Purchasing Agent will request a signed acknowledgment from the vendor of the cancellation notice.
3. Copies of the cancellation notice will be distributed as follows:
 - a. One to the vendor,
 - b. One to the purchasing file,
 - c. One to the applicable TRICOR receiver of the items indicated on the Purchase Order, and
 - f. One to Accounts Payable.

O. PURCHASE ORDER CLOSING AND PAYMENT

Procedure

Purchase Orders will be verified and all goods or services will be received prior to payment being made.

Process

1. Purchase Orders will remain in the pending file until the goods or services have been received. Upon notification of satisfactory performance of service or receipt of goods, the Purchase Order will be removed from pending status.
2. Upon receipt of a vendor invoice, the Accounts Payable Section will verify the receipt of goods delivered or services received. The Purchase Order defines price, terms of payment, and freight terms. The invoice must comply with these terms.
3. When making payment, the Accounts Payable Section must ensure that quantities on the invoice agree with the receiving register, extensions and totals are correct, cash discounts are taken, if earned, and that the proper voucher number, date, cost center, and object code are indicated.
4. Any discrepancies on the Purchase Order shall be referred to the authorized Purchasing Agent. The Buyer Planner Manager will resolve any differences and return to the Accounts Payable Section.
5. In accordance with the Prompt Payment Act of 1985, T.C.A §§ 12-4-701 *et seq.*, if no date for payment is agreed upon in the contract, payment will be made within 45 days after receipt of the invoice. Overdue payments may accrue 1½ percent interest per month beginning on the day after the payment is due.

P. REJECTED AND RETURNED MATERIAL

Procedure

All rejected materials will be returned to the vendor and appropriate documentation initiated to ensure proper credit is received and replacement, if required, is properly controlled.

Process

1. Rejected and returned materials will be processed as follows:
 - a. Obtain a returned goods number from the vendor.
 - b. Prepare shipping order and TIMS return to vendor (RTV) identifying all pertinent information, such as authorization number, part number, quantity, description of item, and details of appropriate solution.
 - c. If replacement materials are involved, all documentation will be attached to the Purchase Order and placed in an open order file. If replacement is not necessary, and the order is otherwise closed, it will be filed in the returned goods folder.
 - d. On orders where replacement parts are required, necessary documentation shall be sent to the receiving location.
 - e. A shipping order shall be sent to the shipping location for delivery of goods.
 - f. When documentation is received indicating the shipment date, file information in folder, retrieve accounting copy of the shipping order and RTV, and send to the Accounts Payable Section.
 - g. When the accounting function is completed, documentation will be forwarded to the Purchasing Section verifying that entries have been made into the accounts payable system.
 - h. Any additional expenses to TRICOR, generated by rejected and returned materials, shall be charged to the vendor.
 - i. All documents pertaining to the transaction will be maintained in the Purchase Order file.

Q. PURCHASE ORDER OVER SHIPMENTS AND UNDER SHIPMENTS

Procedure

Shipments which are more than 10% over or under the original Purchase Order will not be accepted. Any shipments in excess of the allowable variance shall be reported to the authorized Purchasing Agent for appropriate action. Under shipments are to be reported to the Purchasing Agent for review and disposition of the Purchase Order. Partial shipments should be discouraged, and only requested for urgent material needs.

Process

1. Whenever possible, purchased materials are to be shipped in the exact quantity ordered. Possible exceptions will be in small value items or specially manufactured items. Standard industry tolerances must be taken into consideration.
2. When it is critical to our requirements that the entire quantity ordered be received, the Procurement Request and Purchase Order shall be marked "DO NOT UNDER SHIP". These orders may be subject to an over shipment.
3. It is acceptable business practice for certain commodities, such as printing and fabric, to have a 10% quantity variance. In these instances overages or shortages are acceptable, within the variance, and do not require a purchase order change. The actual quantity received should be indicated on all receiving documents for inventory and accountability purposes. Any shipments in excess of the allowable variance shall be reported to the authorized Purchasing Agent for appropriate action. A Purchase Order Change will be issued, if accepted. The authorized Purchasing Agent will contact the vendor for a return authorization for any overage not accepted, which are being returned to vendor at the vendor's expense.
4. Payment for a completed order, in regard to the 10% tolerance, will be the unit cost multiplied by the actual number of units received.
5. When the Purchasing Agent, General Manager, Farm Manager, or Division Director determines that a shipment is rejected, the merchandise will be returned at the vendor's expense. Reference Policy 709 Material Receipts, for Return To Vendor.
6. If a supplier continuously over ships materials, the Buyer Planner Manager will be notified.
7. The Buyer Planner Manager will be the final authority on whether to accept or reject any over shipment or under shipment.

R. FREIGHT

Procedure

In accordance with the overall objectives of securing the necessary materials and services required at the lowest cost, continued efforts must be made to ensure that the most desirable means of transporting goods from vendors to TRICOR locations are used.

Process

1. The most efficient and economical transportation means available will be used. Transportation costs can be held to a minimum by implementing the following.
 - a. Use the most efficient and effective method of transportation.
 - b. Use the most advantageous routing for the specific purchase.
 - c. Use suppliers near the destination point whenever possible.
 - d. Ensure that shipping instructions are followed consistently by suppliers and carriers.
 - e. Develop preferred carriers, after negotiating for maximum discounts.
 - f. TRICOR's preference is F.O.B. destination.
 - g. Release materials in the most economical quantities considering total cost, including transportation.

S. VENDOR COMPLAINTS

Procedure

Every effort will be made to resolve problematic vendor issues as soon as they arise.

Process

1. Items with unacceptable visible defects shall be refused, returned, and reported as returned, immediately, with an explanation for the return. Obscure damages will be reported immediately upon detection. The performance status of the receipt should be recorded in TIMS under the Vendor Performance section for the header and also for the line item of the receiving process. The receiver will make every reasonable effort to resolve the problem.
2. When the problem cannot reasonably be resolved, a clear description of the situation will be sent to the Buyer Planner Manager. Buyer Planner Manager will file a written complaint with the vendor by utilizing the Supplier Corrective Action Request (SCAR) process.

3. Vendors are required to respond to a written complaint within 7 working days. If a reply is not received, the Buyer Planner Manager will contact the vendor and attempt to secure a definite commitment of action. Failure to reply may result in the vendor being removed from future bid opportunities.
4. Vendor complaints should be considered any time a vendor fails to comply with the Purchase Order and/or Contract. Examples of non-compliance include, but are not limited to:
 - a. Over shipments,
 - b. Under shipments,
 - c. Late shipments,
 - d. Failure to ship,
 - e. Damaged products,
 - f. Defective products,
 - g. Shipments not in conformance with specifications,
 - h. Unauthorized substitutions,
 - i. Billing errors,
 - j. Service deficiencies,
 - k. Failure to respond to complaints,
 - l. Unethical practices,
 - m. Misrepresentation of merchandise,
 - n. Conviction, plea of guilty, or no contest plea to crimes involving fraud or restraint on trade regarding public contracts.
5. The Buyer Planner Manager will decide if the complaint requires a vendor's removal from the bid list. Factors to consider are the seriousness of the problem, the vendor's history, and the number of complaints in relation to the number of Purchase Orders issued.
6. Protests subsequent to award shall be resolved by the TRICOR Chief Executive Officer through the Chief Financial Officer.

T. RESOLUTION OF VENDOR PROTEST

Procedure

All vendor protests will be resolved by the TRICOR Chief Executive Officer through the Chief Financial Officer.

Process

1. Prior to the commencement of court action, any actual or prospective bidder who claims to have been harmed in connection with a bid, the bid process, or a pending contract award may protest to the Chief Executive Officer of TRICOR. The protest shall be submitted, in writing, within 7 days after the claimant knew or should have known of the facts giving rise to the protest.

2. In the case of a pending award, bidders who have protested may submit a written petition for stay of award to the Chief Executive Officer. The stay becomes effective upon receipt by TRICOR. TRICOR shall not proceed further with the bid process until the protest has been resolved, unless the TRICOR Board of Directors makes a written determination that continuing the bid process or awarding the contract, without delay, is necessary to protect the substantial interests of the organization.
3. Upon receipt of the protest, the Chief Executive Officer has 10 days to either:
 - a. Reject the protest,
 - b. Accept the protest and meet the vendor's terms,
 - c. Request additional information, or
 - d. Request the vendor present additional information, personally, to the Chief Executive Officer.

Any of the above decisions will be documented in writing. The vendor shall have 7 days to respond to the request, upon receipt.

4. If the protest is not resolved by mutual agreement, the protester may request that the matter be considered by the TRICOR Board of Directors. This request must be received, in writing, within 10 days from the Chief Executive Officer's final determination.
5. Any complaints of non-compliance of the bid, bid process, or contract award will become a part of the solicitation file.

U. PURCHASE ORDER EXEMPTIONS

Procedure

Some purchases will not require a purchasing document to accompany payment requests; some specified purchases and services require a contract to be established. TRICOR is not required to submit a purchase order for certain purchases as listed below unless otherwise noted on term contracts.

Process

1. Telephone billings.
2. Books (TRICOR funds should never be used to purchase political publications of any sort).
3. Newspaper, radio, internet, or television advertisements.
4. Freight charges not incurred in connection with the purchase of supplies and equipment.
5. Postage charges, including the purchase of metered postage.

6. Charges on airline and gasoline credit cards.
7. Bonding fees or Notary Public fees.
8. Building permits.
9. Deed registration fees.
10. Court fees.
11. Utility billings, connection fees and landfill charges.
12. Prescriptions for individuals for emergency treatment for clients or wards of the State.
13. Title fees, title insurance or title search.
14. Tuition, fees and supplies for training of individuals (Approved by the Department of Human Resources for State employees).
15. Occasional charges for rooms for meeting and attendant expenses.
16. Expenses in connection with meetings, such as coffee and doughnuts.
17. Rental of vehicles while on approved travel.
18. Chemical and pesticide samples for mandated Federal and State testing by Department of Agriculture. Individual purchases not to exceed \$200.

V. PRIOR APPROVAL REQUIRED

Procedure

Some purchases do not require purchase orders but which should be made by contract or authorization approved by Chief Executive Officer and or Chief Financial Officer:

Process

1. Rental or lease of property;
2. Purchase of artifacts for historical or commemorative purposes;
3. Tuition, fees and supplies for training of individuals.
4. Occasional charges for rooms for meetings, and attendant expenses in excess of \$200 per day for a maximum of five (5) days would be required. The \$200 per day maximum would be totally inclusive of all charges for the day;
5. Convention fees/Registration fees in excess of \$100 per individual for a maximum of ten (10) individuals;
6. Association entry fees.
7. Organization membership dues and subscriptions to newspapers, periodicals, newsletters, or pamphlets;
8. An employee's moving expenses.

9. Rental of passenger vehicles;
10. Purchase of awards for TRICOR employees;
11. Purchase of awards for private citizens;
12. Honoraria and attendant expenses or
13. Insurance policies or an appropriate committee as required by law.

NOTE: THIS AGENDA ITEM WAS REMOVED AND WILL BE PRESENTED TO THE PROCUREMENT COMMISSION AT A LATER DATE. PAGES 55-67 HAVE BEEN DELETED FROM THIS DOCUMENT.

**PROPOSED “NORTHWEST TENNESSEE
DEVELOPMENT DISTRICT AND HUMAN
RESOURCE AGENCY PROCUREMENT
POLICY”**

PROPOSED:

- **SMALL PURCHASES MODEL**

SMALL PURCHASES MODEL

State Agencies may utilize their Small Purchase authority when the total value of a contract or purchase will cost less than such amounts approved by the Procurement Commission. The use of this model is optional and serves as a guide for recording small purchases quotes when such are permitted by all applicable laws, policies, and procedures. Add, delete, or revise information below as applicable.

- Total Contract Value \leq \$10,000 (No procurement shall be artificially divided or split in order to fall within such amounts)
- Due diligence performed (such as benchmarking of pricing, ensuring that terms, conditions, and pricing are in the State's best interests. Note all due diligence performed by procurement professionals must be documented for small purchases from \$5,000.01 to \$10,000.)
- Goods or services not available from an existing Statewide Contract or Agency Term Contract (if so, prior Chief Procurement Officer approval must be obtained)
- Goods or services actively solicited from minority-owned, woman-owned, Tennessee service-disabled veteran owned, and small businesses when possible
- Procurement professionals are encouraged to use competitive methods whenever practicable



STATE OF TENNESSEE

Agency Header Information

Small Purchases – Request for Quotes

Date:

Reference Number:

Please complete the information below and send this Request for Quotes to:

State Procurement Professional Name & Title

Email: xxxx@tn.gov

Phone: (XXX) XXX-XXXX

Fax: (XXX) XXX-XXXX

All Responses are due by:

Please provide a quote for the following line(s) and return this document by email or fax:

Line	Qty.	Unit of Measure (UOM)	Description	Unit Price Per Line	Total Line Amount (QTY x UOM)
Total Quote Amount					

The State prefers to award a single contract for all line items; however, separate awards may be made by each line item. With respect to goods, delivery shall be F.O.B. The term F.O.B. destination shall mean delivered and unloaded in-house or on-site service, with all charges for transportation and unloading prepaid by the respondent.

Ship F.O.B. Destination Address:

I (We) propose to furnish and deliver any and all of the goods and/or services named in this Request for Quotes, and for which I (we) have set prices in my (our) offering.

1. Company Name: _____
2. Edison Supplier Number: _____
3. Print Contact Person Name: _____
4. Title: _____
5. Phone Number: _____
6. Email Address: _____
7. Date: _____
8. Number of days the quote is valid: (please circle) 30 – 60 – 90 – N/A
9. Payment terms, including Cash Discount offered: _____
10. Delivery time, after receipt of order: _____

Signature of Respondent: _____

Thank You!

PROPOSED:

- **INFORMAL PURCHASES MODEL**

INFORMAL PURCHASES MODEL

State Agencies may utilize their Informal Purchase authority when the total value of a contract or purchase will cost less than such amounts approved by the Procurement Commission. The use of this model is optional and serves as a guide for recording Informal Purchases quotes when such are permitted by all applicable laws, policies, and procedures. Add, delete, or revise information below as applicable.

- Total Dollar Value ≤ \$50,000 for agencies with Delegated Purchasing Authority (no procurement shall be artificially divided or split to fall within this amount)
- Due diligence performed (such as benchmarking of pricing, ensuring that terms, conditions, and pricing are in the State's best interests, etc. Note all due diligence performed by procurement professionals must be documented for informal purchases from \$10,000.01 to \$50,000.)
- Goods or services not available from an existing Statewide Contract or Agency Term Contract (if so, prior Chief Procurement Officer approval must be obtained)
- Goods or services actively solicited from minority-owned, woman-owned, Tennessee service-disabled veteran owned, and small businesses
- Procurement professionals are encouraged to use competitive methods whenever practicable
- All purchases exceeding \$10,000 based upon three (3) competitive quotes, when practicable.
- Signed and dated confirmation of quotes, as required, for all procurements exceeding \$10,000. (Fax or e-mail confirmation is acceptable as written confirmation of quotes on informal purchases not exceeding \$50,000 for State Agencies procuring under a Delegated Purchase Authority.)



STATE OF TENNESSEE

Agency Header Information

Informal Purchases – Request for Quotes

Date:

Reference Number:

Please complete the information below and send this Request for Quotes to:

State Procurement Professional Name & Title

Email: xxxx@tn.gov

Phone: (XXX) XXX-XXXX

Fax: (XXX) XXX-XXXX

All Responses are due by:

Please provide a quote for the following line(s) and return this document by email or fax:

Line	Qty.	Unit of Measure (UOM)	Description	Unit Price Per Line	Total Line Amount (QTY x UOM)

Total Quote Amount	
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The State prefers to award a single contract for all line items; however, separate awards may be made by each line item.

With respect to goods, delivery shall be F.O.B. The term F.O.B. destination shall mean delivered and unloaded in-house or on-site service, with all charges for transportation and unloading prepaid by the respondent.

Ship F.O.B. Destination Address:

I (We) propose to furnish and deliver any and all of the goods and/or services named in this Request for Quotes, and for which I (we) have set prices in my (our) offering.

1. Company Name: _____
2. Edison Supplier Number: _____
3. Print Contact Person Name: _____
4. Title: _____
5. Phone Number: _____
6. Email Address: _____
7. Date: _____
8. Number of days the quote is valid: (please circle) 30 – 60 – 90 – N/A
9. Payment terms, including Cash Discount offered: _____
10. Delivery time, after receipt of order: _____

Signature of Respondent: _____

Thank You!

PROPOSED:

- **REQUEST FOR INFORMATION (RFI)
MODEL**

REQUEST FOR INFORMATION (RFI) MODEL

A RFI is a solicitation sent to a broad base of potential suppliers for the purpose of developing strategy, building a database, or preparing a Request for Proposals or a Request for Qualifications. This is distinguished from the event in Edison called an RFI. As the RFI is inherently for informational purposes, this model may be revised as appropriate to solicit the information needed from the vendor community. Please refer to Central Procurement Office Policy Number 2013-002 "Procurement Methods Policy and Procedures" for additional information.

Complete form fields and follow, replace, or otherwise address red instructional text (e.g., State Agency Name) as indicated and with conforming font and color.

1. Option: **PRE-RESPONSE CONFERENCE**

Add the following as RFI § 3.4. if a Pre-Response Conference would be beneficial to the State.

3.4. A Pre-Response Conference will be held at the time and date detailed in the RFI § 4, Schedule of Events. Please contact the main point of contact, referenced in RFI § 3.2., to RSVP for the Pre-Response Conference. Your response is necessary to ensure that there is adequate space to accommodate overall attendance. The Conference will be held at:

ADDRESS/LOCATION
OTHER APPROPRIATE INFORMATION IF ANY

2. Option: **RFI SCHEDULE OF EVENTS**

Modify RFI § 4, RFI Schedule of Events if it would be beneficial to the State to add additional events beyond the RFI Response Deadline such as a Pre-Response Conference, a Written Questions and Comments Deadline, and a State Response to Written Questions and Comments.

3. Option: **RESPONSE A PREREQUISITE**

Replace RFI § 5.1. with the following if responding to this RFI is a condition for participating in a future solicitation event. Inclusion of this option will require written justification by the agency head.

5.1. Responding to this RFI is a prerequisite for responding to any future solicitations related to this project. Responses to this RFI will not create any contract rights and responses to this RFI will become property of the State.

4. Option: **TECHNICAL AND COST INFORMATIONAL FORMS**

Revise the forms as necessary to solicit the market information needed. Potential topics to inquire about may include the following:

- Key performance indicators
- Potential problems/risks
- Estimated time frames
- Interest in responding to a future solicitation
- Cost ranges
- Pricing arrangements
- Market information/capabilities
- Any other important considerations
- Comments



STATE OF TENNESSEE
[STATE AGENCY NAME]

**REQUEST FOR INFORMATION
FOR
BRIEF GOODS OR SERVICES CAPTION**

RFI # NUMBER
[RELEASE DATE]

1. STATEMENT OF PURPOSE:

The State of Tennessee, [STATE AGENCY NAME] issues this Request for Information ("RFI") for the purpose of [DESCRIPTION OF PURPOSE]. We appreciate your input and participation in this process.

2. BACKGROUND:

[INCLUDE PERTINENT BACKGROUND INFORMATION THAT MAY BE HELPFUL FOR RESPONDERS. SUGGESTIONS INCLUDE: DESCRIPTION OF PROJECT GOALS/OBJECTIVES, SCOPE OF SERVICES/PRODUCTS SOUGHT, LOCATION, NEEDS AND OTHER STATE REQUIREMENTS.]

3. COMMUNICATIONS:

3.1. Please submit your response to this RFI to:

[NAME AND TITLE OF STATE AGENCY CONTACT PERSON]
[STATE AGENCY NAME]
[ADDRESS]
[TELEPHONE NUMBER]
[FACSIMILE NUMBER]

3.2. Please feel free to contact the [STATE AGENCY NAME] with any questions regarding this RFI. The main point of contact will be:

[NAME AND TITLE OF STATE AGENCY CONTACT PERSON]
[STATE AGENCY NAME]
[ADDRESS]
[TELEPHONE NUMBER]
[FACSIMILE NUMBER]

3.3. Please reference RFI # [NUMBER] with all communications to this RFI.

4. RFI SCHEDULE OF EVENTS:

EVENT		TIME (Central Time Zone)	DATE (all dates are State business days)
1.	RFI Issued		DATE
2.	RFI Response Deadline		≥ 10 BUSINESS DAYS LATER

5. GENERAL INFORMATION:

- 5.1. Please note that responding to this RFI is not a prerequisite for responding to any future solicitations related to this project and a response to this RFI will not create any contract rights. Responses to this RFI will become property of the State.
- 5.2. The information gathered during this RFI is part of an ongoing procurement. In order to prevent an unfair advantage among potential respondents, the RFI responses will not be available until after the completion of evaluation of any responses, proposals, or bids resulting from a Request for Qualifications, Request for Proposals, Invitation to Bid or other procurement method. In the event that the state chooses not to go further in the procurement process and responses are never evaluated, the responses to the procurement including the responses to the RFI, will be considered confidential by the State.
- 5.3. The State will not pay for any costs associated with responding to this RFI.

6. INFORMATIONAL FORMS:

The State is requesting the following information from all interested parties. Please fill out the following forms:

RFI #NUMBER	
TECHNICAL INFORMATIONAL FORM	
1.	RESPONDENT LEGAL ENTITY NAME:
2.	RESPONDENT CONTACT PERSON: Name, Title: Address: Phone Number: Email:
3.	BRIEF DESCRIPTION OF EXPERIENCE PROVIDING SIMILAR SCOPE OF SERVICES/PRODUCTS
4.	FILL IN WITH REQUESTED INFORMATION AS NEEDED

COST INFORMATIONAL FORM	
1.	Describe what pricing units you typically utilize for similar services or goods (e.g., per hour, each, etc.):
2.	Describe the typical price range for similar services or goods
3.	FILL IN WITH REQUESTED INFORMATION AS NEEDED

ADDITIONAL CONSIDERATIONS	
1.	Please provide input on alternative approaches or additional things to consider that might benefit the State:

PROPOSED:

- **RULE EXCEPTION REQUEST (RER)**

Rule Exception Request

Route completed request, as one file in PDF format, via e-mail attachment sent to: Agsprrs.Agsprsr@state.tn.us

APPROVED
<hr/> CHIEF PROCUREMENT OFFICER (Required for all Rule Exception Requests)

APPROVED
<hr/> COMPTROLLER OF THE TREASURY (ONLY for applicable statutorily required approvals e.g., records, annual report and audit, or monitoring provisions)

Request Tracking #	
1. Contract #	
2. Goods or Services Caption	
3. Contractor	
4. Contract Period (with ALL options to extend exercised)	months
5. Contract Maximum Liability (with ALL options to extend exercised)	\$
6. Rule(s) (for which the exception is requested) Please include citation and written explanation of Rule(s) to be excepted.	
7. Explanation of Rule Exception Requested	
8. Justification	
Agency Head Signature and Date (contracting agency head or authorized signatory)	

PROPOSED:

- **INTERAGENCY AGREEMENT (IA)
MODEL**

INTERAGENCY AGREEMENT (IA) MODEL

This model replaces and supersedes the ID and ID-NC Models and provides format and content for drafting an interagency agreement between TN state agencies. (This model is optional with respect to the University of Tennessee and Board of Regents colleges and universities). The use of this model is optional and serves as a guide. This model should **ONLY** be utilized between two (2) agencies of the State, where neither State Agency has the independent capacity to contract or sue or be sued and should **NOT** be used where the funding source is a grant. Questions regarding whether this form should be used should be directed to the Central Procurement Office. Please also refer to Department of Finance and Administration – Policy 18 “Interunit Journals” for additional information.

Complete form fields and follow, replace, or otherwise address red instructional text (*e.g.*, State Agency Name, amount, will/will not) as indicated and with conforming font and color.

SUMMARY COVER SHEET

Complete summary cover fields as indicated within the model and the following field directions. A summary cover sheet properly completed and in accordance with the model is required for every copy of the Interagency Agreement.

Agency Tracking # a unique number comprised of: 5-digit business unit # + unique, 5-digit #
example: 31707-12345

Funding amounts by fiscal year & funding source and with row & column totals;
the sum of the TOTAL Amount column (the grand total amount for all fiscal years & all sources of funding) MUST equal the agreement maximum liability

PREAMBLE

Add additional information only if necessary.

A. SCOPE OF SERVICES

Describe all of the duties of each party to the agreement. Draft the specification of goods or scope of services to clearly, specifically, and definitively detail State Agency duties, responsibilities, and associated performance requirements and describe, in detail, the service and deliverable requirements and all related specifications. The specification of goods or scope of services section should not include any payment terms.

It is the responsibility of the Procuring State Agency to adequately draft specifications of goods or a scope of services, and oversight examiners will rely on the contracting agency head’s signature on the Interagency Agreement as certification and assurance that the proposed specification of goods or scope of services is clear and correct, adequate for all legal and enforcement purposes, and sufficiently detailed to ensure Contracting State Agency accountability and results.

Option: Incorporation of Additional Documents

A.#. **Incorporation of Additional Documents.** Each of the following documents is included as a part of this Interagency Agreement by reference or attachment. In the event of a discrepancy or ambiguity regarding the Contracting State Agency's duties, responsibilities, and performance hereunder, these items shall govern in order of precedence below.

- a. this Interagency Agreement document with any attachments or exhibits (excluding the items listed at subsections below);
- b. Add text as appropriate

B. AGREEMENT PERIOD

Draft the agreement with an appropriate, definitive, and complete term of agreement with a commencement date and a termination date. **Do NOT route an agreement for approval after the commencement date.**

Option: Term Extension

To reserve the right to extend the agreement period beyond the original period, change the designation of the paragraph under B. to B.1., and add the following section:

B.2. **Term Extension.** The Procuring State Agency reserves the right to extend this Agreement for an additional period or periods of time. If a term extension necessitates additional funding beyond that which was included in the original Agreement, an increase of the Procuring State Agency's maximum liability will also be effected through an amendment to this Interagency Agreement.

C. PAYMENT TERMS AND CONDITIONS

Revise Payment Terms and Conditions sections as needed.

Payment Methodology

The default payment methodology used in the model provides for unit, milestone & temporal rate payments.

Requirement: *Pro Rata* Payments

If temporal payment rates result in payment for service periods greater than an hour (*e.g.*, daily payment rates), add a new subsection (similar to the following example) that defines the payment period and provides for *pro rata* payments for completed periods of service less than the payment rate period.

- d. A "day" shall be defined as a minimum of eight (8) hours of service. If the State Agency provides fewer than eight (8) hours of service in a standard twenty-four (24) hour day, the Contracting State Agency shall bill *pro rata* for only those portions of the day in which service was actually delivered. The Contracting State Agency shall not bill more than the daily rate even if the Contracting State Agency works more than eight hours in a day.

Option: Rate Escalation

Replace C.3.b. with the following if specific rate escalation during the term of agreement is appropriate.

b. The Contracting State Agency shall be compensated based upon the following payment rates:

(1) For service performed from Date, through Date, the following rates shall apply:

Service Description	Amount (per compensable increment)
Milestone	\$ Number
Service Unit	\$ Number each
Job Title /Activity	\$ Number per Hour /Day /etc.
Use & Repeat Rows Above as Necessary	

(2) For service performed from Date, through Date, the Contracting State Agency shall be compensated based upon the Contracting State Agency's actual cost of providing goods or services, subject to review and verification by the Procuring State Agency.

Repeat Previous Subsection for Each Subsequent Agreement Period

Option: Payment Upon Completion

Replace sections in the model with the following sections, respectively, if one, lump sum payment after completion of all work under the Agreement is appropriate.

C.1. **Maximum Liability.** In no event shall the maximum liability of the Procuring State Agency under this Agreement exceed Written Dollar Amount (\$Number). This amount shall constitute the entire compensation due the Contracting State Agency for all goods delivered and accepted or services completed and the Contracting State Agency obligations hereunder regardless of the difficulty, hours worked, or materials or equipment required. This Agreement amount includes, but is not limited to, all applicable taxes, fees, overhead, profit, and all other direct and indirect costs incurred or to be incurred by the Contracting State Agency.

C.2. **Compensation Firm.** The maximum liability of the Procuring State Agency under this Agreement is firm for the duration of the term of this Agreement and is not subject to escalation for any reason unless amended.

C.3. **Payment Methodology.** Upon completion of the work described in section A of this Agreement, the Contracting State Agency shall be compensated Written Dollar Amount (\$Number).

C.4. Travel Compensation. The Contracting State Agency shall be compensated or reimbursed for the indirect costs it incurs, e.g., travel, meals, or lodging, related to providing goods or services to the Procuring State Agency under this Agreement.

Option: No Cost

C.1. There shall be no cost to the Procuring State Agency for the performance of services under this Agreement.

D. STANDARD TERMS AND CONDITIONS

Add additional terms and conditions as needed and as recommended by the agencies' legal counsel.



INTERAGENCY AGREEMENT

(Interagency Agreement between state agencies– NOT including the University of Tennessee or Board of Regents colleges and universities)

Begin Date	End Date	Agency Tracking #	Edison ID		
Contracting State Agency Name					
Subrecipient or Vendor <input type="checkbox"/> Subrecipient <input type="checkbox"/> Vendor		CFDA #			
Service Caption					
Funding —					
FY	State	Federal	Interdepartmental	Other	TOTAL Agreement Amount
TOTAL:					
American Recovery and Reinvestment Act (ARRA) Funding: <input type="checkbox"/> YES <input type="checkbox"/> NO					
Budget Officer Confirmation: There is a balance in the appropriation from which obligations hereunder are required to be paid that is not already encumbered to pay other obligations.			<i>CPO USE - IA</i>		
Speed Chart (optional)		Account Code (optional)			

**INTERAGENCY AGREEMENT BETWEEN THE STATE OF TENNESSEE
PROCURING STATE AGENCY'S NAME & CONTRACTING STATE AGENCY'S NAME**

This Interagency Agreement ("Agreement"), by and between the State of Tennessee, Procuring State Agency Name hereinafter referred to as the "Procuring State Agency" and Contracting State Agency, hereinafter referred to as the "Contracting State Agency," is for the provision of Scope of Service Caption, as further defined in the "Scope of Services."

A. SCOPE OF SERVICES:

- A.1. The Contracting State Agency shall provide all goods, services or deliverables as required, described, and detailed herein and shall meet all service and delivery timelines as specified by this Agreement.
- A.#. Specify the goods, services, deliverables, technical specifications, & delivery requirements that the Contracting State Agency must provide & meet (sufficient detail is required to ensure Contracting State Agency accountability & definitive results).

B. AGREEMENT PERIOD:

This Agreement is effective for the period commencing Date, and ending on Date. The Contracting State Agency hereby acknowledges and affirms that the Procuring State Agency shall have no obligation for goods or services rendered by the Contracting State Agency that were not delivered and accepted or performed within this specified Agreement period.

C. PAYMENT TERMS AND CONDITIONS:

- C.1. Maximum Liability. In no event shall the maximum liability of the Procuring State Agency under this Agreement exceed Written Dollar Amount (\$Number). The payment rates in Section C.3 and the Travel Compensation provided in Section C.4 shall constitute the entire compensation due the Contracting State Agency for the goods delivered and accepted or for services performed and all of the Contracting State Agency's obligations hereunder regardless of the difficulty, materials or equipment required. The payment rates include, but are not limited to, all applicable taxes, fees, overheads, and all other direct and indirect costs incurred or to be incurred by the Contracting State Agency.
- C.2. Compensation Firm. The payment rates and the maximum liability of the Procuring State Agency under this Agreement are firm for the duration of the Agreement and are not subject to escalation for any reason unless amended.
- C.3. Payment Methodology. The Contracting State Agency shall be compensated based on the payment rates herein for goods delivered and accepted or for units of service authorized by the Procuring State Agency in a total amount not to exceed the Agreement Maximum Liability established in section C.1.
- a. The Contracting State Agency's compensation shall be contingent upon the delivery and acceptance of goods that conform to specifications or the satisfactory completion of units, milestones, or increments of service defined in section A.
- b. The Contracting State Agency shall be compensated for said units, milestones, or increments of service based upon the following payment rates:

Service Description	Amount (per compensable increment)
Milestone	\$ Number
Service Unit	\$ Number each
Job Title /Activity	\$ Number per Hour /Day /etc.
Use & Repeat Rows Above as Necessary	

Add Contingently Required Subsections as Appropriate (refer to instructions for details)

- C.4. **Travel Compensation.** Compensation to the Contracting State Agency 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. Additional Travel Compensation Restriction(s)

The Contracting State Agency must provide a complete itemization of travel compensation requested in accordance with and attach documentation and receipts as required by the above-referenced "State Comprehensive Travel Regulations."

D. STANDARD TERMS AND CONDITIONS:

- D.1. **Required Approvals.** The Procuring State Agency and the Contracting State Agency are not bound by this Agreement until it is signed by the agency head or the agency head's designee. Each agency's legal counsel shall review and approve the Agreement as to form and legality.
- D.2. **Modification and Amendment.** Any modifications, amendments, renewals or extensions shall be in writing, signed, and approved by all parties who signed and approved this Agreement.
- D.3. **Termination for Convenience.** This Agreement may be terminated by either party by giving written notice to the other, at least thirty (30) days before the effective date of termination. Should the Procuring State Agency exercise the option of terminating this Agreement for convenience, the Contracting State Agency shall be entitled to compensation for all goods delivered and accepted or satisfactory and authorized services completed as of the termination date. Should the Contracting State Agency exercise this provision, the Procuring State Agency shall have no liability to the Contracting State Agency except for those goods delivered and accepted or those units of service that were satisfactorily completed by the Contracting State Agency. The final decision as to the acceptability of goods or whether units of service were satisfactorily completed shall be determined by the Procuring State Agency in its sole discretion.
- D.4. **Subject to Funds Availability.** This Agreement 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 Procuring State Agency reserves the right to terminate this Agreement upon written notice to the Contracting State Agency. Said termination shall not be deemed a breach of this Agreement by the Procuring State Agency. Upon receipt of the written notice, the Contracting State Agency shall cease all work associated with this Agreement. Should such an event occur, the Contracting State Agency shall be entitled to compensation for all satisfactory and goods delivered and accepted or authorized services completed as of the termination date. Upon such termination, the Contracting State Agency shall have no

right to recover from the Procuring State Agency any actual, general, special, incidental, consequential, or any other damages whatsoever of any description or amount.

D.5. Completeness. This Agreement is complete and contains the entire understanding between the parties relating to this subject matter, including all the terms and conditions of the parties' agreement. There are no other prior or contemporaneous agreements that modify, supplement, or contradict any of the express terms of the agreement.

D.6. Communications and Contacts. All instructions, notices, consents, demands, or other communications shall be made in writing and directed to the following designated contact persons:

The Procuring State Agency:

Procuring State Agency Contact Name & Title

Address

Email Address

Telephone # Number

FAX # Number

The Contracting State Agency:

Contracting State Agency Contact Name & Title

Address

Email Address

Telephone # Number

FAX # Number

IN WITNESS WHEREOF,

CONTRACTING STATE AGENCY'S SIGNATURE

DATE

PRINTED NAME AND TITLE OF SIGNATORY (ABOVE)

Approved as to Form and Legality:

DATE

PROCURING STATE AGENCY SIGNATURE

DATE

PRINTED NAME AND TITLE OF SIGNATORY (ABOVE)

Approved as to Form and Legality:

DATE

PROPOSED NEW TEMPLATE

- **REQUEST FOR QUALIFICATIONS
(RFQ) TEMPLATE**

REQUEST FOR QUALIFICATIONS (RFQ) TEMPLATE

This template prescribes the format and content for a Request for Qualifications (RFQ). This template should only be utilized if the Central Procurement Office is the procuring entity. Documents of this type must adhere to this template with revisions only as instructions permit. Insignificant deviations from this template, while always subject to disapproval, will typically not require a specific rule exception unless an oversight examiner requires separate documentation in a particular instance. If a formal rule exception request is not required, oversight approval of the document will constitute any necessary rule exceptions that may be necessary.

Complete template fields and follow, replace, or otherwise address red instructional text (*e.g.*, State Agency Name, amount, will/will not) as indicated, with conforming font and color.

RFQ CONTENTS

Revisions of the standard, simplified RFQ Contents may not be approved. The following optional terms may be included as applicable:

1. INTRODUCTION

1.1. Statement of Procurement Purpose

Specify important, specific information relating to contract requirements, specifications of goods or performance in the scope of services and not in this RFQ section.

1.1.1. RFQ Number

Assign an RFQ number consisting of:

- the 5-digit, contracting agency business unit code
- a unique, 5-digit, agency-assigned number such that each RFQ number will be different

Example: RFQ # 31707-12345

1.1.2. State Communications

Option: Additional Information.

Add a second paragraph to this section as appropriate (*e.g.*, add text detailing a specific URL where the State will convey official, written responses and communications related to this RFQ by Internet posting).

1.1.3. Factual Data

Option: Additional Data Disclaimer.

Add the following as a second paragraph of this section as appropriate.

All statistical and fiscal information contained in this RFQ and its exhibits, including amendments and modifications thereto, are provided "as is", without warranty as to the accuracy or adequacy of the data or information so provided, and reflect the department's best understanding based on information or belief available to the department at the time of RFQ preparation. No inaccuracies in such data or information shall be a basis for delay in performance or a basis for legal recovery of damages, actual, consequential or punitive.

1.2. Pre-Response Conference

Option: No Pre-Response Conference.**2. RFQ SCHEDULE OF EVENTS****RFQ Schedule of Events (table)**

The date instructions in the Schedule of Events table indicate minimum days.

Allot more days for each event as practical and where flexibility is allowed by the model instructions (indicated by "≥" signs).

Revise the "time zone" as appropriate.

Option: NO Pre-Response Conference Event.

Delete the Pre-Response Conference Event 3 from the schedule (and re-number subsequent events accordingly) as appropriate.

Option: Oral Presentation Event.

Complete and insert the following rows, in order immediately after the RFQ Technical Response Deadline event, (and re-number subsequent events) as appropriate.

#. State Schedules respondent Oral Presentations (ONLY Respondents who pass Mandatory Requirements)		≥ 1 BUSINESS DAYS LATER
#. Respondent Oral Presentations	8:00 a.m. - 4:30 p.m.	PERIOD BEGINNING ≥ 5 BUSINESS DAYS LATER

Option: Cost Proposals

Add the following after RFQ § 2, Schedule of Events "State Notice of Qualified Respondents Released and Solicitation Files Opened for Public Inspection" if the State will solicit a Cost Proposal from Qualified Respondents.

#. RFQ Cost Proposal Deadline (ONLY for Qualified Respondents)	2:00 p.m.	> 7 CALENDAR DAYS LATER
#. State Evaluation Notice Released		1 – 3 BUSINESS DAYS LATER
#. Solicitation Files Opened for Public Inspection		1 BUSINESS DAY LATER
#. Respondent Contract Signature Deadline	2:00 p.m.	≥ 8 BUSINESS DAYS LATER
#. Anticipated Contract Start Date (anticipated date for contract to be fully executed and vendor to begin work)		≥ 20 BUSINESS DAYS LATER

Option: RFQ Negotiations)

Add the following after RFQ § 2, Schedule of Events "Cost Proposal Deadline"

#. RFQ Negotiations		≥ 3 BUSINESS DAYS LATER
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Option: Performance Bond Event.

Complete and insert the following row immediately after the Contractor Contract Signature Deadline event as appropriate.

#. Performance Bond Deadline	4:30 p.m.	≥ 1 BUSINESS DAY LATER
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3. RESPONSE REQUIREMENTS

3.3. Response Format

The RFQ should require that respondents submit enough Technical Response copy discs to allow one copy for each Evaluation Team member. Revise §3.3.2.1. accordingly.

Option: Additional Delivery Instructions.

Revise subsections, if necessary, to provide for additional instructions for labeling and submitting the Technical Response and Cost Proposal.

3.4. Response Prohibitions

Option: Page Limitation

Add the following instruction to limit the Technical Response to a certain number of pages as appropriate.

3.4.#. Exceed ____ pages in length (maps, graphs, and charts included as an appendix will not count against this page limit)

Option: Time Limitation

Add the following instruction to prohibit a respondent oral presentation from exceeding certain length of time as appropriate.

3.4.#. Provide an oral presentation to exceed ____ hours in length including time for questions. A topic outline will be provided with the oral presentation invitation.

4. GENERAL INFORMATION & REQUIREMENTS

4.5. Disclosure of Response Contents

Option: Additional Disclosure Information.

Add the following to the end of subsection 4.5. if it is deemed necessary and it is approved by the contracting agency and the Central Procurement Office.

The State agrees to protect, to the fullest extent permitted by state law, the confidentiality of information expressly identified by the Respondent as confidential and proprietary, including information that would allow a person to obtain unauthorized access to confidential information or to electronic information processing systems owned by or licensed to the State.

5. PROCUREMENT PROCESS & CONTRACT AWARD

5.1. Option: Cost Proposals & RFQ Negotiations

Replace RFQ § 5.1.1. with the following if negotiations will be included in the evaluation process.

The vendor selection will be a two-part process: (1) Qualification of Technical Responses, and (2) Cost Proposals/Negotiations.

5.2. Competitive Range of Technical Responses

The RFQ should specify what the competitive range will be for your particular RFQ. Add details describing what selection criteria will be utilized to determine the competitive range/what the respondent must do to be considered "Qualified".

Option: Ranking

The Technical Response must be ranked in the top ____ [insert number (#) ≥ 3] after the Technical Response score is totaled and put in ordinal ranking (1 - the best evaluated ranking).

Option: Percentile

The Technical Response score must attain a combined score of ____ [insert number]. This minimum score threshold represents a score of ____%.

Option: Respondent Oral Presentations

Add the following to the Phase II paragraph if oral presentations will be included in the evaluation process.

The State may invite those who passed the Phase I evaluation to give oral presentations to the State. The qualitative assessment of each Respondent will include the information derived from the oral presentations.

5.5. Option: Cost Proposals

Add the following to RFQ § 5.5., Evaluation Guide, if the State will solicit a Cost Proposal from Qualified Respondents.

Evaluation Category	Maximum Points Possible
Cost Proposal (refer to RFQ Attachment D)	NUMBER ≥ 30% of TOTAL POINTS

5.6. Contract Award

The RFQ should specify how anticipated contract award will occur for the particular RFQ. Revise as appropriate, subject to approvals.

Option: Contract Award

Add the following as RFQ § 5.6., Contract Award, if the State will solicit a Cost Proposal from Qualified Respondents, which will result in a contract award.

- 5.6.1. The Solicitation Coordinator will submit the Evaluation Team determinations and response scores to the head of the contracting agency, or the agency head's designee, for consideration along with any other relevant information that might be available and pertinent to contract award.
- 5.6.2. The contracting agency head, or the agency head's designee, will determine the apparent best-evaluated response. (To effect a contract award to a Respondent other than the one receiving the highest evaluation score, the head of the contracting agency must

- provide written justification and obtain written approval of the Chief Procurement Officer and the Comptroller of the Treasury.)
- 5.6.3. The State reserves the right to make an award without further discussion of any response.
 - 5.6.4. The State will issue an Evaluation Notice and make the RFQ files available for public inspection at the time and date specified in the RFQ §2, Schedule of Events.

NOTICE: The Evaluation Notice shall not create rights, interests, or claims of entitlement in either the Respondent identified as the apparent best evaluated or any other Respondent.

- 5.6.5. The Respondent identified as offering the apparent best-evaluated must sign a contract drawn by the State pursuant to this RFQ. The contract shall be substantially the same as the RFQ Attachment G, *pro forma* contract. The Respondent must sign said contract no later than the Respondent Contract Signature Deadline detailed in RFQ § 2, Schedule of Events. If the Respondent fails to provide the signed contract by the deadline, the State may determine the Respondent is non-responsive to this RFQ and reject the response.
- 5.6.6. Notwithstanding the foregoing, the State may, at its sole discretion, entertain limited negotiation prior to contract signing and, as a result, revise the *pro forma* contract terms and conditions or performance requirements in the State’s best interests, PROVIDED THAT such revision of terms and conditions or performance requirements shall NOT materially affect the basis of response evaluation or negatively impact the competitive nature of the RFQ and vendor selection process.
- 5.6.7. If the State determines that a response is nonresponsive and rejects it after opening Cost Proposals, the Solicitation Coordinator will re-calculate scores for each remaining responsive Cost Proposal to determine (or re-determine) the apparent best-evaluated response.

ATTACHMENT A: TECHNICAL RESPONSE & EVALUATION GUIDE

Option: Page Limitation.

Add the following row to the RFQ Attachment A table (in the grayed out top area) if a page limitation was included in RFQ § 3.4., Response Prohibitions.

		The Technical Response must not exceed _____ pages in length;	
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Option: Cash Flow Information.

Add the following row to the RFQ Attachment A table (after the model items) if the contracting agency chooses to review the evidence of Respondent’s financial stability/responsibility.

	A.#	Provide documentation disclosing the amount of cash flows from operating activities for the Respondent’s most current operating period. Said documentation must indicate whether the cash flows are positive or negative, and, if the cash flows are negative for the most recent operating period, the documentation must include a detailed explanation of the factors contributing to the negative	
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	<p>cash flows.</p> <p>NOTICE: All persons, agencies, firms, or other entities that provide opinions regarding the Respondent's financial status <u>must</u> be properly licensed to render such opinions. The State may require the Respondent to submit proof of such licensure detailing the state of licensure and licensure number for each person or entity that renders the opinions.</p>	
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Option: Certificate of Insurance.

Add the following row to the RFQ Attachment A table (after the model items) ONLY IF a Certificate of Insurance is considered necessary evidence of Respondent's financial stability/responsibility. (Specifying insurance requirements in the *pro forma* contract does not necessitate adding this optional response requirement.)

Add, delete, or revise subsections detailing insurance coverage requirements as appropriate. (If this response requirement item is added to the RFQ, the appropriate Insurance provision must be detailed in the *pro forma* contract, and the insurance coverage requirements specified in both the RFQ and the *pro forma* contract must agree.)

	<p>A.# Provide a valid, Certificate of Insurance that is verified and dated within the last six (6) months and which details <u>all</u> of the following:</p> <ul style="list-style-type: none"> (a) Insurance Company (b) Respondent's Name and Address as the Insured (c) Policy Number (d) The following minimum insurance coverage: <ul style="list-style-type: none"> (i) Workers' Compensation/ Employers' Liability (including all states coverage) with a limit not less than the relevant statutory amount or WRITTEN AMOUNT Dollars (\$NUMBER AMOUNT) per occurrence for employers' liability; (ii) Comprehensive Commercial General Liability (including personal injury & property damage, premises/operations, independent contractor, contractual liability and completed operations/products) with a bodily injury/property damage combined single limit not less than WRITTEN AMOUNT Dollars (\$NUMBER AMOUNT) per occurrence and WRITTEN AMOUNT Dollars (\$NUMBER AMOUNT) aggregate; (iii) Automobile Coverage (including owned, leased, hired, and non-owned vehicles) with a bodily injury/property damage combined single limit not less than WRITTEN AMOUNT Dollars (\$NUMBER AMOUNT) per occurrence; and (iv) Professional Malpractice Liability with a limit of not less than WRITTEN AMOUNT Dollars (\$NUMBER AMOUNT) per claim. (e) The following information applicable to each type of insurance coverage: <ul style="list-style-type: none"> (i) Coverage Description, (ii) Exceptions and Exclusions, (iii) Policy Effective Date, (iv) Policy Expiration Date, and (v) Limit(s) of Liability. 	
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Option: Audited Financial Statements.

Add the following row to the RFQ Attachment A table (after the model items) ONLY IF the anticipated contract amount is \geq \$1,000,000.00 AND extraordinary effort to assure Respondent financial stability/responsibility is appropriate.

A.#	<p>Provide the Respondent's most recent independent audited financial statements. Said independent audited financial statements <u>must</u>:</p> <ol style="list-style-type: none"> (1) reflect an audit period for a fiscal year ended within the last 36 months (2) be prepared with all monetary amounts detailed in United States currency; (3) be prepared under United States Generally Accepted Accounting Principles (US GAAP); (4) include: the auditor's opinion letter; financial statements; and the notes to the financial statements; and (5) be deemed, in the sole discretion of the State to reflect sufficient financial stability to undertake the subject agreement with the State. <p>NOTES:</p> <ul style="list-style-type: none"> ▪ Reviewed or Compiled Financial Statements will not be deemed responsive to this requirement and will <u>not</u> be accepted. ▪ All persons, agencies, firms, or other entities that provide opinions regarding the Respondent's financial status <u>must</u> be properly licensed to render such opinions. The State may require the Respondent to submit proof of such licensure detailing the state of licensure and licensure number for each person or entity that renders the opinions. 	
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Option: Audited Financial Statements – Line of Credit Option.

Privately held companies may not have or be willing to release audited financial statements for public review. Therefore, requiring audited financial statements (as detailed above) without an alternative to the requirement could conceptually prevent privately held companies from responding to the RFQ.

The contracting agency should consider the possible impact of the requirement on competition versus the state's need to reasonably determine the financial stability/responsibility of respondents and decide whether it is appropriate to include an alternative to the requirement.

Insert the following paragraph before the "NOTES" in the optional audited financial statements requirement text (above) if appropriate.

OR, in lieu of the aforementioned independent audited financial statements, provide a financial institution's letter of commitment for a general Line of Credit in the amount of **WRITTEN AMOUNT \geq ONE MILLION DOLLARS (\$NUMBER AMOUNT)**, U.S. currency, available to the Respondent. Said letter must specify the Respondent's name, be signed and dated within the past three (3) months by an authorized agent of the financial institution, and indicate that the Line of Credit shall be available for at least **PERIOD \geq 6 MONTHS**.

Option: Audited Financial Statements – Additional Requirement.

Add the following sentence at the end of the second bulleted note in the optional audited financial statements requirement text ONLY IF the contracting agency legal counsel recommends it in writing.

Any attest or review of the financial status of a Tennessee corporation must be rendered by an

accountant or accounting firm licensed or otherwise specifically permitted to provide an attest or review by the Tennessee Board of Accountancy.

Option: Proposal Bond Confirmation.

Add the following row to the RFQ Attachment A table ONLY IF a Proposal Bond is required by the Chief Procurement Officer. All proposal bond amounts shall be stated as a set amount or as a percentage of the contract value. In no event shall the proposal bond amount exceed five percent (5%) of the estimated value of the contract.

	A.#	Provide a proposal bond issued by a surety company licensed to do business in the State of Tennessee in the amount of \$____.	
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Contingent Requirement: Performance Bond Confirmation.

Add the following row to the RFQ Attachment A table ONLY IF a Performance Bond is proposed.

	A.#	Provide a statement confirming that, if awarded a contract pursuant to this RFQ, the Respondent shall deliver a Performance Bond to the State in accordance with the requirements of this RFQ. The statement must be signed by an individual with legal authority to bind the proposing entity to the provisions of this RFQ and any contract awarded pursuant to it.	
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Option: Additional Mandatory Requirements.

Typically, each mandatory requirement item must be drafted such that an objective "yes/no" determination of whether the requirement was met is reasonable and adequate (clearly not necessitating a qualitative evaluation of the response).

Contracting agency staff may be asked to provide evidence that a proposed mandatory requirement is not inappropriately arbitrary or capricious (e.g., (1) information from an independent, authoritative source indicating that the proposed criteria is a reasonable standard; and (2) a recommendation signed by the contracting agency legal counsel explaining why the proposed requirement is not arbitrary or capricious).

Add mandatory requirement items to the RFQ Attachment A table (after the model items) as appropriate. Do not include a mandatory requirement that entails a response that should or must be more subjectively evaluated. Do not include an arbitrary mandatory requirement.

ATTACHMENT B: TECHNICAL RESPONSE & EVALUATION GUIDE

General Qualifications & Experience

The entire set of General Qualifications & Experience items detailed in the model for this section MUST be evaluated together as indicated.

RFQ Attachment B and the methodology for evaluating responses may NOT be revised except to add new evaluation items.

B.17. References

Option: Revised Reference Requirements.

Do not assume automatic approval of any revision of the model text.

Revise the number of required references as appropriate. Revise the model text, as appropriate, to detail an alternate process for obtaining and evaluating references. Any such revision must be exactly detailed and clearly uniform in application with all respondents.

Option: Red-Line *pro forma* contract submittal.

Add the following row to the RFQ Attachment B table ONLY if it would benefit the State to be amenable to making changes to the *pro forma* contract.

	<p>B.#. The State is amenable to making changes to RFQ Attachment G, <i>pro forma</i> contract. The State will take all reasonable suggested alternative or supplemental contract language changes by Respondents under advisement during the evaluation and post award processes, subject to any mandates or restrictions imposed on the State by applicable state or federal law. The State, however, recommends that Respondents include with their response any alternative or supplemental suggested contract language that a Respondent would propose.</p> <p>Clearly indicate, by providing a "red-line" of RFQ Attachment G, <i>pro forma</i> contract, all suggested alternative or supplemental contract language. Do not include any exceptions or changes that (1) contradict a Federal requirement or a Mandatory Requirement, or (2) push back any deadlines.</p>	
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ATTACHMENT C: TECHNICAL RESPONSE & EVALUATION GUIDE

Technical Qualifications, Experience & Approach

The sum of all Evaluation Factors within the section should equal "100" (or "1,000") so that the relative percentage of importance/ emphasis is readily apparent.

Assign Evaluation Factors such that the Point Scale Score for the evaluation factors will be weighted to reflect the relative importance of the item to the other evaluation factors within the section.

If all evaluation factors in the section are to be considered (weighted) equally, specify "1" as the Evaluation Factor for every factor.

Option: Additional Technical Qualifications, Experience & Approach Items. Add evaluation items to the RFQ Attachment C table so that the state has the best possible information upon which to select a Respondent for contract award.

Option: Oral Presentations as part of Technical Response & Evaluation Guide

Oral Presentations may NOT include "general" questions and answers. All questions must either be scripted questions asked by state staff or subject matter experts in every response presentation or a specific question in exact follow-up to particular information presented by the respondent in response to one or more of the Oral Presentation items.

Option: Cost Proposals

ATTACHMENT D: COST PROPOSAL & EVALUATION GUIDE ATTACHMENT

Each line item on which the State is seeking costs must clearly specify the associated, applicable units of goods or services. While the line item of cost description should stipulate the applicable units of goods or services, it should also be specified within each blank cost cell. Examples: \$ ___ / hour, or \$ ___ / each, etc.

The Cost Proposal format should **not** require calculations by Respondents.

The Cost Proposal & Evaluation Guide (and the associated *pro forma* contract payment methodology) **must** be drafted so that **NO** Respondent is able to propose cost in such a manner that the Evaluation Cost Amount would equal zero. This is critical if the cost response evaluation formula is to mathematically result in rational numbers as cost response scores. (In some instances, it might be necessary to require a minimum proposed amount for one or more line item of costs.)

ATTACHMENT D

Cost Proposal & Evaluation Guide
For Qualified Respondents Only

NOTICE: THIS COST PROPOSAL MUST BE COMPLETED EXACTLY AS REQUIRED

COST PROPOSAL SCHEDULE— The Cost Proposal, detailed below, shall indicate the proposed price for the delivery of specified goods for the entire scope of services including all services defined in the Scope of Services of the RFQ Attachment G, *pro forma* Contract and for the entire contract period. The Cost Proposal shall remain valid for at least 120 days subsequent to the date of the Cost Proposal opening and thereafter in accordance with any contract resulting from this RFQ. All monetary amounts shall be in U.S. currency and limited to two (2) places to the right of the decimal point.

ADD ADDITIONAL REQUIREMENTS FOR COMPLETING PROPOSED COST AS APPLICABLE (*I.E.*, MINIMUM AMOUNT, "BLANK" CELLS, *ETC.*)

NOTICE: The Evaluation Factor associated with each line item of cost is for evaluation purposes only. The evaluation factors do NOT and should NOT be construed as any type of volume guarantee or minimum purchase quantity. The evaluation factors shall NOT create rights, interests, or claims of entitlement in the Respondent.

Notwithstanding the line item of costs herein, pursuant to the second paragraph of the *pro forma* contract section C.1. (refer to RFQ Attachment G), "The State is under no obligation to request work from the Contractor in any specific dollar amounts or to request any work at all from the Contractor during any period of this Contract."

This Cost Proposal must be signed, in the space below, by an individual empowered to bind the entity responding to the provisions of this RFQ and any contract awarded pursuant thereto. If said individual is not responding in an individual capacity or is the *President* or *Chief Executive Officer*, this document must attach evidence showing the individual's authority to legally bind the entity responding to this RFQ.

RESPONDENT SIGNATURE:			
PRINTED NAME & TITLE:			
DATE:			
RESPONDNET LEGAL ENTITY NAME:			
Line item of cost Description	Proposed Cost	State Use Only	
		Evaluation Factor	Evaluation Cost (cost x factor)
DESCRIPTION	\$ / UNIT	NUMBER	
REPEAT AS NECESSARY	\$ / UNIT	NUMBER	
REPEAT AS NECESSARY	\$ / UNIT	NUMBER	
EVALUATION COST AMOUNT (sum of evaluation costs above):			

RESPONDNET LEGAL ENTITY NAME:			
Line item of cost Description	Proposed Cost	State Use Only	
		Evaluation Factor	Evaluation Cost (cost x factor)
The RFQ Coordinator will use this sum and the formula below to calculate the Cost Proposal Score. Numbers rounded to two (2) places to the right of the decimal point will be standard for calculations.			
$\frac{\text{lowest evaluation cost amount from all responses}}{\text{evaluation cost amount being evaluated}}$		$\times \text{RFQ } \S \text{ 5.5. NUMBER (maximum section score)}$	$= \text{SCORE:}$
State Use – RFQ Coordinator Signature, Printed Name & Date:			

EVALUATION FACTORS — A factor associated with each line item of cost is used to foster reasonable, competitive price offers for each line item of costs and to prevent Respondents from offering prices with the intent of “gaming” the evaluation model and not resulting in the best actual cost to the state. The use of Evaluation Factors should also result in a more appropriate consideration of each line item of cost in terms of its relative impact upon the total cost to the state under the proposed contract. Typically, all Evaluation Factors must be based upon:

- historical data relating to the number of the associated goods or services units previously bought by the state for a comparable period; OR
- the procuring state agency’s reasoned projection of the actual number of each line item of cost units that the state will buy under the new contract during the entire contract period (with all options, if any, to extend the contract exercised).

(If one or more milestone or other lump sum type payment amounts are included in the mix of line item of costs, the logical Evaluation Factor for each milestone or lump sum line item of cost should typically be “1” since each payment amount would be remitted only one time.)

Option: Cost Proposal Format Default – ONE Payment Rate Per Line item of cost (static or CPI-escalated).

Use the default Cost Proposal schedule if the Respondents must offer only one rate per all goods or services for the entire contract period (with or without rate escalation provisions are detailed in the *pro forma* contract).

Option: Cost Proposal Format – Unit or Temporal Rate Payments (proposed by period).

Use the following table if the Respondents must offer rates for one or more cost items for each of several specified periods of the contract.

Cost Proposal & Evaluation Guide
For Qualified Respondents Only

NOTICE: THIS COST PROPOSAL MUST BE COMPLETED EXACTLY AS REQUIRED

COST PROPOSAL SCHEDULE— The Cost Proposal, detailed below, shall indicate the proposed price for the delivery of specified goods for the entire scope of services including all services defined in the Scope of Services of the RFQ Attachment G, *pro forma* Contract and for the entire contract period. The Cost Proposal shall remain valid for at least 120 days subsequent to the date of the Cost Proposal opening and thereafter in accordance with any contract resulting from this RFQ. All monetary amounts shall be in U.S. currency and limited to two (2) places to the right of the decimal point.

ADD ADDITIONAL REQUIREMENTS FOR COMPLETING PROPOSED COST AS APPLICABLE (I.E., MINIMUM AMOUNT, "BLANK" CELLS, ETC.)

NOTICE: The Evaluation Factor associated with each cost item is for evaluation purposes only. The evaluation factors do NOT and should NOT be construed as any type of volume guarantee or minimum purchase quantity. The evaluation factors shall NOT create rights, interests, or claims of entitlement in the Respondent.

Notwithstanding the cost items herein, pursuant to the second paragraph of the *pro forma* contract section C.1. (refer to RFP Attachment G), "The State is under no obligation to request work from the Contractor in any specific dollar amounts or to request any work at all from the Contractor during any period of this Contract."

This Cost Proposal must be signed, in the space below, by an individual empowered to bind the proposing entity to the provisions of this RFQ and any contract awarded pursuant to it. If said individual is not the *President or Chief Executive Officer*, this document must attach evidence showing the individual's authority to legally bind the proposing entity.

RESPONDENT SIGNATURE:								
PRINTED NAME & TITLE:								
DATE:								
RESPONDENT LEGAL ENTITY NAME:								
Cost Item Description	Proposed Cost					State Use ONLY		
	DATE— DATE	DATE— DATE	DATE— DATE	DATE— DATE	DATE— DATE	Sum	Evaluation Factor	Evaluation Cost (sum x factor)
DESCRIPTION	\$ / UNIT		NUMBER					
REPEAT AS NECESSARY	\$ / UNIT		NUMBER					
REPEAT AS NECESSARY	\$ / UNIT		NUMBER					

RESPONDENT LEGAL ENTITY NAME:								
Cost Item Description	Proposed Cost					State Use ONLY		
	DATE— DATE	DATE— DATE	DATE— DATE	DATE— DATE	DATE— DATE	Sum	Evaluation Factor	Evaluation Cost (sum x factor)
REPEAT AS NECESSARY	\$ / UNIT		NUMBER					
REPEAT AS NECESSARY	\$ / UNIT		NUMBER					
TOTAL EVALUATION COST AMOUNT (sum of evaluation costs above): The RFP Coordinator will use this sum and the formula below to calculate the Cost Proposal Score. Numbers rounded to two (2) places to the right of the decimal point will be standard for calculations.								
$\frac{\text{lowest evaluation cost amount from all proposals}}{\text{evaluation cost amount being evaluated}}$						x RFP \$ 5.5 NUMBER (maximum possible score)	=	SCORE:
State Use – RFQ Coordinator Signature, Printed Name & Date:								

Option: Cost Proposal Format – NO Evaluation Factors Column contract

In those instances where the relative importance of ALL line item of costs is equal (for example, if payments will be only based on milestone/ lump sum type payments in which the sum of all of the line item of costs would equal the anticipated cost of the contract), all Evaluation Factors would equal "1." Inasmuch, it would be acceptable to draft the Cost Proposal format without the preamble notice relating to Evaluation Factors as well as without the Evaluation Factor column or the Sum and Evaluation Factor columns.

Option: Cost Proposal & Evaluation Guide.

Revise the Cost Proposal & Evaluation Guide detailed in the model, as appropriate, to direct respondents to complete a protected spreadsheet ("protected" so that respondents may only insert proposed cost as required) provided by the state along with the RFQ in lieu of completing the Cost Proposal table illustrated in the guide.

ATTACHMENT E: STATEMENT OF CERTIFICATIONS & ASSURANCES

Option: Alternate Language if Red-Line Allowed

Modify Item 3 as follows if Red-Line *pro forma* contract submittal was permitted in RFQ Attachment B.

The Respondent accepts and agrees to all terms and conditions, except changes as set forth in the response (refer to RFQ Attachment B, Item B#NUMBER), set out in the RFQ Attachment G, *pro forma* Contract.

Option: Alternate Language if Red-Line Allowed

Modify Item 9 as follows if the State will solicit Cost Proposals from Qualified Respondents.

Both the Technical Response and the Cost Proposal submitted in response to the RFQ shall remain valid for at least 120 days subsequent to the date of the Cost Proposal opening and thereafter in accordance with any contract pursuant to the RFQ.

ATTACHMENT F: REFERENCE QUESTIONNAIRE

Option: Questionnaire Revision.

Select one of the two different Reference Questionnaire options available below, depending on your procurement needs.

Add, delete, or revise questionnaire items as appropriate to the subject procurement so that the state has the best possible information upon which to select a Respondent for contract award.

RFQ # NUMBER REFERENCE QUESTIONNAIRE

RESPONDENT NAME: RESPONDENT NAME (completed by respondent before reference is requested)

The "respondent name" specified above, intends to submit a response to the State of Tennessee in response to the Request for Qualifications (RFQ) indicated. As a part of such response, the respondent must include a number of completed and sealed reference questionnaires (using this form).

Each individual responding to this reference questionnaire is asked to follow these instructions:

- complete this questionnaire (either using the form provided or an exact duplicate of this document);
- sign and date the completed questionnaire;
- seal the completed, signed, and dated questionnaire in a new standard #10 envelope;
- sign in ink across the sealed portion of the envelope; and
- return the sealed envelope containing the completed questionnaire directly to the respondent.

(1) What is the name of the individual, company, organization, or entity responding to this reference questionnaire?

(2) Please provide the following information about the individual completing this reference questionnaire on behalf of the above-named individual, company, organization, or entity.

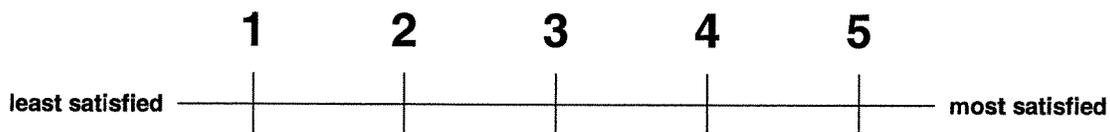
NAME:	
TITLE:	
TELEPHONE #	

E-MAIL ADDRESS:	
------------------------	--

(3) What goods or services do/did the vendor provide to your company or organization?

(4) What is the level of your overall satisfaction with the vendor of the goods or services described above?

Please respond by circling the appropriate number on the scale below.



RFP # NUMBER PROPOSAL REFERENCE QUESTIONNAIRE — PAGE 2

If you circled 3 or less above, what could the vendor have done to improve that rating?

(5) If the goods or services that the vendor provided to your company or organization are completed, were the goods or services completed in compliance with the terms of the contract, on time, and within budget? If not, please explain.

(6) If the vendor is still providing goods or services to your company or organization, are these goods or services being provided in compliance with the terms of the contract, on time, and within budget? If not, please explain.

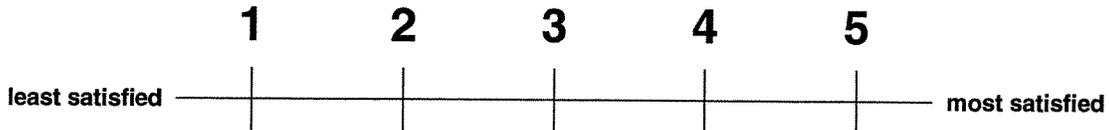
(7) How satisfied are you with the vendor's ability to perform based on your expectations and according to the contractual arrangements?

(8) In what areas of goods or service delivery do/did the vendor excel?

(9) In what areas of goods or service delivery do/did the vendor fall short?

(10) What is the level of your satisfaction with the vendor's project management structures, processes, and personnel?

Please respond by circling the appropriate number on the scale below.

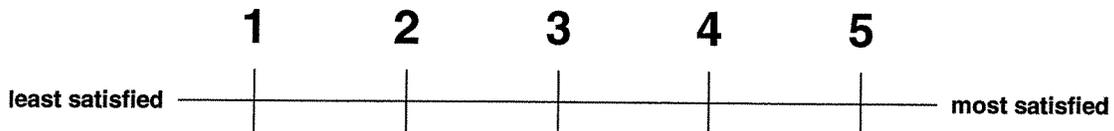


What, if any, comments do you have regarding the score selected above?

RFP # NUMBER PROPOSAL REFERENCE QUESTIONNAIRE — PAGE 3

(11) Considering the staff assigned by the vendor to deliver the goods or services described in response to question 3 above, how satisfied are you with the technical abilities, professionalism, and interpersonal skills of the individuals assigned?

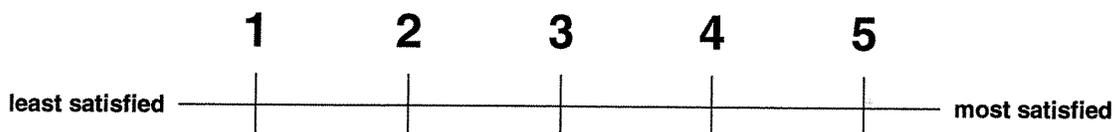
Please respond by circling the appropriate number on the scale below.



What, if any, comments do you have regarding the score selected above?

(12) Would you contract again with the vendor for the same or similar goods or services?

Please respond by circling the appropriate number on the scale below.



What, if any, comments do you have regarding the score selected above?

REFERENCE SIGNATURE:

(by the individual completing this request for reference information)

(must be the same as the signature across the envelope seal)

DATE:

REFERENCE QUESTIONNAIRE

RESPONDENT NAME: _____
RFQ # NUMBER _____

The Respondent will be responsible for obtaining completed Reference Questionnaires as required and for enclosing the sealed envelopes within the response.

The "respondent name," specified above, intends to submit a response to the State of Tennessee in response to the Request for Qualifications (RFQ) indicated. As a part of such response, the respondent must include a number of completed and sealed reference questionnaires (using this form).

Each individual responding to this reference questionnaire is asked to follow these instructions:

- complete this questionnaire (either using the form provided or an exact duplicate of this document);
 - sign and date the completed questionnaire;
 - seal the completed, signed, and dated questionnaire in a new standard #10 envelope;
 - sign in ink across the sealed portion of the envelope; and
 - return the sealed envelope containing the completed questionnaire directly to the respondent.
-

- (1) **What is the name of the individual, company, organization, or entity responding to this reference questionnaire?**
- (2) **Please provide the following information about the individual completing this reference questionnaire on behalf of the above-named individual, company, organization, or entity.**

NAME:	
TITLE:	
TELEPHONE #	
E-MAIL ADDRESS:	

- (3) **What goods or services do /did the vendor provide to your company or organization?**

(4) What is the level of your overall satisfaction with the vendor of the goods or services described above?

Satisfied Not Satisfied

Please check one box

(5) Were the goods delivered or services completed in compliance with the terms of the contract, on time, and within budget?

Yes No Not Completed

Please check one box

(6) How satisfied are you with the vendor's ability to perform based on your expectations and according to the contractual arrangements?

Satisfied Not Satisfied

Please check one box

(7) What is the level of your satisfaction with the vendor's project management structures, processes, and personnel?

Satisfied Not Satisfied

Please check one box

(8) Would you contract again with the vendor for the same or similar goods or services?

Satisfied Not Satisfied

Please check one box

SIGNATURE:

(by the individual completing this reference questionnaire)

(must be the same as the signature across the envelope seal)

DATE:

ATTACHMENT G: PRO FORMA CONTRACT ATTACHMENT

Draft the *pro forma* contract in accordance with the appropriate contract model.

Option: Disclaimer for Government Entity Contracts.

Add the following optional text to the attachment cover page if deemed appropriate.

If the contract is awarded to a governmental entity established pursuant to *Tennessee Code Annotated* (e.g., a human resource agency, a developmental district, the University of Tennessee, or a Board of Regents school), the standard terms and conditions of the contract shall be revised accordingly; however, significant performance requirements shall not be revised.

APPROVAL INSTRUCTIONS

Each RFQ document must be approved for release in accordance with the instructions below.

Complete the document as required by this Model.

Submit the proposed document to CPO at least 20 days before the desired RFQ release date. (Notwithstanding compliance with this deadline, circumstances may necessitate a delay of the release date.)

Submit the document draft to CPO via e-mail to: Agsprrs.Agsprsr@state.tn.us or the CPO examiner assigned to the contracting agency as a digital file in DOC format. Each draft must:

1. be clearly marked as "REVIEW DRAFT"
2. specify a number indicating the draft version;
3. highlight all deviations from the model language; and
4. highlight any changes between draft versions that may be necessary prior to release:
 - CPO staff will: (a) review the draft and confer with contracting agency staff by means of e-mailed review notes and redrafts; and (b) e-mail the proposed document to Comptroller staff when the CPO review is completed.
 - Comptroller staff will: (a) review the draft and confer directly with CPO by means of review notes and redrafts exchanged by e-mail; and (b) e-mail pre-approval notice to CPO staff when the latest draft appears acceptable for release.

Approval is also required for any amendment or cancellation.

PUBLICATION INSTRUCTIONS

Upon Comptroller approval, prepare the solicitation document for public release by removing any highlighting, changing all text to an appropriate color, and removing any draft version number or other extraneous notations.

On the business day before the date approved for public solicitation, e-mail the document prepared for public release to the CPO staff person assigned to the contracting agency so that CPO staff may post the digital document(s) on the Internet as appropriate.

The document presented for publication must be comprised by one or more (clearly and logically separated component) digital files in PDF or DOC format. If previously approved, the cost response attachment may be presented for publication in XLS, spreadsheet format.

ALWAYS confirm that each document is properly posted for public review.

If, for any reason, an RFQ is not properly published to the Internet, it may be necessary for the state to substantially revise the approved RFQ schedule of events to add additional time before Q&A and response deadlines.



**STATE OF TENNESSEE
CENTRAL PROCUREMENT OFFICE**

**REQUEST FOR QUALIFICATIONS
FOR
BRIEF GOODS OR SERVICES CAPTION**

RFQ # NUMBER

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- D. Cost Proposal & Evaluation Guide**
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1. INTRODUCTION

The State of Tennessee, Central Procurement Office, hereinafter referred to as "the State," has issued this Request for Qualifications ("RFQ") to define mandatory goods or services requirements; solicit responses; detail response requirements; and, outline the State's process for evaluating responses and selecting a Respondent for contract award to provide the needed goods or services.

Through this RFQ or any subsequent solicitation, the State seeks to buy the requested goods or services at the most favorable, competitive prices and to give ALL qualified businesses, including those that are owned by minorities, women, Tennessee service-disabled veterans, and small business enterprises, the opportunity to do business with the state as contractors or subcontractors.

1.1. Statement of Procurement Purpose

BRIEF, HIGH-LEVEL EXPLANATION OF GOODS OR SERVICES SOUGHT OR A SUMMARY OF THE PROBLEM TO BE ADDRESSED. HIGHLIGHT THE PURPOSE OF THE RFQ (TO SELECT A VENDOR/NUMBER OF VENDORS) THAT ARE QUALIFIED TO MEET THE STATE'S NEEDS FOR THE GOODS OR SERVICES REQUESTED BY THE STATE.

INCLUDE A SUMMARY OF THE PROBLEM TO BE ADDRESSED, FURTHER INFORMATION ABOUT INITIATIVE, SUMMARY BACKGROUND INFORMATION, ETC., AS NEEDED. DO NOT ASSUME THAT DETAILED SPECIFICATIONS OR SCOPE OF WORK (WHICH SHOULD BE SET OUT IN THE *PRO FORMA* CONTRACT), WILL BE APPROVED FOR THIS SECTION.

INCLUDE AN ESTIMATE OF THE PURCHASE REQUIREMENTS FOR THE CURRENT CONTRACT PERIOD, IF APPLICABLE.

1.2. Pre-Response Conference

A Pre-Response Conference will be held at the time and date detailed in the RFQ Schedule of Events, RFQ § 2. Pre-Response Conference attendance is not mandatory, and potential Respondents may be limited to a maximum number of attendees depending upon overall attendance and space limitations. Please contact the Solicitation Coordinator to RSVP for the Pre-Response Conference. The Conference will be held at:

ADDRESS/LOCATION
OTHER APPROPRIATE INFORMATION IF ANY

1.3. Notice of Intent to Respond

Before the Notice of Intent to Respond Deadline detailed in RFQ § 2, Schedule of Events, potential Respondents should submit to the Solicitation Coordinator a Notice of Intent to Respond in the form of a simple e-mail or other written communication. Such notice should include the following information: the business or individual's name (as appropriate), a contact person's name and title, the contact person's mailing address, telephone number, facsimile, number, and e-mail address. Filing a Notice of Intent to Respond is not a prerequisite for submitting a response; however, it is necessary to ensure receipt of notices and communications relating to this RFQ.

1.4. Definitions and Abbreviations

DEFINE ABBREVIATIONS OR TERMS USED THROUGHOUT THE RFQ.

TERM	DEFINITION

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2. RFQ SCHEDULE OF EVENTS

The following schedule represents the State's best estimates for this RFQ; however, the State reserves the right, at its sole discretion, to adjust the schedule at any time, or cancel and reissue a similar solicitation. Nothing in this RFQ is intended by the State to create any property rights or expectations of a property right in any Respondent.

EVENT		TIME (Central Time Zone)	DATE (all dates are State business days)
1.	RFQ Issued		DATE
2.	Disability Accommodation Request Deadline	2:00 p.m.	≥ 3 BUSINESS DAYS LATER
3.	Pre-Response Conference	TIME	≥ 1 BUSINESS DAY LATER
4.	Notice of Intent to Respond Deadline	2:00 p.m.	≥ 1 BUSINESS DAY LATER
5.	Written "Questions & Comments" Deadline	2:00 p.m.	≥ 3 BUSINESS DAYS LATER
6.	State response to written "Questions & Comments"		≥ 3 BUSINESS DAYS LATER
7.	RFQ Technical Response Deadline	2:00 p.m.	≥ 5 BUSINESS DAYS LATER
8.	State Notice of Qualified Respondents Released		≥ 1 BUSINESS DAY LATER

3. RESPONSE REQUIREMENTS

3.1. Response Contents: A response to this RFQ should address the following:

- 3.1.1. **Mandatory Requirements:** This section details the mandatory technical, functional, and experience requirements that must be demonstrated in the response to this RFQ in order to be passed on to Phase II of the Technical Response evaluation. A Respondent must duplicate and use RFQ Attachment A as a guide to organize responses for the Mandatory Requirements of the RFQ response. The Respondent should reference the page location of the information within the response in the indicated column of the table. This section is included in the State's evaluation as to whether or not a Respondent meets mandatory qualifications (Phase I).
- 3.1.2. **General Qualifications & Experience:** This section is included in the State's evaluation of Phase II of the Technical Response Evaluation and details general information and qualifications that must be demonstrated in the response to this RFQ. A Respondent must duplicate and use RFQ Attachment B as a guide to organize responses for this portion of the RFQ response. The Respondent should reference the page location in the information within the response in the indicated column of the table.
- 3.1.3. **Technical Qualifications, Experience & Approach:** This section is also included in the State's evaluation of Phase II of the Technical Response Evaluation and details technical qualifications, experience, and approach items that must be demonstrated in the response to this RFQ. A Respondent must duplicate and use RFQ Attachment C as a guide to organize responses for this portion of the RFQ response. The Respondent should reference the page location in the information within the response in the indicated column of the table.
- 3.1.4. **Cost Proposal: *For Qualified Respondents only***
 - 3.1.4.1. This section only applies to those respondents identified as being Qualified. See RFQ § 2, Schedule of Events, "State Notice of Qualified Respondents Released."
 - 3.1.4.2. If included as part of this solicitation, then the Cost Proposal must be recorded on an exact duplicate of RFQ Attachment D, Cost Proposal & Evaluation Guide. Any response that does not follow the instructions included in RFQ Attachment D may be deemed nonresponsive.
 - 3.1.4.3. A Respondent must only record the proposed cost exactly as required by the RFQ Attachment D, Cost Proposal & Evaluation Guide and must NOT record any other rates, amounts, or information.
 - 3.1.4.4. The proposed cost shall incorporate ALL costs for services under the contract for the total contract period.
 - 3.1.4.5. A Respondent must sign and date the Cost Proposal.
 - 3.1.4.6. A Respondent must submit the Cost Proposal to the State in a sealed package separate from the Technical Response.

3.2. Response Delivery Location

A Respondent must ensure that the State receives a Response to this RFQ no later than the Response Deadline time and dates detailed in the RFQ § 2, Schedule of Events. All responses must be delivered to:

SOLICITATION COORDINATOR NAME

ADDRESS/LOCATION (INCLUDE FLOOR NUMBER)
PHONE NUMBER
OTHER APPROPRIATE INFORMATION IF ANY

3.3. Response Format

- 3.3.1. A Respondent must ensure that the original response meets all form and content requirements detailed within this RFQ.
- 3.3.2. A Respondent must submit original response documents and copies as specified below.

3.3.2.1. Technical Response

One (1) original Technical Response paper document clearly labeled:

“RFQ #NUMBER TECHNICAL RESPONSE ORIGINAL”

and five (5) copies of the Technical Response each in the form of one (1) digital document in “PDF” format properly recorded on its own otherwise blank, standard CD-R recordable disc or USB flash drive labeled:

“RFQ #NUMBER TECHNICAL RESPONSE COPY”

The digital copies should not include copies of sealed customer references or cost information in the general and technical evaluation phase. However, any other discrepancy between the paper response document and digital copies may result in the State rejecting the response as nonresponsive.

3.3.2.2. Cost Proposal: *For Qualified Respondents only*

One (1) original Cost Proposal paper document labeled:

“RFQ #NUMBER COST PROPOSAL ORIGINAL”

and one (1) copy in the form of a digital document in “XLS” format properly recorded on a separate, blank, standard CD-R recordable disc or USB flash-drive labeled:

“RFQ #NUMBER COST PROPOSAL COPY”

In the event of a discrepancy between the original Cost Proposal document and the digital copy, the original, signed document will take precedence.

3.4. Response Prohibitions: A response to this RFQ should not:

- 3.4.1. Restrict the rights of the State or otherwise qualify the response to this RFQ;
- 3.4.2. Include, for consideration in this procurement process or subsequent contract negotiations, incorrect information that the Respondent knew or should have known was materially incorrect;
- 3.4.3. Include more than one response, per Respondent, to this RFQ;
- 3.4.4. Include any information concerning costs (in specific dollars or numbers) associated with the Technical Response;
- 3.4.5. Include the respondent’s own contract terms and conditions (unless specifically requested by the RFQ); or
- 3.4.6. Include the respondent as a prime contractor while also permitting one or more other respondents to offer the respondent as a subcontractor in their own responses.

3.5. Response Errors & Revisions

A Respondent is responsible for any and all errors or omissions in its response to this RFQ. A Respondent will not be allowed to alter or revise its response after the Response Deadline time and dates as detailed in RFQ § 2, Schedule of Events, unless such is formally requested in writing by the State (e.g., through a request for clarification, etc.).

3.6. Response Withdrawal

A Respondent may withdraw a response at any time before the Response Deadline time and date as detailed in RFQ § 2, Schedule of Events, by submitting a written signed request by an authorized representative of the Respondent. After withdrawing a response, a Respondent may submit another Response at any time before the Response Deadline time and date as detailed in RFQ § 2, Schedule of Events.

3.7. Response Preparation Costs

The State will not pay any costs associated with the preparation, submittal, or presentation of any response. Each Respondent is solely responsible for the costs it incurs in responding to this RFQ.

4. GENERAL INFORMATION & REQUIREMENTS

4.1. Communications

4.1.1. Respondents shall reference RFQ #NUMBER in all communications relating to this solicitation, and direct any such communications to the following person designated as the Solicitation Coordinator:

NAME, TITLE
ADDRESS
PHONE
EMAIL ADDRESS

The State will convey all official responses and communications related to this RFQ to the potential respondents from whom the State has received a Notice of Intent to Respond (refer to RFQ Section 1.3.).

4.1.2. Potential respondents with a handicap or disability may receive accommodation relating to the communication of this RFQ and participating in the RFQ process. Potential respondents may contact the RFQ Coordinator to request such reasonable accommodation no later than the Disability Accommodation Request Deadline detailed in RFQ § 2, Schedule of Events.

4.1.3. **Unauthorized contact about this RFQ with other employees or officials of the State of Tennessee may result in disqualification from contract award consideration.**

4.1.4. Notwithstanding the foregoing, potential Respondents may also contact the following as appropriate:

4.1.4.1. Staff of the Governor's Office of Diversity Business Enterprise may be contacted for assistance with respect to available minority-owned, woman-owned, Tennessee service-disabled veteran-owned, and small business enterprises as well as general public information relating to this request; or

4.1.4.2. The following individual designated by the State to coordinate compliance with the nondiscrimination requirements of the State of Tennessee, Title VI of the Civil Rights Act of 1964, the Americans with Disabilities Act of 1990, and associated federal regulations:

NAME, TITLE
ADDRESS
PHONE
EMAIL ADDRESS

4.2. Nondiscrimination

No person shall be excluded from participation in, be denied benefits of, or be otherwise subjected to discrimination in the performance of a contract pursuant to this solicitation or in the employment practices of the Vendor on the grounds of handicap or disability, age, race, color, religion (subject to *Tennessee Code Annotated*, Sections 4-21-401 and 405), sex, national origin, or any other classification protected by federal, Tennessee state constitutional, or statutory law. The Vendor pursuant to this solicitation shall post in conspicuous places, available to all employees and applicants, notices of nondiscrimination.

4.3. Conflict of Interest

- 4.3.1. The State may not consider a proposal from an individual who is, or within the past six (6) months has been, a State employee. For these purposes,
 - 4.3.1.1. An individual shall be deemed a State employee until such time as all compensation for salary, termination pay, and annual leave has been paid;
 - 4.3.1.2. A contract with or a proposal from a company, corporation, or any other contracting entity in which a controlling interest is held by any State employee shall be considered to be a contract with or proposal from the employee; and
 - 4.3.1.3. A contract with or a proposal from a company, corporation, or any other contracting entity that employs an individual who is, or within the past six months has been, a State employee shall not be considered a contract with or a proposal from the employee and shall not constitute a prohibited conflict of interest.
- 4.3.2. This RFQ is also subject to *Tennessee Code Annotated*, Section 12-4-101.

4.4. Respondent Required Review & Waiver of Objections

- 4.4.1. Each potential respondent must carefully review this RFQ, including but not limited to, attachments, the RFQ Attachment G, *pro forma* Contract, and any amendments for questions, comments, defects, objections, or any other matter requiring clarification or correction (collectively called "questions and comments").
- 4.4.2. Any potential respondent having questions and comments concerning this RFQ must provide such in writing to the State no later than the written "Questions & Comments Deadline" detailed in RFQ § 2, Schedule of Events.
- 4.4.3. Protests based on any objection shall be considered waived and invalid if the objection has not been brought to the attention of the State, in writing, by the written "Questions & Comments Deadline."

4.5. Disclosure of Response Contents

- 4.5.1. All materials submitted to the State in response to this solicitation become property of the State of Tennessee. Selection for award does not affect this right. By submitting a response, a Respondent acknowledges and accepts that the full contents and associated documents submitted in response to this request will become open to public inspection. Refer to RFQ § 2, Schedule of Events.
- 4.5.2. The RFQ responses will be available for public inspection only after the completion of evaluation of the RFQ or any resulting solicitation which this RFQ becomes a part of, whichever is later.

4.6. Notice of Professional Licensure, Insurance, and Department of Revenue Registration Requirements

- 4.6.1. All persons, agencies, firms or other entities that provide legal or financial opinions, which a Respondent provides for consideration and evaluation by the State as part of a response to this RFQ, shall be properly licensed to render such opinions.
- 4.6.2. Before the Contract resulting from this RFQ is signed, the apparent successful Respondent (and Respondent employees and subcontractors, as applicable) must hold all necessary, appropriate business and professional licenses to provide service as required. The State may require any Respondent to submit evidence of proper licensure.
- 4.6.3. Before the Contract resulting from this RFQ is signed, the apparent successful Respondent must provide a valid, Certificate of Insurance indicating current insurance coverage meeting minimum requirements as may be specified by the RFQ.
- 4.6.4. Before the Contract resulting from this RFP is signed, the apparent successful Respondent must be registered with the Department of Revenue for the collection of

Tennessee sales and use tax. The State shall not approve a contract unless the Respondent provides proof of such registration. The foregoing is a mandatory requirement of an award of a contract pursuant to this solicitation.

4.7. RFQ Amendments & Cancellation

- 4.7.1. The State reserves the right to amend this RFQ at any time, provided that it is amended in writing. However, prior to any such amendment, the State will consider whether it would negatively impact the ability of potential respondents to meet the deadlines and revise the RFQ Schedule of Events if deemed appropriate. If a RFQ amendment is issued, the State will convey it to potential respondents who submitted a Notice of Intent to Respond (refer to RFQ § 1.3). A response must respond, as required, to the final RFQ (including its attachments) as may be amended.
- 4.7.2. The State reserves the right, at its sole discretion, to cancel or to cancel and reissue this RFQ in accordance with applicable laws and regulations.

4.8. State Right of Rejection

- 4.8.1. Subject to applicable laws and regulations, the State reserves the right to reject, at its sole discretion, any and all proposals.
- 4.8.2. The State may deem as nonresponsive and reject any proposal that does not comply with all terms, conditions, and performance requirements of this RFQ. Notwithstanding the foregoing, the State reserves the right to seek clarifications or to waive, at its sole discretion, a response's minor variances from full compliance with this RFQ. If the State waives variances in a response, such waiver shall not modify the RFQ requirements or excuse the Respondent from full compliance with such, and the State may hold any resulting vendor to strict compliance with this RFQ.
- 4.8.3. The State will review the response evaluation record and any other available information pertinent to whether or not each respondent is responsive and responsible. If the evaluation team identifies any respondent that appears not to meet the responsive and responsible thresholds such that the team would not recommend the respondent for potential contract award, this determination will be fully documented for the record. ("Responsive" is defined as submitting a response that conforms in all material respects to the RFQ. "Responsible" is defined as having the capacity in all respects to perform fully the contract requirements, and the integrity and reliability which will assure good faith performance.)

4.9. Assignment & Subcontracting

- 4.9.1. The vendor may not subcontract, transfer, or assign any portion of the Contract awarded as a result of this RFQ without prior approval of the State. The State reserves the right to refuse approval, at its sole discretion, of any subcontract, transfer, or assignment.
- 4.9.2. If a Respondent intends to use subcontractors, the response to this RFQ must specifically identify the scope and portions of the work each subcontractor will perform (refer to RFQ Attachment B, Item B.14.).
- 4.9.3. Subcontractors identified within a response to this RFQ will be deemed as approved by the State unless the State expressly disapproves one or more of the proposed subcontractors prior to signing the Contract.
- 4.9.4. The Contractor resulting from this RFQ may only substitute another subcontractor for a proposed subcontractor at the discretion of the State and with the State's prior, written approval.
- 4.9.5. Notwithstanding any State approval relating to subcontracts, the Contractor resulting from this RFQ will be the prime contractor and will be responsible for all work under the Contract.

4.10. **Next Ranked Respondent**

The State reserves the right to initiate negotiations with the next ranked respondent should the State cease doing business with any respondent selected via this RFQ process.

5. **PROCUREMENT PROCESS & CONTRACT AWARD**

- 5.1. The complete vendor selection will be a two-part process: (1) Qualification of Technical Responses; and (2) Evaluation of Cost Proposals. Any contract award is subject to successful contract negotiation.
- 5.2. Qualification of Technical Responses: Technical Responses will be short-listed for further evaluation, analysis or negotiation if they are apparently responsive, responsible, and within the competitive range. A Technical Response will be deemed within the competitive range based on the following criterion:

(INSERT details as to how the competitive range will be determined).

Phase I: The State will evaluate the Mandatory Requirements set forth in RFQ Attachment A on a pass/fail basis.

Phase II: Following the Phase I evaluation, the State will apply a standard equitable evaluation model, which will represent a qualitative assessment of each response. Each response will be scored by Evaluation Team members according to the Technical Response & Evaluation Guides (See RFQ Attachments B & C).

The Solicitation Coordinator will total the average score from the evaluation team for each responsive and responsible Respondent's Technical Response Points for RFQ Attachments B & C to determine which of the Respondents are considered Qualified and within the competitive range.

- 5.3. Cost Proposals: If included as part of this solicitation then only Qualified Respondents, that are responsive and responsible and in the competitive range, will continue onto Part Two, Cost Proposal evaluation. The Cost Proposal containing the lowest cost will receive the maximum number of points per each section. See RFQ Attachment D, Cost Proposal & Evaluation Guide.
- 5.4. Clarifications and Negotiations: The State reserves the right to award a contract on the basis of initial responses received; therefore, each response should contain the respondent's best terms from a technical and cost standpoint. However, the State reserves the right to conduct clarifications or negotiations with respondents. All communications, clarifications, and negotiations shall be conducted in a manner that supports fairness in response improvement.
- 5.4.1. Clarifications: The State may identify areas of a response that may require further clarification or areas in which it is apparent that there may have been miscommunications or misunderstandings as to the State's specifications or requirements. The State may seek to clarify those issues identified during one or multiple clarification round(s). Each clarification sought by the State may be unique to an individual respondent.
- 5.4.2. Negotiations: The State may elect to negotiate with Qualified Respondents, within the competitive range, by requesting revised responses, negotiating costs, or finalizing contract terms and conditions. The State reserves the right to conduct multiple negotiation rounds
- 5.4.2.1. Cost Negotiations: All responsive respondents within the competitive range will be given equivalent information with respect to cost negotiations. All cost negotiations will be documented for the procurement file. Additionally, the

State may conduct target pricing and other goods or services level negotiations. Target pricing may be based on considerations such as current pricing, market considerations, benchmarks, budget availability, or other methods that do not reveal individual respondent pricing. During target price negotiations, respondents are not obligated to meet or beat target prices, but will not be allowed to increase prices.

5.4.2.2. If the State determines costs and contract finalization discussions and negotiations are not productive, the State reserves the right to bypass the apparent best evaluated Respondent and enter into contract negotiations with the next apparent best evaluated Respondent.

5.5. Evaluation Guide

The State will consider qualifications, experience, technical approach, and cost (if applicable) in the evaluation of responses and award points in each of the categories detailed below. The maximum evaluation points possible for each category are detailed below.

Evaluation Category	Maximum Points Possible
Mandatory Requirements (refer to RFQ Attachment A)	Pass/Fail
General Qualifications, Experience, Technical Qualifications, Experience & Approach (refer to RFQ Attachment B)	NUMBER
Technical Qualifications, Experience & Approach (refer to RFQ Attachment C)	NUMBER

TECHNICAL RESPONSE & EVALUATION GUIDE

All Respondents must address all items detailed below and provide, in sequence, the information and documentation as required (referenced with the associated item references). All Respondents must also detail the response page number for each item in the appropriate space below.

The Solicitation Coordinator will review all responses to determine if the Mandatory Requirement Items are addressed as required and mark each with pass or fail. For each item that is not addressed as required, the Evaluation Team must review the responses and attach a written determination. In addition to the Mandatory Requirement Items, the Solicitation Coordinator will review each response for compliance with all RFQ requirements.

RESPONDENT LEGAL ENTITY NAME:			
Response Page # (Respondent completes)	Item Ref.	Section A— Mandatory Requirement Items	Pass/Fail
		The Technical Response must be delivered to the State no later than the Technical Response Deadline specified in the RFQ § 2, Schedule of Events.	
		The Technical Response must not contain cost or pricing information of any type.	
		The Technical Response must not contain any restrictions of the rights of the State or other qualification of the response.	
		A Respondent must not submit alternate responses.	
		A Respondent must not submit multiple responses in different forms (as a prime and a subcontractor).	
	A.1.	Provide the Statement of Certifications and Assurances (RFQ Attachment E) completed and signed by an individual empowered to bind the Respondent to the provisions of this RFQ and any resulting contract. The document must be signed without exception or qualification.	
	A.2.	Provide a statement, based upon reasonable inquiry, of whether the Respondent or any individual who shall perform work under the contract has a possible conflict of interest (<i>e.g.</i> , employment by the State of Tennessee) and, if so, the nature of that conflict. NOTE: Any questions of conflict of interest shall be solely within the discretion of the State, and the State reserves the right to cancel any award.	
	A.3.	Provide a current bank reference indicating that the Respondent's business relationship with the financial institution is in positive standing. Such reference must be written in the form of a standard business letter, signed, and dated within the past three (3) months.	
	A.4.	Provide two current positive credit references from vendors with which	

RESPONDENT LEGAL ENTITY NAME:			
Response Page # (Respondent completes)	Item Ref.	Section A— Mandatory Requirement Items	Pass/Fail
		the Respondent has done business written in the form of standard business letters, signed, and dated within the past three (3) months.	
	A.5.	Provide an official document or letter from an accredited credit bureau, verified and dated within the last three (3) months and indicating a positive credit rating for the Respondent (NOTE: A credit bureau report number without the full report is insufficient and will <u>not</u> be considered responsive.)	
	A. #.	REPEAT MANDATORY REQUIREMENT ITEMS & ASSOCIATED ITEM REFERENCES AS NECESSARY	
<i>State Use – RFQ Coordinator Signature, Printed Name & Date:</i>			

TECHNICAL RESPONSE & EVALUATION GUIDE

SECTION B: GENERAL QUALIFICATIONS & EXPERIENCE. The Respondent must address all items detailed below and provide, in sequence, the information and documentation as required (referenced with the associated item references). The Respondent must also detail the response page number for each item in the appropriate space below. Evaluation Team members will independently evaluate and assign one score for all responses to Section B—General Qualifications & Experience Items.

RESPONDENT LEGAL ENTITY NAME:		
Response Page # (Respondent completes)	Item Ref.	Section B— General Qualifications & Experience Items
	B.1.	Detail the name, e-mail address, mailing address, telephone number, and facsimile number of the person the State should contact regarding the response.
	B.2.	Describe the Respondent’s form of business (<i>i.e.</i> , individual, sole proprietor, corporation, non-profit corporation, partnership, limited liability company) and business location (physical location or domicile).
	B.3.	Detail the number of years the Respondent has been in business.
	B.4.	Briefly describe how long the Respondent has been performing the goods or services required by this RFQ.
	B.5.	Describe the Respondent’s number of employees, client base, and location of offices.
	B.6.	Provide a statement of whether there have been any mergers, acquisitions, or sales of the Respondent within the last ten (10) years. If so, include an explanation providing relevant details.
	B.7.	Provide a statement of whether the Respondent or, to the Respondent’s knowledge, any of the Respondent’s employees, agents, independent contractors, or subcontractors, proposed to provide work on a contract pursuant to this RFQ, have been convicted of, pled guilty to, or pled <i>nolo contendere</i> to any felony. If so, include an explanation providing relevant details.
	B.8.	Provide a statement of whether, in the last ten (10) years, the Respondent has filed (or had filed against it) any bankruptcy or insolvency proceeding, whether voluntary or involuntary, or undergone the appointment of a receiver, trustee, or assignee for the benefit of creditors. If so, include an explanation providing relevant details.
	B.9.	Provide a statement of whether there is any material, pending litigation against the Respondent that the Respondent should reasonably believe could adversely affect its ability to meet contract requirements pursuant to this RFQ or is likely to have a material adverse effect on the Respondent’s financial condition. If such exists, list each separately, explain the relevant details, and attach the opinion of counsel addressing whether and to what extent it would impair the Respondent’s performance in a contract pursuant to this RFQ. NOTE: All persons, agencies, firms, or other entities that provide legal opinions regarding the Respondent must be properly licensed to render such opinions. The State may require the Respondent to submit proof of such licensure detailing the

RESPONDENT LEGAL ENTITY NAME:		
Response Page # (Respondent completes)	Item Ref.	Section B— General Qualifications & Experience Items
		state of licensure and licensure number for each person or entity that renders such opinions.
	B.10.	<p>Provide a statement of whether there is any pending or in progress Securities Exchange Commission investigations involving the Respondent. If such exists, list each separately, explain the relevant details, and attach the opinion of counsel addressing whether and to what extent it will impair the Respondent's performance in a contract pursuant to this RFQ.</p> <p>NOTE: All persons, agencies, firms, or other entities that provide legal opinions regarding the Respondent must be properly licensed to render such opinions. The State may require the Respondent to submit proof of such licensure detailing the state of licensure and licensure number for each person or entity that renders such opinions.</p>
	B.11.	Provide a brief, descriptive statement detailing evidence of the Respondent's ability to deliver the goods or services sought under this RFQ (<i>e.g.</i> , prior experience, training, certifications, resources, program and quality management systems, <i>etc.</i>).
	B.12.	Provide a narrative description of the proposed contract team, its members, and organizational structure along with an organizational chart identifying the key people who will be assigned to provide the goods or services required by this RFQ, illustrating the lines of authority, and designating the individual responsible for the completion of each task and deliverable of the RFQ.
	B.13.	Provide a personnel roster listing the names of key people who the Respondent will assign to perform tasks required by this RFQ along with the estimated number of hours that each individual will devote to the required tasks. Follow the personnel roster with a resume for each of the people listed. The resumes must detail the individual's title, education, current position with the Respondent, and employment history.
	B.14.	<p>Provide a statement of whether the Respondent intends to use subcontractors to accomplish the work required by this RFQ, and if so, detail:</p> <p>(a) the names of the subcontractors along with the contact person, mailing address, telephone number, and e-mail address for each;</p> <p>(b) a description of the scope and portions of the work each subcontractor will perform; <u>and</u></p> <p>(c) a statement specifying that each proposed subcontractor has expressly assented to being proposed as a subcontractor in the Respondent's response to this RFQ.</p>
	B.15.	<p>Provide documentation of the Respondent's commitment to diversity as represented by its business strategy, business relationships, and workforce— this documentation should detail <u>all</u> of the following:</p> <p>(a) a description of the Respondent's existing programs and procedures designed to encourage and foster commerce with business enterprises owned by minorities, women, Tennessee service-disabled veterans and small business enterprises;</p> <p>(b) a listing of the Respondent's current contracts with business enterprises owned by minorities, women, Tennessee service-disabled veterans and small business</p>

RESPONDENT LEGAL ENTITY NAME:		
Response Page # (Respondent completes)	Item Ref.	Section B— General Qualifications & Experience Items
		<p>enterprises, including the following information:</p> <ul style="list-style-type: none"> (i) contract description and total value (ii) Contractor name and ownership characteristics (e.g. ethnicity, gender, and service-disabled veteran); and (iii) Contractor contact and telephone number; <p>(c) an estimate of the level of participation by business enterprises owned by minorities, women, Tennessee service-disabled veterans and small business enterprises in a contract awarded to the Respondent pursuant to this RFQ, including the following information:</p> <ul style="list-style-type: none"> (i) participation estimate (expressed as a percent of the total contract value that will be dedicated to business with subcontractors and supply contractors having such ownership characteristics — PERCENTAGES ONLY — DO NOT INCLUDE DOLLAR AMOUNTS) (ii) descriptions of anticipated contracts (iii) names and ownership characteristics (e.g. ethnicity, gender, service-disabled veteran) of anticipated subcontractors and supply contractors anticipated; and <p>(d) the percent of the Respondent's total current employees by ethnicity, gender and Tennessee service-disabled veterans</p> <p>NOTE: Respondents that demonstrate a commitment to diversity will advance State efforts to expand opportunity to do business with the State as contractors and subcontractors. Response evaluations will identify the positive qualifications and experience of a Respondent doing business with enterprises owned by minorities, women, Tennessee service-disabled veterans and small business enterprises and that offers a diverse workforce to meet the needs of the State.</p>
	B.16.	<p>Provide a statement of whether or not the Respondent has any current contracts with the State of Tennessee or has completed any contracts with the State of Tennessee within the previous 5-year period. If so, provide the following information for all current and completed contracts:</p> <ul style="list-style-type: none"> (a) the name, title, telephone number and e-mail address of the State contact responsible for the contract at issue; (b) the name of the procuring State agency; (c) a brief description of the contract's specification for goods or scope of services; (d) the contract term; and (e) the contract number. <p>NOTES:</p> <ul style="list-style-type: none"> ▪ Current or prior contracts with the State are <u>not</u> a prerequisite and are <u>not</u> required for the maximum evaluation score, and the existence of such contracts with the State will <u>not</u> automatically result in the addition or deduction of evaluation points. ▪ Each evaluator will generally consider the results of inquiries by the State regarding all contracts responsive to Section B.16 of this RFQ.
	B.17.	<p>Provide customer references from individuals (who are <u>not</u> current or former officials or staff of the State of Tennessee) for projects similar to the goods or services sought under this RFQ and which represent:</p> <ul style="list-style-type: none"> ▪ two (2) of the larger accounts currently serviced by the Respondent, <u>and</u> ▪ three (3) completed projects. <p>All references must be provided in the form of standard reference questionnaires that</p>

RESPONDENT LEGAL ENTITY NAME:		
Response Page # (Respondent completes)	Item Ref.	Section B— General Qualifications & Experience Items
		<p>have been fully completed by the individual providing the reference as required. The standard reference questionnaire, which <u>must</u> be used and completed as required, is detailed at RFQ Attachment F. References that are not completed as required will be considered nonresponsive and will not be considered.</p> <p>The Respondent will be <u>solely</u> responsible for obtaining the fully completed reference questionnaires, and for including them within the Respondent's sealed Technical Response. In order to obtain and submit the completed reference questionnaires, as required, follow the process detailed below:</p> <p>(a) "Customize" the standard reference questionnaire at Attachment F by adding the subject Respondent's name, and make exact duplicates for completion by references.</p> <p>(b) Send the customized reference questionnaires to each individual chosen to provide a reference along with a new standard #10 envelope.</p> <p>(c) Instruct the person who will provide a reference for the Respondent to:</p> <p>(i) complete the reference questionnaire (on the form provided or prepared, completed, and printed using an exact duplicate of the document);</p> <p>(ii) sign <u>and</u> date the completed, reference questionnaire;</p> <p>(iii) seal the completed, signed, and dated, reference questionnaire within the envelope provided;</p> <p>(iv) sign his or her name in ink across the sealed portion of the envelope; and</p> <p>(v) return the sealed envelope containing the completed reference questionnaire directly to the Respondent (the Respondent may wish to give each reference a deadline, such that the Respondent will be able to collect all required references in time to include them within the sealed Technical Response).</p> <p>(d) <u>Do NOT open the sealed references upon receipt.</u></p> <p>(e) Enclose all <u>sealed</u> reference envelopes within a larger, labeled envelope for inclusion in the Technical Response as required.</p> <p>NOTES:</p> <ul style="list-style-type: none"> ▪ The State will not accept late references or references submitted by any means other than that which is described above, and each reference questionnaire submitted must be completed as required. ▪ The State will not review more than the number of required references indicated above. ▪ While the State will base its reference check on the contents of the sealed reference envelopes included in the Technical Response package, the State reserves the right to confirm and clarify information detailed in the completed reference questionnaires, and may consider clarification responses in the evaluation of references. ▪ The State is under <u>no</u> obligation to clarify any reference information.
	B.#.	REPEAT REQUIREMENT ITEMS & ASSOCIATED ITEM REFERENCES AS NECESSARY
	B.#.	REPEAT REQUIREMENT ITEMS & ASSOCIATED ITEM REFERENCES AS NECESSARY

RESPONDENT LEGAL ENTITY NAME:		
Response Page # (Respondent completes)	Item Ref.	Section B— General Qualifications & Experience Items
SCORE (for <u>all</u> Section B— Qualifications & Experience Items above): (maximum possible score = RFQ § 5.5. NUMBER)		
<i>State Use – Evaluator Identification:</i>		

TECHNICAL RESPONSE & EVALUATION GUIDE

SECTION C: TECHNICAL QUALIFICATIONS, EXPERIENCE & APPROACH. The Respondent should explain its approach to providing goods or services to the State. The items listed below represent specific questions the State would request you answer in your response. For ease of review, please annotate your explanation so that it contains references to the items listed below where they are addressed. Respondent should not feel constrained to answer only the specific questions listed below in its explanation and should feel free to provide attachments if necessary in an effort to provide a more thorough response.

The Evaluation Team, made up of three (3) or more State employees, will independently evaluate and score the response to each item. Each evaluator will use the following whole number, raw point scale for scoring each item:

0 = little value 1 = poor 2 = fair 3 = satisfactory 4 = good 5 = excellent

The Solicitation Coordinator will multiply the Item Score by the associated Evaluation Factor (indicating the relative emphasis of the item in the overall evaluation). The resulting product will be the item's raw, weighted score for purposes of calculating the section scores as indicated.

RESPONDENT LEGAL ENTITY NAME:					
Response Page # (Respondent completes)	Item Ref.	Section C— Technical Qualifications, Experience & Approach Items	Item Score	Evaluation Factor	Raw Weighted Score
	C.1.	Provide a narrative that illustrates the Respondent's understanding of the State's requirements and project schedule.		NUMBER	
	C.2.	Provide a narrative that illustrates how the Respondent will complete the delivery of goods or scope of services, accomplish required objectives, and meet the State's project schedule.		NUMBER	
	C.3.	Provide a narrative that illustrates how the Respondent will manage the project, ensure delivery of specified goods or completion of the scope of services, and accomplish required objectives within the State's project schedule.		NUMBER	
	C.#.	REPEAT REQUIREMENT ITEMS & ASSOCIATED ITEM REFERENCES & WEIGHTS AS NECESSARY		NUMBER	
<i>The Solicitation Coordinator will use this sum and the formula below to calculate the section score. All calculations will use and result in numbers rounded to two (2) places to the right of the decimal point.</i>			Total Raw Weighted Score: (sum of Raw Weighted Scores above)		
Total Raw Weighted Score			X RFP § 5.5. NUMBER (maximum possible score)		= SCORE:
Maximum Possible Raw Weighted Score (i.e., 5 x the sum of item weights above)					

RESPONDENT LEGAL ENTITY NAME:					
Response Page # (Respondent completes)	Item Ref.	Section C— Technical Qualifications, Experience & Approach Items	Item Score	Evaluation Factor	Raw Weighted Score
<i>State Use – Evaluator Identification:</i>					
<i>State Use – Solicitation Coordinator Signature, Printed Name & Date:</i>					

Cost Proposal & Evaluation Guide
For Qualified Respondents Only

Cost Proposals/Negotiations will only be requested of Qualified Respondents in the competitive range. This is a place holder for the document that will be issued to Qualified Respondents at that part of the procurement process.

STATEMENT OF CERTIFICATIONS AND ASSURANCES

An individual responding in his or her individual capacity or legally empowered to contractually bind the Respondent must complete and sign the Statement of Certifications and Assurances below as required, and this signed statement must be included with the response as required by the Request for Qualifications.

The Respondent does, hereby, expressly affirm, declare, confirm, certify, and assure ALL of the following:

1. The Respondent will comply with all of the provisions and requirements of the RFQ.
2. The Respondent will provide all specified goods or services as required by the contract awarded pursuant to this RFQ.
3. The Respondent accepts and agrees to all terms and conditions set out in the contract awarded pursuant to this RFQ.
4. The Respondent acknowledges and agrees that a contract resulting from the RFQ shall incorporate, by reference, all Response responses as a part of the contract.
5. The Respondent will comply, as applicable, with:
 - (a) the laws of the State of Tennessee;
 - (b) Title VI of the federal Civil Rights Act of 1964;
 - (c) Title IX of the federal Education Amendments Act of 1972;
 - (d) the Equal Employment Opportunity Act and the regulations issued there under by the federal government; and,
 - (e) the Americans with Disabilities Act of 1990 and the regulations issued there under by the federal government.
6. To the best of the undersigned's knowledge, information or belief, the information detailed within the Response to the RFQ is accurate.
7. The Response submitted to the RFQ was independently prepared, without collusion, and under penalty of perjury.
8. No amount shall be paid directly or indirectly to an employee or official of the State of Tennessee as wages, compensation, or gifts in exchange for acting as an officer, agent, employee, subcontractor, or consultant to the Respondent in connection with the request or any potential resulting contract.
9. The Response submitted in response to the RFQ shall remain valid for at least 120 days subsequent to the date of the Response opening and thereafter in accordance with any contract pursuant to the RFQ.

By signature below, the signatory certifies legal authority to bind the responding entity to the provisions of this request and any contract awarded pursuant to it. The State may, at its sole discretion and at any time, require evidence documenting the signatory's authority to be personally bound or to legally bind the responding entity.

DO NOT SIGN THIS DOCUMENT IF YOU ARE NOT LEGALLY AUTHORIZED TO DO SO BY THE ENTITY RESPONDING TO THIS RFQ.

SIGNATURE & DATE:

PRINTED NAME & TITLE:

LEGAL ENTITY NAME:

FEIN or SSN:

REFERENCE QUESTIONNAIRE

The standard reference questionnaire provided on the following pages of this attachment MUST be completed by all individuals offering a reference for the Respondent.

The Respondent will be responsible for obtaining completed reference questionnaires as required (refer to RFQ Attachment B, General Qualifications & Experience Items, Item B.17.), and for enclosing the sealed reference envelopes within the Respondent's Technical Proposal.

(Insert Reference Questionnaire on following page)

RFQ # NUMBER PRO FORMA CONTRACT

The *pro forma* contract detailed in following pages of this exhibit contains some “blanks” (signified by descriptions in capital letters) that will be completed with appropriate information in the final contract resulting from the RFQ.

Pro Forma ATTACHMENT 1

(Fill out only by selected Contractor)

ATTESTATION RE PERSONNEL USED IN CONTRACT PERFORMANCE

SUBJECT CONTRACT NUMBER:	
CONTRACTOR LEGAL ENTITY NAME:	
FEDERAL EMPLOYER IDENTIFICATION NUMBER (or Social Security number)	

The Contractor, identified above, does hereby attest, certify, warrant, and assure that 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 Contractor. If said individual is not the chief executive or president, this document shall attach evidence showing the individual's authority to contractually bind Contractor.

PRINTED NAME AND TITLE OF SIGNATORY

DATE OF ATTESTATION

(Fill out only by selected Contractor)

SAMPLE LETTER OF DIVERSITY COMMITMENT

(Company Letterhead/Logo)

(Address)

(Date)

(Salutation),

(Company Name) is committed to achieving or surpassing a goal of (numeral) percent spend with certified diversity business enterprise firms on State of Tennessee contract # (Edison document #). Diversity businesses are defined as those that are owned by minority, women, small business and Tennessee service-disabled veterans which are certified by the Governor's Office of Diversity Business Enterprise (Go-DBE).

We confirm our commitment of (percentage) participation on the (Contract) by using the following diversity businesses:

(i) Name and ownership characteristics (i.e., ethnicity, gender, Tennessee service-disabled veteran) of anticipated diversity subcontractors and suppliers:

(ii) Participation estimates (expressed as a percent of the total contract value to be dedicated to diversity subcontractors and suppliers):

_____ %.

(iii) Description of anticipated services to be performed by diversity subcontractors and suppliers:

We accept that our commitment to diversity advances the State's efforts to expand opportunity of diversity businesses to do business with the State as contractors and sub-contractors.

Further, we commit to:

1. Using applicable reporting tools that allow the State to track and report purchases from businesses owned by minority, women, Tennessee service-disabled veterans and small business.
2. Reporting quarterly to the Go-DBE office the dollars spent with certified diversity businesses owned by minority, women, Tennessee service-disabled veterans and small business accomplished under contract # (Edison number).

(Company Name) is committed to working with the Go-DBE office to accomplish this goal.

Regards,

(Company authority – signature and title)

PROPOSED:

- **INTERAGENCY AGREEMENT –
GRANT TEMPLATE**

INTERAGENCY AGREEMENT – GRANT MODEL

This model provides format and content for drafting a cost-reimbursement grant agreement between two TN state agencies, neither of which has the legal capacity to contract or sue and be sued. (This model is optional with respect to the University of Tennessee and Board of Regents colleges and universities). All agreements must comply with the requirements of Central Procurement Policy Number 2013-007, Grant Management and Subrecipient Monitoring Policy and Procedures and with the Office of Management and Budget (OMB) Circular A-133, as applicable.

Complete form fields and follow, replace, or otherwise address red instructional text (e.g., State Agency Name, amount, will/will not) as indicated and with conforming font and color.

GRANT AGREEMENT COVER SHEET

Complete the Grant Agreement Cover Sheet fields as indicated within the model and the following field directions.

Agency Tracking # unique tracking number comprised of: 5-digit business unit # + unique, 5-digit #
example: 31707-12345

Funding amounts by fiscal year and funding source with row and column totals;
agreement maximum liability MUST equal the sum of the TOTAL Amount column (i.e., the grand total amount for all fiscal years & all sources of funding)

A Grant Agreement Cover Sheet properly completed and in accordance the model is required for every copy of the agreement document.

PREAMBLE

Add additional information only if necessary.

A. SCOPE OF SERVICES

It is the responsibility of the grantor state agency to adequately draft a scope of services. Oversight examiners will rely on the grantor state agency head's signature on the agreement document as certification and assurance that the proposed scope of services is clear and correct, adequate for all legal and enforcement purposes, and sufficiently detailed to ensure grantor state agency accountability and results.

Do NOT include payment terms in the scope of services.

Draft the scope of services to clearly, specifically, and definitively detail duties, responsibilities, and associated performance requirements and describe, in detail, the service and deliverable requirements and all related specifications.

Option: Grant Proposal Attachment

It is NOT acceptable to attach the associated grant proposal to the grant in lieu of a properly drafted scope of services. Proposals for funding are NOT adequately definitive to stand alone as the description of grantor state agency duties and responsibilities or performance requirements.

To attach an associated grant proposal to the agreement in support of a properly drafted scope of service, use the following optional section.

A.#. Incorporation of Additional Documents. Each of the following documents is included as a part of this Grant Agreement by reference or attachment. In the event of a discrepancy or ambiguity regarding the Grantee's duties, responsibilities, and performance hereunder, these items shall govern in order of precedence below.

- a. this Grant Agreement document with any attachments or exhibits (excluding the items listed at subsections b. and c., below);
- b. the State grant proposal solicitation as may be amended, if any;

- c. the Grantee's proposal (Attachment Reference) incorporated to elaborate supplementary scope of services specifications.

B. AGREEMENT PERIOD

Do NOT route an agreement for approval after the agreement period begin date.

Draft the agreement with an appropriate, definitive, and complete agreement period not to exceed the five (5) year maximum permitted by Central Procurement Office rules.

Option: Term Extension

To reserve the right to extend the agreement period beyond the original period, change the designation of the paragraph under B. to B.1., and add the following section:

- B.2. Term Extension. The Grantor State Agency reserves the right to extend this Agreement for an additional period or periods of time. If a term extension necessitates additional funding beyond that which was included in the original Agreement, an increase of the Grantor State Agency's maximum liability will also be effected through an amendment to this Interagency Agreement.

C. PAYMENT TERMS AND CONDITIONS

Revise Payment Terms and Conditions sections only as provided in the instructions.

Payment Methodology

Subject to approval consideration on a case-by-case basis considering the amount of the advance payment, the scope of service, and the grantee, options below permit partial, periodic, and advance payments. Generally, a provision for an advance payment will only be approved in a grant with a government or non-profit entity.

The Comptroller's Procurement Compliance Office requires written justification for an advance payment provision of any type.

Option: Partial Advance Payment

To effect a partial advance payment, replace the section with the following.

- C.3. Payment Methodology. The Grantee shall be reimbursed for actual, reasonable, and necessary costs based upon the Grant Budget, not to exceed the maximum liability established in section C.1. The amount of Written Dollar Amount (\$Number) shall be paid to the Grantee in advance upon approval of this Grant Agreement. Then, upon progress toward the completion of the work, as described in section A of this Grant Agreement, the Grantee shall submit invoices for payment prior to any additional reimbursement of allowable costs. The total of all payments to the Grantee shall not exceed the maximum liability of this Grant Agreement.

Option: Periodic Advance Payment

To effect periodic advance payments, (1) Replace the section with the following.

- C.3. Payment Methodology. The Grantee shall be reimbursed for actual, reasonable, and necessary costs based upon the Grant Budget, not to exceed the maximum liability established in section C.1. The amount of Written Dollar Amount (\$Number) shall be paid to the Grantee in advance upon approval of this Grant Agreement and on Date(s) on which the Grantor State Agency will make advance payment(s). The total of said payments shall not exceed the maximum liability of this Grant Agreement.

- (2) Replace the first paragraph of the Disbursement Reconciliation and Close Out section with the following (which may be further revised to require more frequent grant disbursement reconciliation reports).

C.#. Disbursement Reconciliation and Close Out. The Grantee shall submit a grant disbursement reconciliation report within sixty (60) calendar days of the Grant Agreement end date and in form and substance acceptable to the Grantor State Agency (and include, as applicable, documentation and receipts as required by the above-referenced "State Comprehensive Travel Regulations").

Option: Total Advance Payment

To effect a total advance payment: (1) Replace the section with the following.

C.3. Payment Methodology. The Grantee shall be reimbursed for actual, reasonable, and necessary costs based upon the Grant Budget, not to exceed the maximum liability established in section C.1. Payment to the Grantee shall be a lump sum made in advance upon approval of this Grant Agreement.

- (2) Replace the first paragraph of the Disbursement Reconciliation and Close Out section with the following.

C.#. Disbursement Reconciliation and Close Out. The Grantee shall submit a grant disbursement reconciliation report within sixty (60) calendar days of the Grant Agreement end date and in form and substance acceptable to the State (and include, as applicable, documentation and receipts as required by the above-referenced "State Comprehensive Travel Regulations").

Budget Line-Items

The *Budget Line-Items* provision should **NOT** be amended after agreement approval.

Revise line-item variance amount as appropriate and up to the maximum of twenty percent (20%).

Option: NO Line-Item Variance

Replace the section with the following alternative as appropriate.

C.5. Budget Line-items. Expenditures, reimbursements, and payments under this Grant Agreement shall adhere to the Grant Budget. Reimbursable expenditures may NOT vary from the Grant Budget line-item amount(s) detailed. The Grant Budget is incorporated herein as though set forth verbatim.

Disbursement Reconciliation and Close Out

Revise the 1st paragraph of the section, as necessary, to require additional grant disbursement reconciliation reports.

Option: Grantee Match Requirement

If the Grant Budget details a grantee match requirement (in which the maximum total amount reimbursable by the state under the grant will be reduced by the amount of any Grantee failure to meet the match requirement), replace the section with the following (revising the maximum number of days to no less than 30).

C.#. Disbursement Reconciliation and Close Out. The Grantee shall submit any final invoice and a grant disbursement reconciliation report within sixty (60) calendar days of the Grant Agreement end date and in form and substance acceptable to the Grantor State Agency.

- a. The Grant Budget specifies a Grantee Match Requirement and the final grant

disbursement reconciliation report shall detail all Grantee expenditures recorded to meet said requirement.

- i. No Grantee expenditure shall be recorded and reported toward meeting a Grantee Match Requirement of more than one grant agreement with the state of Tennessee.
- ii. The final grant disbursement reconciliation report shall specifically detail the exact amount of any Grantee failure to meet a Match Requirement, and the maximum total amount reimbursable by the Grantor State Agency pursuant to this Grant Agreement, as detailed by the Grant Budget column "Grant Agreement," shall be reduced by the amount that the Grantee failed to contribute to the Total Project as budgeted.
- b. If total disbursements by the Grantor State Agency pursuant to this Grant Agreement exceed the amounts permitted by the section C, payment terms and conditions of this Grant Agreement (including any adjustment pursuant to subsection a.ii. above), the Grantee shall refund the difference to the Grantor State Agency. The Grantee shall submit said refund with the final grant disbursement reconciliation report.
- c. The Grantor State Agency shall not be responsible for the payment of any invoice submitted after the grant disbursement reconciliation report. The Grantor State Agency will not deem any Grantee costs submitted for reimbursement after the grant disbursement reconciliation report to be allowable and reimbursable by the Grantor State Agency, and such invoices will NOT be paid.
- d. The Grantee's failure to provide a final grant disbursement reconciliation report as required shall result in the Grantee being deemed ineligible for reimbursement under this Grant Agreement, and the Grantee shall be required to refund any and all payments by the Grantor State Agency pursuant to this Grant Agreement.
- e. The Grantee must close out its accounting records at the end of the agreement period in such a way that reimbursable expenditures and revenue collections are NOT carried forward.

D. STANDARD TERMS AND CONDITIONS

Do NOT add terms and conditions to section D (additional, necessary terms and conditions may be added to the section E, Special Terms and Conditions).

Termination for Convenience

Increase the thirty (30) calendar days notice requirement as appropriate.

E. SPECIAL TERMS AND CONDITIONS

Wherever instructions direct legal counsel involvement, compliance will be assumed.

Add the following sections as indicated and in the order below, after which, add other special terms and conditions sections as appropriate, provided that none conflict with state interests or standard agreement provisions.

Charges To Service Recipients Prohibited

Delete the section as appropriate.

No Equipment Acquisition

Delete the section if the grant budget provides funding for the acquisition of equipment (if so, the contingently required State Interest In Equipment section below will likely be applicable).

State Interest In Equipment

Add the following section if the agreement provides for the reimbursement of expenditures for equipment (revising the last sentence of the first paragraph as necessary to establish a lower dollar threshold for the definition of "equipment").

E.#. State Interest in Equipment. The Grantee shall take legal title to all equipment and to all motor vehicles, hereinafter referred to as "equipment," purchased totally or in part with funds provided under this Grant Agreement, subject to the Grantor State Agency's equitable interest therein, to the extent of its *pro rata* share, based upon the Grantor State Agency's contribution to the purchase price. "Equipment" shall be defined as an article of nonexpendable, tangible, personal property having a useful life of more than one year and an acquisition cost which equals or exceeds \$5,000.00.

As authorized by the provisions of the terms of the Tennessee Uniform Commercial Code — Secured Transaction, found at Title 47, Chapter 9 of the *Tennessee Code Annotated*, and the provisions of the Tennessee Motor Vehicle Title and Registration Law, found at Title 55, Chapter 1 of the *Tennessee Code Annotated*, an intent of this Grant document and the parties hereto is to create and acknowledge a security interest in favor of the Grantor State Agency in the equipment and/or motor vehicles acquired by the Grantee pursuant to the provisions of this Grant document. A further intent of this Grant document is to acknowledge and continue the security interest in favor of the Grantor State Agency in the equipment or motor vehicles acquired by the Grantee pursuant to the provisions of this program's prior year Grants between the Grantor State Agency and the Grantee.

The Grantee hereto grants the Grantor State Agency a security interest in said equipment. This agreement is intended to be a security agreement pursuant to the Uniform Commercial Code for any of the equipment herein specified which, under applicable law, may be subject to a security interest pursuant to the Uniform Commercial Code, and the Grantee hereby grants the Grantor State Agency a security interest in said equipment. The Grantee agrees that the Grantor State Agency may file this Grant Agreement or a reproduction thereof, in any appropriate office, as a financing statement for any of the equipment herein specified. Any reproduction of this or any other security agreement or financing statement shall be sufficient as a financing statement. In addition, the Grantee agrees to execute and deliver to the Grantor State Agency, upon the Grantor State Agency's request, any financing statements, as well as extensions, renewals, and amendments thereof, and reproduction of this Grant Agreement in such form as the Grantor State Agency may require to perfect a security interest with respect to said equipment. The Grantee shall pay all costs of filing such financing statements and any extensions, renewals, amendments and releases thereof, and shall pay all reasonable costs and expenses of any record searches for financing statements the Grantor State Agency may reasonably require. Without the prior written consent of the Grantor State Agency, the Grantee shall not create or suffer to be created pursuant to the Uniform Commercial Code any other security interest in said equipment, including replacements and additions thereto. Upon the Grantee's breach of any covenant or agreement contained in this Grant Agreement, including the covenants to pay when due all sums secured by this Grant Agreement, the Grantor State Agency shall have the remedies of a secured party under the Uniform Commercial Code and, at the Grantor State Agency's option, may also invoke the remedies herein provided.

The Grantee agrees to be responsible for the accountability, maintenance, management, and inventory of all property purchased totally or in part with funds provided under this Grant Agreement. The Grantee shall maintain a perpetual inventory system for all equipment purchased with funds provided under this Grant Agreement and shall submit an inventory control report which must include, at a minimum, the following:

- a. Description of the equipment;

- b. Manufacturer's serial number or other identification number, when applicable;
- c. Consecutive inventory equipment tag identification;
- d. Acquisition date, cost, and check number;
- e. Fund source, State grant number, or other applicable fund source identification;
- f. Percentage of state funds applied to the purchase;
- g. Location within the Grantee's operations where the equipment is used;
- h. Condition of the property or disposition date if Grantee no longer has possession;
- i. Depreciation method, if applicable; and
- j. Monthly depreciation amount, if applicable.

The Grantee shall tag equipment with an identification number which is cross referenced to the equipment item on the inventory control report. The Grantee shall inventory equipment annually. The Grantee must compare the results of the inventory with the inventory control report and investigate any differences. The Grantee must then adjust the inventory control report to reflect the results of the physical inventory and subsequent investigation.

The Grantee shall submit its inventory control report of all equipment purchased with funding through this agreement within thirty (30) days of the Grant Agreement end date and in form and substance acceptable to the Grantor State Agency. This inventory control report shall contain, at a minimum, the requirements specified above for inventory control. The Grantee shall notify the Grantor State Agency, in writing, of any equipment loss describing reason(s) for the loss. Should the equipment be destroyed, lost, or stolen, the Grantee shall be responsible to the Grantor State Agency for the *pro rata* amount of the residual value at the time of loss based upon the Grantor State Agency's original contribution to the purchase price.

Upon termination of the Grant Agreement, where a further contractual relationship is not entered into, or at another time during the term of the Grant Agreement, the Grantee shall request written approval from the Grantor State Agency for any proposed disposition of equipment purchased with Grant funds. All equipment shall be disposed of in such a manner as parties may agree from among alternatives approved by Tennessee Department of General Services as appropriate and in accordance with any applicable federal laws or regulations.

Confidentiality of Records

As appropriate, add the following section or an alternative recommended by agency legal counsel.

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

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

HIPAA Compliance

Add the following section if it is applicable.

- E.#. HIPAA Compliance. The Grantor State Agency and the Grantee shall comply with obligations under the Health Insurance Portability and Accountability Act of 1996 (HIPAA) and its accompanying regulations.
- a. The Grantee warrants that it is familiar with the requirements of HIPAA and its accompanying regulations, and will comply with all applicable HIPAA requirements in the course of this agreement.
 - b. The Grantee warrants that it will cooperate with the Grantor State Agency, including cooperation and coordination with Grantor State Agency privacy officials and other compliance officers required by HIPAA and its regulations, in the course of performance of the grant so that both parties will be in compliance with HIPAA.
 - c. The Grantor State Agency and the Grantee will sign documents, including but not limited to business associate agreements, as required by HIPAA and that are reasonably necessary to keep the Grantor State Agency and the Grantee in compliance with HIPAA. This provision shall not apply if information received by the Grantor State Agency under this grant is NOT "protected health information" as defined by HIPAA, or if HIPAA permits the Grantor State Agency to receive such information without entering into a business associate agreement or signing another such document.

Environmental Tobacco Smoke

Add the following section as appropriate.

- E.#. 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 Grantee 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 Grantee 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 Grant Agreement.

Grantee Participation

Add the following section as appropriate.

- E. #. Grantee Participation. Grantee Participation amount(s) detailed in the Grant Budget are intended as a goal for the total project, and the amount of actual Grantee Participation expenditures will not impact the maximum amounts reimbursable to the Grantee as detailed by the Grant Budget column, "Grant Agreement."

Federal Economic Stimulus Funding

If the agreement is funded in whole or part by the American Recovery and Reinvestment Act of 2009 add the following section.

- E.#. Federal Economic Stimulus Funding. This Grant Agreement requires the Grantee to provide

products and/or services that are funded in whole or in part under the American Recovery and Reinvestment Act of 2009, Public Law 111-5, (Recovery Act). The Grantee is responsible for ensuring that all applicable requirements, including but not limited to those set forth herein, of the Recovery Act are met and that the Grantee provides information to the Grantor State Agency as required.

The Grantee (and any subcontractor) shall comply with the following:

- a. Federal Grant Award Documents, as applicable.
- b. Executive Office of the President, Office of Management and Budget (OMB) Guidelines as posted at www.whitehouse.gov/omb/recovery_default/, as well as OMB Circulars, including but not limited to A-102 and A-133 as posted at www.whitehouse.gov/omb/financial_offm_circulars/.
- c. Office of Tennessee Recovery Act Management Directives (posted on the Internet at www.tnrecovery.gov).
- d. The Recovery Act, including but not limited to the following sections of that Act:
 - (1) Section 1604 – Disallowable Use. No funds pursuant to this Grant Agreement may be used for any casino or other gambling establishment, aquarium, zoo, golf course, or swimming pool.
 - (2) Section 1512 – Reporting and Registration Requirements. The Grantee must report on use of Recovery Act funds provided through this Grant Agreement. Information from these reports will be made available to the public.
 - (3) Section 1553 – Recovery Act Whistleblower Protections. An employee of any non-Federal employer receiving covered funds under the Recovery Act may not be discharged, demoted, or otherwise discriminated against as a reprisal for disclosing, including a disclosure made in the ordinary course of an employee's duties, to the Accountability and Transparency Board, an inspector general, the Comptroller General, a member of Congress, a state or federal regulatory or law enforcement agency, a person with supervisory authority over the employee (or other person working for the employer who has the authority to investigate, discover or terminate misconduct), a court or grand jury, the head of a Federal agency, or their representatives, information that the employee believes is evidence of one or more of the following related to the implementation or use of covered funds:
 - i. gross mismanagement,
 - ii. gross waste,
 - iii. substantial and specific danger to public health or safety,
 - iv. abuse of authority, or
 - v. violation of law, rule, or regulation (including those pertaining to the competition for or negotiation of a Grant Agreement).

Non-enforceability of Certain Provisions Waiving Rights and Remedies or Requiring Arbitration: Except as provided in a collective bargaining agreement, the rights and remedies provided to aggrieved employees by this section may not be waived by any agreement, policy, form, or condition of employment, including any predispute arbitration agreement. No predispute arbitration agreement shall be valid or enforceable if it requires arbitration of a dispute arising out of this section.

Requirement to Post Notice of Rights and Remedies: The Grantee and any subcontractor shall post notice of the rights and remedies as required under

Section 1553. (Refer to Section 1553 of the American Recovery and Reinvestment Act of 2009, Pub. L. 111-5 located at www.recovery.gov, for specific requirements of this section and prescribed language for the notices.)

- (4) Section 902 – Access Of Government Accountability Office. The Grantee shall provide that the Comptroller General and his representatives are authorized:
- i. to examine any records of the Grantee or any of its subcontractors, that directly pertain to, and involve transactions relating to, this Grant Agreement or a subcontract; and
 - ii. to interview any officer or employee of the Grantee or any of its subcontractors regarding such transactions.
- (5) Section 1514 – Inspector General Reviews. Any inspector general of a federal department or executive agency has the authority to review, as appropriate, any concerns raised by the public about specific investments using such funds made available in the Recovery Act. In addition, the findings of such reviews, along with any audits conducted by any inspector general of funds made available in the Recovery Act, shall be posted on the inspector general's website and linked to the website established by Recovery Act Section 1526, except that portions of reports may be redacted to the extent the portions would disclose information that is protected from public disclosure under sections 552 and 552a of title 5, United States Code.
- (6) Section 1515 – Access of Offices of Inspector General to Certain Records and Employers. With respect to this Grant Agreement, any representative of an appropriate inspector general appointed under section 3 or 8G of the Inspector General Act of 1978 (5 U.S.C. App.), is authorized:
- i. to examine any records, of the Grantee or any of its subcontractors, that pertain to and involve transactions relating or pursuant to this Grant Agreement; and
 - ii. to interview any officer or employee of the Grantee or any subcontractors regarding such transactions.
- (7) Section 1606 – Wage Rate Requirements. All laborers and mechanics employed by pursuant to this Grant Agreement shall be paid wages at rates not less than those prevailing on projects of a character similar in the locality as determined by the Secretary of Labor in accordance with subchapter IV of chapter 31 of title 40, United States Code. All rulings and interpretations of the Davis-Bacon Act and related acts contained in 29 CFR 1, 3, and 5 are herein incorporated by reference.

For purposes of this Grant Agreement, laborer or mechanic includes at least those workers whose duties are manual or physical in nature (including those workers who use tools or who are performing the work of a trade), as distinguished from mental or managerial. The term laborer or mechanic includes apprentices, trainees, helpers, and, in the case of contracts subject to the Contract Work Hours and Safety Standards Act, watchmen or guards.

- (8) Section 1605 – Buy American Requirements for Construction Material – Buy American, Use of American Iron, Steel, and Manufactured Goods. None of the funds provided by this Grant Agreement may be used for a project for the construction, alteration, maintenance, or repair of a public building or public work unless all of the iron, steel, and manufactured goods used in the project are produced in the United States.

e. The Grantee agrees to comply with any modifications or additional requirements that may

be imposed by law and future guidance and clarifications of Recovery Act requirements.

- f. If the Grantee enters into one or more subcontracts for any of the services performed under this Grant Agreement, each subcontract shall contain provisions specifically imposing on the subcontractor all requirements set forth in this agreement section E.#., "Federal Economic Stimulus Funding."

If the agreement also establishes a subrecipient relationship as defined by OMB Circular A-133, add the following as subsection E.#.d. (and re-letter all subsequent subsections accordingly).

- d. The subrecipient Grantee, if covered by the Single Audit Act Amendments of 1996 and OMB Circular A-133, agrees to specifically identify Recovery Act expenditures separately for Federal awards under the Recovery Act on the Schedule of Expenditures of Federal Awards (SEFA) and the Data Collection Form (SF-SAC) required by OMB Circular A-133.

If the agreement also establishes a subrecipient relationship as defined by OMB Circular A-133, replace the newly designated section E.#.e.(2) with the following.

- (2) Section 1512 – Reporting and Registration Requirements.
- i. The Grantee must report on use of Recovery Act funds provided through this Grant Agreement. Information from these reports will be made available to the public.
 - ii. The subrecipient Grantee must maintain current registrations in the Central Contractor Registration (www.ccr.gov) at all times during which they have an active Grant Contract funded with Recovery Act funds.

Disclosure of Personal Identity Information

Add the following section as appropriate.

- E.#. Disclosure of Personal Identity Information. The Grantee shall report to the Grantor State Agency any instances of unauthorized disclosure of confidential information that come to the attention of the Grantee. Any such report shall be made by the Grantee within twenty-four (24) hours after the instance has come to the attention of the Grantee. The Grantee, at the sole discretion of the Grantor State Agency, shall provide no cost credit monitoring services for individuals that are deemed to be part of a potential disclosure. The Grantee shall bear the cost of notification to individuals having personal identity information involved in a potential disclosure event, including individual letters and/or public notice.

Federal Funding Accountability and Transparency Act

Add the following section if the grant will be funded in whole or part by a federal grant or contract of \$25,000 or more (excluding grants subject to section 1512 of the American Recovery and Reinvestment Act of 2009)), and the grant will provide for the expenditure of \$25,000 or more in federal funds.

- E.#. Federal Funding Accountability and Transparency Act (FFATA). This Grant requires the Grantee to provide supplies and/or services that are funded in whole or in part by federal funds that are subject to FFATA. The Grantee is responsible for ensuring that all applicable requirements, including but not limited to those set forth herein, of FFATA are met and that the Grantee provides information to the State as required.

The Grantee shall comply with the following:

a. Reporting of Total Compensation of the Grantee's Executives.

- (1) The Grantee shall report the names and total compensation of each of its five most highly compensated executives for the Grantee's preceding completed fiscal year, if in the Grantee's preceding fiscal year it received:
- i. 80 percent or more of the Grantee's annual gross revenues from Federal procurement contracts and Federal financial assistance subject to the Transparency Act, as defined at 2 CFR 170.320 (and subawards); and
 - ii. \$25,000,000 or more in annual gross revenues from Federal procurement contracts (and subcontracts), and Federal financial assistance subject to the Transparency Act (and subawards); and
 - iii. The public does not have access to information about the compensation of the executives through periodic reports filed under section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m(a), 78o(d)) or section 6104 of the Internal Revenue Code of 1986. (To determine if the public has access to the compensation information, see the U.S. Security and Exchange Commission total compensation filings at <http://www.sec.gov/answers/execomp.htm>).

Executive means officers, managing partners, or any other employees in management positions.

- (2) Total compensation means the cash and noncash dollar value earned by the executive during the Grantee's preceding fiscal year and includes the following (for more information see 17 CFR 229.402(c)(2)):
- i. Salary and bonus.
 - ii. Awards of stock, stock options, and stock appreciation rights. Use the dollar amount recognized for financial statement reporting purposes with respect to the fiscal year in accordance with the Statement of Financial Accounting Standards No. 123 (Revised 2004) (FAS 123R), Shared Based Payments.
 - iii. Earnings for services under non-equity incentive plans. This does not include group life, health, hospitalization or medical reimbursement plans that do not discriminate in favor of executives, and are available generally to all salaried employees.
 - iv. Change in pension value. This is the change in present value of defined benefit and actuarial pension plans.
 - v. Above-market earnings on deferred compensation which is not tax qualified.
 - vi. Other compensation, if the aggregate value of all such other compensation (e.g. severance, termination payments, value of life insurance paid on behalf of the employee, perquisites or property) for the executive exceeds \$10,000.

- b. The Grantee must report executive total compensation described above to the State by the end of the month during which this Grant is awarded.
- c. If this Grant is amended to extend its term, the Grantee must submit an executive total compensation report to the State by the end of the month in which the amendment to this Grant becomes effective.
- d. The Grantee will obtain a Data Universal Numbering System (DUNS) number and maintain its DUNS number for the term of this Grant. More information about obtaining a DUNS Number can be found at: <http://fedgov.dnb.com/webform/>

The Grantee's failure to comply with the above requirements is a material breach of this Grant for

which the State may terminate this Grant for cause. The State will not be obligated to pay any outstanding invoice received from the Grantee unless and until the Grantee is in full compliance with the above requirements.

SIGNATURES

By agreement signature, the grantor state agency head shall assure and affirm that:

1. there is a balance in the appropriation from which obligations under the agreement are required to be paid that is not already encumbered to pay other obligations;
2. the contracting agency maintains documentation of a fair and impartial contractor selection in full compliance with the approved procurement methodology as indicated by the summary cover; and,
3. the proposed scope of services is clear and correct, adequate for all legal and enforcement purposes, and sufficiently detailed to ensure contractor accountability and results.

Additional approvals may be required, as such, please allow sufficient time for approvals. Draft the agreement so that the signature section immediately follows the previous section text separated by ONLY one blank line. Do NOT insert an arbitrary page break prior to the signature section.

GRANT BUDGET

ALL Grant Budgets must be type-written and mathematically correct in every aspect.

Each Grant Budget page must be numbered consecutively.

The Grant Agreement column total must equal the maximum liability of the grant.

Line-Item funding must comply with the Expense Object Line-Item Category Definitions provided by F&A Accounts Policy 03, Appendix A (which is posted on the Internet at:

<http://www.state.tn.us/finance/act/documents/policy3.pdf>). Budget line-items and the definitions above have legal, audit, and federal funding implications, and grantor state agency staff are solely responsible for whether appropriate line-items are funded in accordance with the scope of service and the definitions set out by F&A Accounts Policy 03.

In line-items that WILL BE FUNDED, replace the zeros ("0.00") associated with each line-item as appropriate. If a line-item will NOT be funded, leave the associated, "0.00" dollar amount.

Grant Budget Line-Item Detail.

These instructions do NOT preclude adding Line-Item Detail (and associated requirements) for other line-items, provided that the additional detail is clear and mathematically correct.

Delete the entire Grant Budget Line-Item Detail page if NONE of the following five line-items, which requires detail, is funded: Professional Fee, Grant & Award; Interest; Depreciation; Other Non-Personnel; Capital Purchase.

For each line-item requiring detail that is funded by the budget, complete the appropriate line-item detail box.

Delete the line-item detail box for each of the line-items that is NOT funded.

Do NOT draft the Grant Budget Line-Item Detail to describe a line-item only as "contracts," "contracted services," "other," "professional services," or "miscellaneous."

Multiple Grant Budget Periods.

If a multi-year grant is to be written such that funding is restricted on an annual basis, such must be reflected in the grant budget by means of repeated use of the model grant budget pages, numbered consecutively, detailing funding information for consecutive period of applicability. If a grant budget attachment does include multiple pages respectively applicable to consecutive periods of applicability, a "roll-up" budget page totaling all lines for all periods is NOT required. However, the sum of all totals must agree with the grant maximum liability and any other relevant agreement provisions.

Option: Grant Budget Grantee Match Requirement

Replace the grant budget table with the table on the following page if a grantee match is required.

GRANT BUDGET				
Additional Identification Information As Necessary				
The grant budget line-item amounts below shall be applicable only to expense incurred during the following				
Applicable Period: BEGIN: DATE END: DATE				
POLICY 03 Object Line-Item Reference	EXPENSE OBJECT LINE-ITEM CATEGORY ¹	GRANT AGREEMENT	GRANTEE MATCH	TOTAL PROJECT
1. 2	Salaries, Benefits & Taxes	0.00	0.00	0.00
4, 15	Professional Fee, Grant & Award ²	0.00	0.00	0.00
5, 6, 7, 8, 9, 10	Supplies, Telephone, Postage & Shipping, Occupancy, Equipment Rental & Maintenance, Printing & Publications	0.00	0.00	0.00
11. 12	Travel, Conferences & Meetings	0.00	0.00	0.00
13	Interest ²	0.00	0.00	0.00
14	Insurance	0.00	0.00	0.00
16	Specific Assistance To Individuals	0.00	0.00	0.00
17	Depreciation ²	0.00	0.00	0.00
18	Other Non-Personnel ²	0.00	0.00	0.00
20	Capital Purchase ²	0.00	0.00	0.00
22	Indirect Cost	0.00	0.00	0.00
24	In-Kind Expense	0.00	0.00	0.00
n/a	Grantee Match Requirement (for any amount of the required Grantee Match that is <u>not</u> specifically delineated by budget line-items above)	0.00	0.00	0.00
25	GRAND TOTAL	0.00	0.00	0.00

¹ Each expense object line-item shall be defined by the Department of Finance and Administration Policy 03, *Uniform Reporting Requirements and Cost Allocation Plans for Subrecipients of Federal and State Grant Monies, Appendix A.* (posted on the Internet at: <http://www.state.tn.us/finance/act/documents/policy3.pdf>).

² Applicable detail follows this page if line-item is funded.

³ A Grantee Match Requirement is detailed by this Grant Budget, and the maximum total amount reimbursable by the State pursuant to this Grant Agreement, as detailed by the "Grant Agreement" column above, shall be reduced by the amount of any Grantee failure to meet the Match Requirement.



INTERAGENCY GRANT AGREEMENT COVER SHEET

Begin Date	End Date	Agency Tracking #	Edison ID
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Grantee Name

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

Service Caption (one line only)

Funding —					
FY	State	Federal	Interdepartmental	Other	TOTAL Agreement Amount
TOTAL:					

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

<p>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.</p>	<p><i>CPO USE - IG</i></p>
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Budget Officer Signature

Speed Chart (optional)	Account Code (optional)
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**GRANT AGREEMENT
BETWEEN THE STATE OF TENNESSEE,
GRANTOR STATE AGENCY NAME
AND
GRANTEE STATE AGENCY NAME**

This Grant, by and between the State of Tennessee, Grantor State Agency, hereinafter referred to as the "Grantor State Agency" and Grantee State Agency, hereinafter referred to as the "Grantee," is for the provision of Short Service Description, as further defined in the "SCOPE OF SERVICES."

A. SCOPE OF SERVICES:

- A.1. The Grantee shall provide all service and deliverables as required, described, and detailed herein and shall meet all service and delivery timelines as specified by this Grant Agreement.
- A.#. Specify the services & deliverables that the grantee must provide as well as the technical specifications & delivery requirements that must be met (include sufficient detail to ensure accountability & definitive results). Do NOT include payment terms in the Scope of Service.

B. AGREEMENT PERIOD:

This Grant Agreement shall be effective for the period beginning Date, and ending on Date. The Grantee hereby acknowledges and affirms that the Grantor State Agency shall have no obligation for Grantee services or expenditures that were not completed within this specified agreement period.

C. PAYMENT TERMS AND CONDITIONS:

- C.1. Maximum Liability. In no event shall the maximum liability of the Grantor State Agency under this Grant Agreement exceed Written Dollar Amount (\$Number). The Grant Budget, attached and incorporated hereto as Attachment Reference, shall constitute the maximum amount due the Grantee for all service and Grantee obligations hereunder. The Grant 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 Grantee.
- C.2. Compensation Firm. The maximum liability of the Grantor State Agency is not subject to escalation for any reason unless amended. The Grant Budget amounts are firm for the duration of the Grant Agreement and are not subject to escalation for any reason unless amended, except as provided in section C.5.
- C.3. Payment Methodology. The Grantee shall be reimbursed for actual, reasonable, and necessary costs based upon the Grant Budget, not to exceed the maximum liability established in section C.1. Upon progress toward the completion of the work, as described in section A of this Grant Agreement, the Grantee shall submit invoices prior to any reimbursement of allowable costs.
- C.4. Travel Compensation. Reimbursement to the Grantee 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 shall be contingent upon and limited by the Grant Budget funding for said reimbursement.
- C.5. Budget Line-items. Expenditures, reimbursements, and payments under this Grant Agreement shall adhere to the Grant Budget. The Grantee may vary from a Grant Budget line-item amount by up to NUMBER percent (#%) of the line-item amount, provided that any increase is off-set by an equal reduction of other line-item amount(s) such that the net result of variances shall not increase the total Grant Agreement amount detailed by the Grant Budget. Any increase in the Grant Budget, grand total amounts shall require an amendment of this Grant Agreement.

- C.6. Disbursement Reconciliation and Close Out. The Grantee shall submit any final invoice and a grant disbursement reconciliation report within sixty (60) days of the Grant Agreement end date and in form and substance acceptable to the Grantor State Agency.
- a. If total disbursements by the Grantor State Agency pursuant to this Grant Agreement exceed the amounts permitted by the section C, payment terms and conditions of this Grant Agreement, the Grantee shall refund the difference to the Grantor State Agency. The Grantee shall submit said refund with the final grant disbursement reconciliation report.
 - b. The Grantor State Agency shall not be responsible for the payment of any invoice submitted after the grant disbursement reconciliation report. The Grantor State Agency will not deem any Grantee costs submitted for reimbursement after the grant disbursement reconciliation report to be allowable and reimbursable by the Grantor State Agency, and such invoices will NOT be paid.
 - c. The Grantee's failure to provide a final grant disbursement reconciliation report as required shall result in the Grantee being deemed ineligible for reimbursement under this Grant Agreement, and the Grantee shall be required to refund any and all payments by the Grantor State Agency pursuant to this Grant Agreement.
 - d. The Grantee must close out its accounting records at the end of the agreement period in such a way that reimbursable expenditures and revenue collections are NOT carried forward.
- C.7. Indirect Cost. Should the Grantee request reimbursement for indirect cost, the Grantee must submit to the Grantor State Agency a copy of the indirect cost rate approved by the cognizant federal agency and the State. The Grantee will be reimbursed for indirect cost in accordance with the approved indirect cost rate to amounts and limitations specified in the attached Grant Budget. Once the Grantee makes an election and treats a given cost as direct or indirect, it must apply that treatment consistently and may not change during the agreement period. Any changes in the approved indirect cost rate must have prior approval of the cognizant federal agency and the State. If the indirect cost rate is provisional during the period of this agreement, once the rate becomes final, the Grantee agrees to remit any overpayment of funds to the Grantor State Agency, and subject to the availability of funds the Grantor State Agency agrees to remit any underpayment to the Grantee.
- C.8. Cost Allocation. If any part of the costs to be reimbursed under this Grant Contract are joint costs involving allocation to more than one program or activity, such costs shall be allocated and reported in accordance with the provisions of Department of Finance and Administration Policy Statement 03 or any amendments or revisions made to this policy statement during the contract period.
- D. STANDARD TERMS AND CONDITIONS:**
- D.1. Required Approvals. The State is not bound by this Grant Agreement until it is signed by the agency head, or his or her designee, of the state agencies that are parties to this Grant Agreement (depending upon the specifics of this contract, said officials may include, but are not limited to, the Commissioner of Finance and Administration, the Commissioner of Human Resources, and the Comptroller of the Treasury).
- D.2. Modification and Amendment. Except as specifically provided herein, this Grant Agreement may be modified only by a written amendment signed by all parties hereto and approved by both the officials who approved the base agreement and, depending upon the specifics of the agreement as amended, any additional officials required by Tennessee laws and regulations (said officials

may include, but are not limited to, the Commissioner of Finance and Administration, the Commissioner of Human Resources, and the Comptroller of the Treasury).

- D.3. Termination for Convenience. The Grant Agreement may be terminated by either party by giving written notice to the other, at least thirty (30) days before the effective date of termination. Should either party exercise this provision, the Grantee shall be entitled to reimbursement for authorized expenditures and satisfactory services completed as of the termination date, but in no event shall the Grantor State Agency be liable to the Grantee for any service which has not been rendered. The final decision as to the amount, for which the Grantor State Agency is liable, shall be determined by the Grantor State Agency.
- D.4. Termination for Cause. If the Grantee fails to properly perform its obligations under this Grant in a timely or proper manner, or if the Grantee violates any terms of this Grant, the Grantor State Agency shall have the right to immediately terminate the Grant and withhold payments in excess of fair compensation for completed services.
- D.5. Subcontracting. The Grantee shall not assign this Grant or enter into a subcontract for any of the services performed under this Grant without obtaining the prior written approval of the Grantor State Agency. Notwithstanding any use of approved subcontractors, the Grantee shall be the prime contractor and shall be responsible for all work performed.
- D.6. Monitoring. The Grantee's activities conducted and records maintained pursuant to this Grant Agreement shall be subject to monitoring and evaluation by the Grantor State Agency, the Comptroller of the Treasury, or their duly appointed representatives.
- D.7. Progress Reports. The Grantee shall submit brief, periodic, progress reports to the Grantor State Agency as requested.
- D.8. Procurement. If the other terms of this Grant Agreement allow reimbursement for the cost of goods, materials, supplies, equipment, and/or contracted services, and 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 Grantee's compliance with applicable federal procurement requirements. The Grantee shall obtain prior approval from the Grantor State Agency before purchasing any equipment under this Grant.
- D.9. State and Federal Compliance. The Grantee shall comply with all applicable state and federal laws and regulations in the performance of this Grant Agreement.
- D.10. Completeness. This Grant Agreement 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 Grant Agreement supersedes any and all prior understandings, representations, negotiations, and agreements between the parties relating hereto, whether written or oral.
- D.11. Headings. Section headings are for reference purposes only and shall not be construed as part of this Grant Agreement.

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 Grant Agreement, 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 Grant Agreement shall be in writing and shall be made by certified, first class mail, return receipt requested and postage prepaid, by overnight

courier service with an asset tracking system, or by EMAIL or facsimile transmission with recipient confirmation. Any such communications, regardless of method of transmission, shall be addressed to the respective party at the appropriate mailing address, facsimile number, or EMAIL address as set forth below or to that of such other party or address, as may be hereafter specified by written notice.

The Grantor State Agency:

Grantor State Agency Contact Name & Title
 Grantor State Agency Name
 Address
 Email Address
 Telephone # Number
 FAX # Number

The Grantee:

Grantee Contact Name & Title
 Grantee Name
 Address
 Email Address
 Telephone # Number
 FAX # Number

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

- E.3. Subject to Funds Availability. The Agreement 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 Grantor State Agency reserves the right to terminate the Agreement upon written notice to the Grantee State Agency. Said termination shall not be deemed a breach of Agreement by the Grantor State Agency. Upon receipt of the written notice, the Grantee State Agency shall cease all work associated with the Agreement. Should such an event occur, the Grantee State Agency shall be entitled to compensation for all satisfactory and authorized services completed as of the termination date. Upon such termination, the Grantee State Agency shall have no right to recover from the Grantor State Agency any actual, general, special, incidental, consequential, or any other damages whatsoever of any description or amount.
- E.4. Charges to Service Recipients Prohibited. The Grantee shall not collect any amount in the form of fees or reimbursements from the recipients of any service provided pursuant to this Grant Contract.
- E.5. No Equipment Acquisition. This Grant Contract does not involve the acquisition and disposition of equipment acquired with funds provided under this Grant Contract.

Add ALL Necessary or Contingently Required Special Terms & Conditions

IN WITNESS WHEREOF,

GRANTEE STATE AGENCY:

GRANTEE SIGNATURE

DATE

PRINTED NAME AND TITLE OF GRANTOR STATE AGENCY SIGNATORY (above)

GRANTOR STATE AGENCY NAME:

NAME & TITLE

DATE

ATTACHMENT REFERENCE

GRANT BUDGET LINE-ITEM DETAIL:

PROFESSIONAL FEE, GRANT & AWARD	AMOUNT
Specific, Descriptive, Detail (Repeat Row As Necessary)	Amount
TOTAL	Amount

INTEREST	AMOUNT
Specific, Descriptive, Detail (Repeat Row As Necessary)	Amount
TOTAL	Amount

DEPRECIATION	AMOUNT
Specific, Descriptive, Detail (Repeat Row As Necessary)	Amount
TOTAL	Amount

OTHER NON-PERSONNEL	AMOUNT
Specific, Descriptive, Detail (Repeat Row As Necessary)	Amount
TOTAL	Amount

CAPITAL PURCHASE	AMOUNT
Specific, Descriptive, Detail (Repeat Row As Necessary)	Amount
TOTAL	Amount

PROPOSED:

- **CONTRACT AMENDMENT
TEMPLATE**

CONTRACT AMENDMENT TEMPLATE

This template prescribes the format and content for a fee-for-service, no cost, or revenue type contract amendment. Documents of this type must adhere to this template with revisions only in accordance with an approved rule exception request.

Complete form fields and follow, replace, or otherwise address red instructional text (e.g., State Agency Name, amount, will/will not) as indicated and with conforming font and color.

CONTRACT AMENDMENT COVER SHEET

Complete the Contract Amendment Cover Sheet fields as indicated within the template and the following field directions. Note some fields are not applicable to statewide contracts or other contracts created in Edison.

- Agency Tracking #** unique tracking number comprised of: 5-digit business unit # + unique, 5-digit #
example: 31707-12345
- Increase/Decrease** amount by which the maximum liability will change pursuant to this amendment;
express the amount as a negative number using "(" symbols if the maximum liability is
decreased; express it as "0" if there is no change in the total contract amount
- Funding** amounts by fiscal year and funding source with row and column totals;
contract maximum liability MUST equal the sum of the TOTAL Contract Amount column
(i.e., the grand total amount for all fiscal years and all sources of funding)

A Contract Amendment Cover Sheet properly completed and in accordance the template is required for every copy of the contracting document.

PREAMBLE

Add additional information only if necessary.

If the amendment involves a contractor name change, enter the NEW name followed by the parenthetical statement, "(as amended herein)."

AMENDMENT DETAIL

Draft the amendment with sections similar to the following, as appropriate, and number each amendment section consecutively.

Option: Delete & Replace Section

Use the following to delete and replace an existing sub-section.

- | | |
|----|--|
| #. | Contract section Reference is deleted in its entirety and replaced with the following: |
| #. | New Text — include ALL of the deleted language that continues to be necessary after this amendment |

Option: Delete & Replace Attachment

Use the following to delete and replace an existing attachment.

- | | |
|----|--|
| #. | Contract Attachment Reference is deleted in its entirety and replaced with the new attachment
Same Reference attached hereto. |
|----|--|

Option: Add Section

Adding an attachment reference alone does not add the attachment (refer to add attachment option below).

Use the following to add a new sub-section after all existing sub-sections of the contract section.

- #. The following is added as Contract section New Section Reference.
- #. New Text

Option: Add Attachment

Use the following to add a new attachment.

- #. Contract Attachment New Attachment Reference attached hereto is added as a new attachment.

Option: Contractor Name Amendment

Documentation to evidence the legitimacy of the name change is required for approval.

Use the following to change the contractor's name.

- #. The following is added as Contract section E. New Sub-Section Number.:
- E.#. Contractor Name. All references to "Original Legal Entity Name" shall be deleted and replaced with "New Legal Entity Name."

EFFECTIVE DATE

The effective date of an amendment should permit enough time to accommodate the approval process. Retroactive amendments (i.e., effective date earlier than the date when the amendment was submitted for Edison approval routing) are disfavored and may NOT be approved.

SIGNATURES

Draft the amendment so that the signature section immediately follows the previous section text separated by ONLY one blank line. Do NOT insert an arbitrary page break prior to the signature section. The Contractor's signature must be acquired prior to any signature on behalf of the State.



CONTRACT AMENDMENT COVER SHEET

Agency Tracking #	Edison ID	Contract #	Amendment #		
Contractor Legal Entity Name			Edison Vendor ID		
Amendment Purpose & Effect(s)					
Amendment Changes Contract End Date: <input type="checkbox"/> YES <input type="checkbox"/> NO		End Date:			
TOTAL Contract Amount INCREASE or DECREASE per this Amendment (zero if N/A):			\$		
Funding —					
FY	State	Federal	Interdepartmental	Other	TOTAL Contract Amount
TOTAL:					
American Recovery and Reinvestment Act (ARRA) Funding: <input type="checkbox"/> YES <input type="checkbox"/> NO					
Budget Officer Confirmation: There is a balance in the appropriation from which obligations hereunder are required to be paid that is not already encumbered to pay other obligations.				<i>CPO USE</i>	
Speed Chart (optional)		Account Code (optional)			

**AMENDMENT NUMBER
OF CONTRACT ASSIGNED NUMBER**

This Amendment is made and entered by and between the State of Tennessee, State Agency Name, hereinafter referred to as the "State" and Contractor Legal Entity Name, 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:

Amendment Section(s) — Refer to Model Instructions

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

IN WITNESS WHEREOF,

CONTRACTOR LEGAL ENTITY NAME:

SIGNATURE

DATE

PRINTED NAME AND TITLE OF SIGNATORY (above)

STATE AGENCY NAME:

AGENCY HEAD NAME & TITLE

DATE

PROPOSED:

- **AMENDMENT REQUEST**

Amendment Request

Route a completed request, as one file in PDF format, via e-mail attachment sent to: Agsprs.Agsprs@state.tn.us

APPROVED	
CHIEF PROCUREMENT OFFICER	DATE

Request Tracking #	
1. Procuring Agency	
2. Contractor	
3. Contract #	
4. Proposed Amendment #	
5. Edison ID #	
6. Contract Begin Date	
7. Current Contract End Date – with ALL options to extend exercised	
8. Proposed Contract End Date – with ALL options to extend exercised	
9. Current Maximum Contract Cost – with ALL options to extend exercised	\$
10. Proposed Maximum Contract Cost – with ALL options to extend exercised	\$
11. Office for Information Resources Pre-Approval Endorsement Request – information technology service (N/A to THDA)	<input type="checkbox"/> Not Applicable <input type="checkbox"/> Attached
12. eHealth Pre-Approval Endorsement Request – health-related professional, pharmaceutical, laboratory, or imaging	<input type="checkbox"/> Not Applicable <input type="checkbox"/> Attached
13. Human Resources Pre-Approval Endorsement Request – state employee training service	<input type="checkbox"/> Not Applicable <input type="checkbox"/> Attached
14. Explanation Need for the Proposed Amendment	
15. Name & Address of the Contractor's Principal Owner(s) – NOT required for a TN state education institution	
16. Evidence Contractor's Experience & Length Of Experience Providing the Goods or Services	

Request Tracking #	
17. Efforts to Identify Reasonable, Competitive, Procurement Alternatives	
18. Justification	
Agency Head Signature and Date – <i>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</i>	

PROPOSED:

- **SPECIAL CONTRACT REQUEST**

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
CHIEF PROCUREMENT OFFICER	COMPTROLLER OF THE TREASURY
DATE	DATE

Request Tracking #	-
1. Contracting Agency	
2. Type of Contract or Procurement Method	<input type="checkbox"/> No Cost <input type="checkbox"/> Revenue <input type="checkbox"/> Sole Source <input type="checkbox"/> Proprietary <input type="checkbox"/> Competitive Negotiation <input type="checkbox"/> Other _____
3. Requestor Contact Information	
4. Brief Goods or Services Caption	
5. Description of the Goods or Services to be Acquired	
6. Proposed Contractor	
7. Name & Address of the Contractor's principal owner(s) <i>- NOT required for a TN state education institution</i>	
8. Proposed Contract Period – with ALL options to extend exercised <i>The proposed contract start date shall follow the approval date of this request.</i>	months
9. Office for Information Resources Pre-Approval Endorsement Request <i>- information technology (N/A to THDA)</i>	<input type="checkbox"/> Not Applicable <input type="checkbox"/> Attached
10. eHealth Pre-Approval Endorsement Request <i>- health-related professional, pharmaceutical, laboratory, or imaging</i>	<input type="checkbox"/> Not Applicable <input type="checkbox"/> Attached
11. Human Resources Pre-Approval Endorsement Request <i>- state employee training</i>	<input type="checkbox"/> Not Applicable <input type="checkbox"/> Attached

Request Tracking #	-
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.	<input type="checkbox"/> NO <input type="checkbox"/> YES,
13. Maximum Contract Cost – with ALL options to extend exercised	\$
14. Was there an initial government estimate? If so, what amount?	<input type="checkbox"/> NO <input type="checkbox"/> YES, \$
15. Cost Determination Used- How did agency arrive at the estimate of expected costs?	
16. Explanation of Fair and Reasonable Price- Explain how agency determined that price is fair and reasonable	
17. Documentation of Discussions with Contractor- How did agency document discussions with Contractor? Attach documentation to this request as applicable.	
18. Explanation of Need for or requirement placed on the State to acquire the goods or services	
19. Proposed contract impact on current State operations	
20. Justification – Specifically explain why the goods or services should be acquired through the procurement method or contract type selected.	
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.	<input type="checkbox"/> NO <input type="checkbox"/> YES
24. Summary of State responsibilities under proposed contract	
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.	<input type="checkbox"/> NO <input type="checkbox"/> YES, Method: Name/Address:

PROPOSED:

- **PROTEST BOND EXAMPLE**

PROTEST BOND

The Surety Company issuing bond shall be licensed to transact business in the State of Tennessee by the Tennessee Department of Commerce and Insurance. Bonds shall be certified and current Power-of-Attorney for the Surety's Attorney-in-Fact attached.

KNOW ALL BY THESE PRESENTS:

That we,

(Name of Protesting Party)

(Address of Protesting Party)

as the party filing a protest of the State of Tennessee's determination(s) regarding a solicitation process, (hereinafter called the "Protesting Party"), and

(Name of Surety)

(Address of Surety)

as Surety, (hereinafter called the "Surety"), do hereby acknowledge ourselves indebted and securely bound and held unto the State of Tennessee as Obligee, (hereinafter called the "Obligee"), and in the penal sum of

(Dollar Amount of Bond)

good and lawful money of the United States of America, for the use and benefit of those entitled thereto, for the payment of which, well and truly to be made, we bind ourselves, our heirs, our administrators, executors, successors, and assigns, jointly and severally, firmly by these presents.

BUT THE CONDITION OF THE FOREGOING OBLIGATION OR BOND IS THIS:

WHEREAS, the Obligee has issued a solicitation bearing the Number:

(Solicitation Number)

AND, the Protesting Party, as an actual respondent to the solicitation, claims to be aggrieved in connection with said procurement process;

AND, the signature of an attorney or the Protesting Party on a request for consideration, protest, motion, or other document constitutes a certificate by the signer that the signer has read such document, that to

the best of the signer's knowledge, information, and belief formed after reasonable inquiry, it is well grounded in fact and is warranted by existing law or a good faith argument for the extension, modification, or reversal of existing law, and that it is not interposed for any improper purpose, such as to harass, limit competition, or to cause unnecessary delay or needless increase in the cost of the procurement or of the litigation;

AND, neither a protest nor a stay of award shall proceed under the laws of the State of Tennessee unless the Protesting Party posts a protest bond, the Protesting Party does file this protest bond payable to the Obligee with a notice of protest regarding the procurement process;

AND, the Obligee shall hold the protest bond for at least eleven (11) calendar days after the date of the final determination on the protest by the chief procurement officer;

AND, if the Protesting Party appeals the chief procurement officer's determination to the protest committee, the chief procurement officer shall hold the protest bond until instructed by the protest committee to either keep the bond or return it to the Protesting Party.

NOW, THEREFORE, this obligation or bond shall remain in full force and effect and shall be immediately payable to the state conditioned upon a decision by the protest committee that:

1. A request for consideration, protest, pleading, motion, or other document is signed by an attorney or Protesting Party, before or after appeal to the chief procurement officer or protest committee, in violation of Tennessee Code Annotated, § 12-3-514(b);
2. The protest has been brought or pursued in bad faith;
3. The protest does not state on its face a valid basis for protest; or
4. For any other reason approved by the protest committee.

In which case, this obligation or bond shall be immediately payable to the Obligee. Otherwise, this obligation or bond shall be null and void.

IN WITNESS WHEREOF the Protesting Party has hereunto affixed its signature and Surety has hereunto caused to be affixed its corporate signature, and seal, by its duly authorized officers, on this

_____ day of _____ in the year _____.

WITNESS:

(Name of Protesting Party)

(Name of Surety)

(Authorized Signature of Protesting Party)

(Signature of Attorney-in-Fact)

(Name of Signatory)

(Name of Attorney-in-Fact)

(Title of Signatory)

(Tennessee License Number of Surety)

PROPOSED:

POLICY NO. 2013-009:

**CENTRAL PROCUREMENT OFFICE
BUSINESS CONDUCT AND ETHICS
POLICY AND PROCEDURES**

Policy Number 2013-009
Central Procurement Office
Business Conduct and Ethics Policy and Procedures

Effective: May 28, 2013

Prepared by: The Central Procurement Office of the State of Tennessee

1. Purpose.

To establish a code of business and ethical conduct for employees involved in the procurement or contracting processes on behalf of the State of Tennessee.

2. Scope.

The Central Procurement Office recognizes that persons involved in the procurement or contracting process on behalf of the Central Procurement Office and State agencies represent the State in all facets of their work. All employees of the Central Procurement Office and State agencies involved in the procurement or contracting process are expected to conduct themselves such that their personal and professional conduct does not have a negative effect on the work of the Central Procurement Office or the procuring State Agency or reflect poorly on the public image, reputation, or credibility of the State. Accordingly, these policies and procedures apply to all employees of the Central Procurement Office and procuring State Agencies involved with procurements, solicitations, negotiations, contract awards and amendments to such awarded contracts, or protest and termination hearings with respect to procurements.

3. Definitions.

For purposes of this policy, the following terms shall have the meanings described below:

“Immediate Family” – means spouse, dependent children or stepchildren, or relatives related by blood or marriage.

“Procurement” – means the act of buying, purchasing, renting, leasing, or otherwise acquiring any goods or services covered by these Rules. It also includes all functions that pertain to the obtaining of any goods or service, including the description of requirements, selection and solicitation of sources, preparation and award of a contract, and all phases of contract administration.

“State” – means the State of Tennessee, including its departments, agencies, and entities that fall under its purview.

“State Agency” – means the departments, agencies, and entities of the State of Tennessee.

4. Requirement of Good Faith and Fair Dealing.

All procurement professionals involved in the public procurement process, which includes without limitation, solicitations, negotiation, performance, award, administration of State contracts or hearing of protests, must act in good faith and deal with the public in a fair and

impartial manner. Each Central Procurement Office and procuring State Agency employee must act with honesty and integrity and shall remove himself or herself from the procurement process in the event he or she cannot act in good faith or conduct his or her work in a fair and unbiased manner.

5. Fiduciary Duty.

Public employment is a public trust. All procurement professionals owe a fiduciary duty to the State and each employee plays an important role in ensuring that the State's needed goods and services are procured in an efficient and economical manner on terms and conditions in the best interests of the State.

6. Avoiding Conflicts of Interest.

All Central Procurement Office Employees or employees of procuring State agencies should avoid any actions, relationships, or business transactions that conflict with the State's best interests or otherwise create conflicts of interests, real or perceived, that taint the procurement process or the reputation of the State.

No employee of Central Procurement Office or procuring State Agency that is involved in the procurement process shall participate in any portion of the procurement process when:

- The employee is contemporaneously employed by a bidder, offeror, or contractor involved in the procurement;
- The employee, any member of the employee's immediate family, or persons with whom the employee has personal or professional relationships that preclude the employee from acting in a fair and impartial manner, holds a position with a bidder, offeror, or contractor such as an officer, director, trustee, partner or the like;
- The employee owns or controls an interest of more than one percent (1%) in any business that has a financial interest arising from the procurement;
- The employee, any member of the employee's immediate family, or persons with whom the employee has personal or professional relationships that preclude the employee from acting in a fair and impartial manner, has a financial interest arising from the procurement; or
- The employee, a member of the employee's immediate family, or persons with whom the employee has personal or professional relationships that impair the employee's ability to act in a fair and impartial manner, is negotiating, or has an arrangement concerning prospective employment with a bidder, offeror, or contractor.

7. Prohibition against Rebates, Gifts, Compensation.

No Central Procurement Office or procuring State Agency employee shall solicit, demand, accept, or agree to accept from any person, which includes without limitation, a bidder, offeror, contractor, or subcontractor, any rebate, gift, money, or anything of value whatsoever, or any promise, obligation, or contract for future rewards or compensation in connection with the procurement process.

8. Site Visits Related to a Procurement.

Site visits needed to properly evaluate goods or services for a pending or future solicitation are allowed subject to the following conditions:

- If site visits are required within the solicitation for evaluation purposes, the State, and not the respondent being evaluated, must pay for such visits.
- Exceptions to this policy may be made by the Chief Procurement Officer or his or her designee. Any exception must be made on a case-by-case basis. If an exception is made, a written determination signed by the Chief Procurement Officer or his or her designee shall be included in the contract file.
- State employees making such site visits will incur and recover travel costs from the State entity for which the procurement is being conducted in accordance with State travel regulations.
- No direct reimbursement of individuals by a respondent is permitted. The procuring agency will determine all costs incurred by State employees in connection with the site visit and bill the appropriate respondent for reimbursement of costs by means of a check payable to the State entity.

9. Required Disclosures for procuring State Agency Employees.

All procuring State Agency persons participating in the procurement process shall execute a disclosure substantially in form to Attachment A to this policy. Any potential conflict shall be brought to the attention of the individual's immediate supervisor to determine whether re-assignment is warranted. Procuring State Agency employees should also be responsible for filing annual conflict of interest disclosures in accordance with their particular agency's policies and procedures. If no policies and procedures exist within the employees' agency, then they shall file an annual Conflict of Interest disclosure in accordance with the policies and procedures of the Central Procurement Office. Filing an annual disclosure statement does not absolve an individual related in a particular procurement from disclosing conflicts on a case-by-case basis. Such disclosures shall be made available to the Central Procurement Office upon request.

From time-to-time, evaluation panel members, by virtue of the nature of their roles as evaluators, will be privy to confidential or sensitive information that is only available to panel members. The Chief Procurement Officer shall require participants to execute a confidentiality agreement, substantially in form to Attachment B to this policy, whereby the participants agrees not to disclose any information, whether written or oral, received by the participants during the solicitation process.

10. Required Disclosures for Central Procurement Office Employees.

An employee of the Central Procurement Office involved in a procurement shall make disclosures to the Chief Procurement Officer in the following situations:

- When the employee has family or personal or professional relationships that conflict with, or give the appearance of a conflict;
- When the employee has an interest, familial, personal, professional or financial, that conflicts with the best interests of the State;

- The employee was previously employed by a bidder, offeror, or contractor involved in the procurement;
- When the employee is aware of or should be aware of any other facts or circumstances that compromise the employee's ability to carry out his or her fiduciary duty to the State and act in a fair and impartial manner with respect to the State or the public.

All Central Procurement Office employees shall execute an annual conflict of interest and confidentiality attestations substantially in form to Attachment C to this policy. The annual attestations shall be maintained by the Director of Category Management and Legal Team.

Related Statutes, Rules and Policies

Tenn. Code Ann. §§ 4-56-101, *et seq.*

Tenn. Code Ann. §§ 12-3-101, *et seq.*

Tenn. Code Ann. §§ 12-4-101, *et seq.*

ATTACHMENT A

CONFLICT OF INTEREST DISCLOSURE STATEMENT

INSTRUCTIONS FOR THE STATEMENT SIGNATORY:

Complete the space provided with the Procurement number applicable to the statement.

Complete, sign and date the applicable section (development or evaluation).

Complete each space provided beside the disclosure statements by either "initialing" the statement (to indicate an affirmation of the corresponding statement) OR by writing "N/A" (to indicate that the corresponding statement is not applicable).

If a possible conflict of interest is identified, a description of such should be attached to this document.

**Solicitation
NUMBER:**

--

INDIVIDUAL INVOLVED WITH PROCUREMENT DEVELOPMENT—

	I did not identify any potential conflict of interest, financial or otherwise, regarding my involvement with the development, formulation, drafting or review of the subject RFP or its scope of services.
	I identified the following possible conflict of interest issues, detailed and attached hereto, which might adversely reflect on or threaten the integrity of the subject RFP process:

SIGNATURE & DATE:

PRINTED NAME:

INDIVIDUAL INVOLVED WITH PROPOSAL EVALUATIONS—

	I reviewed the attached listing of service providers making proposals in response to the subject RFP and did not identify any potential conflict of interest, financial or otherwise, regarding my ability to fairly evaluate OR assist with the evaluation of all proposals.
	I reviewed the attached listing of service providers making proposals in response to the subject RFP and identified the following possible conflict of interest issues, detailed and attached hereto, which might adversely reflect on my ability to fairly evaluate OR assist with the evaluation of all proposals.

SIGNATURE & DATE:

PRINTED NAME:

ATTACHMENT B

**ATTESTATION REGARDING CONFIDENTIALITY IN THE EVALUATION OF [INSERT
PROCUREMENT METHOD] # _____ FOR _____**

Employee Name: _____

Employee Phone Number: _____

Employee Email Address: _____

I, _____ (*print name*), do hereby attest, certify, warrant, and assure that I shall not disclose any procurement evaluation information related to [INSERT PROCUREMENT METHOD] # _____ for _____ until the Notice of Intent to Award is communicated in writing or electronic transmission to all respondents.

Employee's Signature

Date

ATTACHMENT C

**CENTRAL PROCUREMENT OFFICE EMPLOYEES
ANNUAL ATTESTATIONS**

Employee Name: _____

Employee Phone Number: _____

Employee Email Address: _____

CONFLICT OF INTEREST

I, _____ (*print name*), do hereby attest, certify, warrant and assure that I will not participate in any portion of a procurement process when there is a potential conflict of interest, financial or otherwise, regarding my involvement with the procurement.

Furthermore, I _____ (*print name*), do hereby attest, certify, warrant and assure that I will make disclosures to the Chief Procurement Officer in the following situations:

- When I have family or personal or professional relationships that conflict with, or give the appearance of a conflict;
- When I have an interest, familial, personal, professional or financial, that conflicts with the best interests of the State;
- The I was previously employed by a bidder, offeror, or contractor involved in the procurement;
- When I am aware of or should be aware of any other facts or circumstances that compromise my ability to carry out his or her fiduciary duty to the State and act in a fair and impartial manner with respect to the State or the public.

CONFIDENTIALITY

I, _____ (*print name*), do hereby attest, certify, warrant, and assure that I shall not disclose any procurement evaluation information related to a procurement until the Notice of Intent to Award is communicated in writing or electronic transmission to all respondents.

Employee's Signature

Date

PROPOSED:

POLICY NO. 2013-002:

**CENTRAL PROCUREMENT OFFICE
PROCUREMENT METHODS POLICY
AND PROCEDURES**

Policy Number 2013-002
Central Procurement Office
Procurement Methods Policy and Procedures

Effective: May 28, 2013

Prepared by: The Central Procurement Office of the State of Tennessee

1. Purpose.

To establish a policy and procedure concerning procurement methods used by the Central Procurement Office and Delegated State Agencies when procuring goods and services that ensures fairness, transparency and the maximum amount of competition for State contracts.

2. Scope.

This policy applies to all procurements and resulting contracts as required by statute or rule.

3. Definitions.

For purposes of this policy, the following terms shall have the meanings described below:

“Agency” - means each State board, commission, committee, department, officer, or any other unit of State government.

“Agency Term Contract”- means a State Agency Contract in which a source or sources of supply are established for a specified period of time at an agreed upon unit price or prices.

“Best and Final Offer” or “BAFO” - means a negotiation tool whereby the State requests that respondents provide their best and final offer or response.

“Central Procurement Office” means the State office established and empowered by Tenn. Code Ann. § 4-56-104.

“Central Procurement Office Policy” means a documented set of guidelines concerning procurement related strategy, which directs and restricts the plans, decisions, and actions of State procurement professionals as approved by the Procurement Commission in accordance with Tenn. Code Ann. §§ 4-56-101, *et seq.*

“Competitive Negotiation” – means a competitive procurement method that involves direct contract negotiation with one or more respondents who have been pre-qualified or pre-selected by the Central Procurement Office through a competitive process.

“Competitive Negotiation Techniques” – means those direct negotiation techniques used in connection with a competitive negotiation method of procurement.

“Contract” means any duly authorized and legally binding written agreement or purchase order for goods or services by and between the State of Tennessee and any person or any separate entity with the independent legal capacity to contract and sue and be sued.

“Contracting Party” means a person or legal entity with the independent legal capacity to contract or sue and be sued that has been awarded a contract through proper authority.

“Delegated Authority” means a written document, approved in accordance with Central Procurement Office Policy, that authorizes a State Agency to award a grant, make a loan consistent with a grant, or procure goods or services on behalf of the State.

“Delegated State Agency” means a State Agency that, in accordance with Central Procurement Office Policy, has authority to award a grant, make a loan consistent with a grant, or procure goods or services program(s) within specified limits and guidelines.

“Emergency Purchases” means a State Agency purchase made during an actual emergency arising from unforeseen causes without the issuance of a competitive solicitation.

“Immaterial Defect” – means a defect in a response to a solicitation, which is of no substantial consequence, that is capable of correction through supplemental information or a clarifying response. A defect is immaterial when the effect on price, quantity, or delivery is negligible when contrasted with the total cost or scope of the goods or services being procured. Any defect, the correction of which gives a respondent a competitive advantage vis-à-vis other respondents or prejudicial to one or more respondents, shall not be deemed to be an immaterial defect.

“Person” – means a natural person or legal entity with the legal capacity to enter into contracts or sue and be sued.

“Procurement” - means buying, purchasing, renting, leasing, or otherwise acquiring any goods or services. It also includes all functions that pertain to the obtaining of any goods or services, including the description of requirements, selection and solicitation of sources, negotiation, preparation and award of a Contract, and all phases of Contract administration.

“Purchase Order” - means a document issued by the Central Procurement Office or a State Agency to a Contracting Party authorizing a purchase. Upon delivery to the Contracting Party, a “purchase order” becomes a binding Contract on both parties.

“Respondent” – means a natural person or legal entity with the capacity to contract or sue and be sued who has submitted a written response to a solicitation.

“Responsible” – with respect to a respondent or a proposer means a person who has the capacity in all material respects to perform fully the Contract requirements, and the integrity and reliability that will assure good faith performance.

“Responsive” – with respect to a respondent or a proposer means a person who has submitted a proposal, which conforms in all material respects, to the terms of the Solicitation.

“Reverse Auction” – shall have the meaning set forth in Tenn. Code Ann. § 12-3-219.

“Rules” means the Comprehensive Rules and Regulations concerning the procurement of goods and services adopted by the Procurement Commission of the State of Tennessee.

“Solicitation” means a written document that facilitates the award of a contract to Contracting Parties for goods or services. Examples of solicitations include, but are not limited to, an Invitation to Bid, a Request for Information, a Request for Proposals, and a Request for Qualifications.

“Sole Source Procurement” means a procurement for which only one vendor possesses the unique and singularly available capability to meet requirement of the solicitation, such as technical qualifications, ability to deliver at a particular time, or services from a public utility or a situation where a particular supplier or person is identified as the only qualified source available to the requisitioning authority.

“Specification” -means any description of the physical, functional, or performance characteristics, or of the nature of a supply, service, or construction item. “Specification” includes, as appropriate, requirements for inspecting, testing, or preparing a supply, service, or construction item for delivery.

“State” – means the State of Tennessee and its Agencies, boards and commissions as the context requires.

“State Agency” - means the departments, agencies, and entities of the State of Tennessee.

“Statewide Contract” means a contract for goods or services established by the Chief Procurement Officer that all State Agencies must utilize and that may be used by local governments, higher education and not-for-profit entities.

“Target Pricing” – means a negotiation tool whereby the State provides respondents with the price the State expects to pay for a good or service.

4. Procurements - Generally.

All procurements shall utilize an approved procurement method in accordance with applicable statutes, the Rules or Central Procurement Office Policy. Allowable procurement methods and information gathering methods and techniques include, but are not limited to, the following:

- Informal Solicitations
- Invitation to Bid (ITB)
- Request for Proposals (RFP)
- Emergency Purchases

- Competitive Negotiation
- Sole Source
- Reverse Auction
- Request for Information
- Request for Qualifications (RFQ)

5. Waiver of Immaterial Defects in a Response.

The maximum amount of competition for State contracts is in the best interests of the State. Immaterial defects in a response should be waived, corrections or clarifications by respondents should be allowed after responses are reviewed, provided these defects are not of the type to give one respondent an unfair competitive advantage over other respondents. Procurement professionals should use restraint in deeming responses to be non-responsive on the basis of immaterial defects in a response that do not impugn competition, but that are capable of being responsive through correction or clarification.

6. Addenda, Amendments, and Clarifications to a Solicitation.

Prior to public release, all solicitations and subsequent addenda, amendments, and clarifications to a solicitation require the approval of the Central Procurement Office and all other State entities that endorsed or approved the original solicitation. All solicitations, including any addenda, amendments, and clarifications to a solicitation, shall be approved based on the following:

- Application of the requirements of Central Procurement Office Policy and the Rules;
- Adequacy of the scope of service description; and
- Adequacy of the solicitation's assurance of:
 - Fairness to potential providers of commodities or services;
 - Clear and open competition;
 - Achievement of procurement objectives; and
 - Protection of the State's best interests.

7. Pre-Proposal Conference.

Central Procurement Office or procuring State Agency staff may conduct a Pre-Proposal conference after release of the solicitation, but before responses are submitted, if such is determined to be in the best interests of the State.

8. Oral Presentation.

A solicitation may require oral presentations in a manner set forth in the solicitation. Oral presentations shall be conducted after the solicitation is released, but before responses are submitted to the Central Procurement Office or procuring State Agency.

9. General Requirements of Solicitations and Response Evaluation.

Each solicitation shall establish a time schedule for opening and evaluation of responses and inspection of the procurement file.

9.1. *Technical Response.*

The technical response evaluation should include, but is not limited to, consideration of the following factors:

- Quality of the goods or reliability of the services;
- Experience and qualifications (e.g., pending litigation, years in business, utilization of diverse business enterprises as sub-consultants, subcontractors, or suppliers to assist in providing goods or services, partnering with or mentoring of diverse business programs associated with the delivery of goods or services, and customer references, etc.);
- Technical approach;
- Financial ability to perform;
- Delivery terms (e.g., number of days for product to be shipped or for job to be started, etc.);
- Past vendor performance, financial resources, and ability to perform to specification requirements;
- The effect of the purchase on Agency productivity;
- Environmental options and resources (e.g., green, energy efficiency, earth-conscious considerations, recycle options, remanufactured/refurbished products or equipment, packaging, certificates, permits, awards, successful and ongoing programs, etc.); and
- Used products or equipment.

9.2. *Cost Proposal.*

The cost proposal should include, but not be limited to, the following considerations:

- Acquisition costs;
- Costs of implementation;
- Delivery costs;
- Discounts or Rebates;
- Cost of any State employee training associated with the purchase;
- Implementation and start-up costs, including installation costs, life cycle costs, trade-in value and warranty options;
- Discounts;

Once the evaluation team has completed the evaluation of the technical portion of the response, the cost proposal (e.g., single award, line item, or group award) will be calculated using a formula set forth in the solicitation. The relative scoring and weight between the technical response and the cost proposal shall be set forth in the solicitation.

The evaluation team shall combine the technical response scores with the cost proposal scores for each respondent to determine the response that has the highest evaluated score. Technical responses and cost proposals may be contemporaneously evaluated or tabulated so long as the evaluation panel for the technical responses is independent of the persons tabulating or otherwise analyzing the cost proposals. In no event should the persons serving on the evaluation panel for the technical responses be influenced by the cost proposals and all safe guards must be in place to maintain a proper segregation of duties and responsibilities.

10. Rejection of Responses.

The Chief Procurement Officer or Delegated State Agency, with the approval of the Chief Procurement Officer, shall have the absolute discretion to reject any and all responses. The Chief Procurement Officer or Delegated State Agency shall provide written notification to all respondents whose responses were rejected. If the evaluation team determines that a response is non-responsive, non-responsible, or rejects a response for any reason, the State should not complete the technical response evaluation or open the associated cost proposal. Minor clerical errors or immaterial defects will not automatically result in rejection of a response.

Any response that does not meet the requirements of the solicitation may be considered to be nonresponsive and the response may be rejected. Examples of non-responsiveness include, but are not limited to:

- The response is untimely;
- The response is incomplete;
- The response is inconsistent with the specifications as set forth in the solicitation; or
- The response restricts the rights of the State or otherwise qualifies the respondent's proposal as set forth in his or her response.

All responses may be rejected by the Chief Procurement Officer or Delegated State Agency for the following reasons:

- Unreasonably high prices or failure of all responses to meet technical specifications as set forth in the solicitation;
- Error or defect in the solicitation;
- Cessation of need;
- Unavailability of funds;
- Lack of adequate competition;
- A determination by the State Agency, with the concurrence of the Chief Procurement Officer, that proceeding with the Procurement would be detrimental to the best interests of the State.

A rejection of all responses shall be documented and set forth the reasons for rejection of all responses. The Chief Procurement Officer shall report rejection of all responses to the Comptroller of the Treasury.

Selection or rejection of a response does not affect its status as a public record. Upon completion of the review and evaluation of responses submitted in response to a solicitation, evaluated responses and associated materials shall be open for review by the public in accordance with Tenn. Code Ann. § 10-7-504(a)(7).

The Chief Procurement Officer may reject any response, even a response that is ostensibly responsive, that contains prices for individual items or services that are inconsistent with the solicitation or unrealistic when compared to other prices in other responses to the same solicitation, provided that doing so is in the best interests of the State.

11. Verification of Ability to Perform.

Responses may be deemed non-responsive for lack of apparent ability to perform the proposed contract after adequate assurance of performance is requested by the Central Procurement Office and the respondent is unable to provide the requested assurance. A respondent must, upon request of the State, furnish satisfactory evidence of the ability to furnish products or services in accordance with the terms, conditions, and specifications of the solicitation. Proposal bonds, performance bonds or other security may be required for any contract. All such requirements shall be set forth in the solicitation.

The procuring Agency may inspect the facilities of any respondent or require additional information regarding a respondent's ability to perform the proposed contract. A site visit may be conducted by an Agency where the commodity or service at issue may be impacted by site conditions

12. Amendment or Withdrawal of Responses.

A respondent may withdraw or amend a response prior to its opening. After response opening, and prior to award, a respondent may withdraw a response or a portion thereof only upon a written determination by the Chief Procurement Officer that there is an obvious response error supported by appropriate industry, market or vendor cost information and where enforcement of the response would impose an unconscionable hardship on the respondent.

13. Notice of Intent to Award.

A Notice of Intent to Award shall be communicated in writing or by electronic transmission to all respondents. Each contract shall be awarded and let by the State with reasonable promptness to the apparent winning respondent, e.g., on the basis of highest evaluation score or lowest cost, whose response meets the requirements and criteria set forth in the solicitation. Where more than one item is specified in a solicitation, the State reserves the right to determine the winning respondent, or respondents in the case of a multiple award, either on the basis of each individual item, a group of items, or the total of all items, unless otherwise provided in the solicitation.

14. Contract Award.

The Central Procurement Office or Delegated State Agency shall document the evaluation team members' names, scores, and evaluation results and recommend an award to the respondent who has received the highest evaluation score or in the case of an ITB, an award to the responsive and responsible respondent with the lowest cost response.

Notwithstanding the foregoing, there are situations where it is in the best interests of the State to award a contract to a respondent other than the respondent with the lowest cost proposal. In such event, the Chief Procurement Officer, or his or her designee, shall document the reasons for awarding a contract to a respondent other than one with the lowest cost proposal. Justifications for such an award include, but are not limited to:

- The highest evaluated response, taken as a whole, falls outside the competitive range;
- The respondent is not capable of meeting the solicitation requirements;
- The respondent is not able to perform under the terms of the contract as awarded, e.g., in terms of quality, quantity or timeliness of performance; or
- Based on the totality of the above and other considerations, award to another respondent is in the best interests of the State, provided this determination is supported by sufficient documentation that will become part of the procurement file.

After the evaluation team completes the award recommendation process and notifies the respondents of the official award recommendation, the procurement file shall be open and available for public inspection for at least seven (7) calendar days prior to the actual award of the contract. Protests shall be governed by Tenn. Code Ann. § 4-56-101, *et seq.*, and the Rules of the Central Procurement Office.

15. Single Response to Solicitation.

In the event that only one response is received by the Central Procurement Office or the procuring State Agency by the response deadline in response to a solicitation, the State may elect one of the following actions:

- The procuring Agency head may request the Chief Procurement Officer to cancel the solicitation based upon insufficient competition;
- Open the technical response to determine whether it meets minimum requirements. If it does not meet minimum requirements, the procuring Agency head may request the Chief Procurement Officer to approve to cancel the solicitation;
- If the response meets minimum requirements, the procuring Agency may open the cost proposal and negotiate with the respondent; or
- The procuring Agency head may also request the Chief Procurement Officer to approve or cancel the solicitation if the cost is deemed excessive after attempts at negotiation.

16. Cancellation or Reissuance of Solicitation.

Cancellation or reissuance of a solicitation requires a written notice of cancellation or reissuance from the Central Procurement Office for contracts procured by the Central Procurement Office or written notice of cancellation or reissuance from the procuring Agency if it is an Agency

procured contract. Any notice of cancellation or reissuance of a solicitation by an Agency shall also be provided to the Central Procurement Office. All decisions to cancel or reissue a solicitation shall be documented and become part of the procurement file.

17. Tie Responses.

A tie will exist where two or more respondents offer goods or services that meet all specifications and terms and conditions at identical prices, including cash discount offered for prompt payment. A tie will be broken by considering the following factors, in descending order:

- First preference shall be given to a “Tennessee Respondent.” Pursuant to Tenn. Code Ann. § 12-4-121(c)(2), a “Tennessee Respondent” means a business that is:
 - Incorporated in this State;
 - Has its principal place of business in this State; or
 - Has an established physical presence in this State.
- Second preference shall be given to certified disadvantaged business enterprise (“DBE”) respondents.
- Third preference shall be given to the respondent who was the low cost respondent on other items being procured for the same solicitation.
- Fourth preference shall be given to the respondent who offers the best delivery.
- If a tie remains, it shall be broken by lot or coin toss.

18. Protests.

Protests shall be governed by Tenn. Code Ann. § 4-56-101, *et seq.*, Central Procurement Policy, and the Rules.

19. Procurement and Information Gathering Methods and Techniques.

19.1. Informal Solicitations.

Informal solicitations may be used for one time purchases or for contracts with a total value not to exceed twenty-five thousand dollars (\$25,000.00) or such amount approved by the Procurement Commission. Three quotes should be obtained, when practicable. The person soliciting quotes shall document the quotes received in accordance with Central Procurement Office Policy, which shall become part of the procurement file. Purchase orders or contracts may not be artificially divided by a Delegated State Agency in order to make the purchase amount fall below limitations established in Central Procurement Office Policy or the Rules.

19.2. Invitation to Bid (“ITB”).

An ITB is a request, verbal or written, which is made to prospective suppliers of commodities or providers of services requesting the submission of a response for the

purpose of awarding a contract or transmitting a purchase order. An ITB is generally an objective determination where the award is made to the responsive and responsible respondent who meets the minimum specifications and requirements at the lowest cost.

All ITBs shall require, at a minimum, that respondents:

- Provide a valid mailing or email address;
- Sign the response prior to opening;
- Provide a net price for the unit specified for each item;
- Initial in ink any corrections of a line item unit price made by the respondent;
- Provide the number of calendar days required for delivery after receipt of order; and

- State the length of time in which a proposed pricing is valid (failure to do so will result in pricing being valid for sixty (60) days).

Alternate items may be proposed in a response if allowed by the terms of the solicitation and if the alternate item or items meet the specifications in terms of quality, form and function. The procuring Agency may specify whether alternate items are allowed.

19.3. *Request for Proposals ("RFP")*.

A RFP is a formal invitation to potential respondents to submit a proposal to provide a good or service to a State or one or more of its Agencies. Additionally, a RFP is a Procurement process whereby the State has the ability to judge if a respondent's qualifications, experience, and approach will result in an award of a contract to a respondent on terms and conditions in the best interests of the State.

Terms and conditions for a RFP are derived from the *pro forma* Contract (located on the Central Procurement Office website) developed during the RFP creation and attached to the solicitation. A RFP shall set forth specific provisions in accordance with Central Procurement Office Policy and include and meet the following:

- The description of the technical requirements for the goods or services to be procured by RFP shall provide sufficient detail to minimize the likelihood of respondent confusion;
- The technical requirements and scope in the RFP shall not contain features that unduly restrict competition;
- The RFP shall contain directions regarding the submittal of responses;
- State requirements and restrictions regarding the RFP should be detailed in the RFP;
- A description of the evaluation factors to be considered in evaluating the responses should be detailed in the RFP. Evaluation factors should include, by way of example only, respondent qualifications, experience, technical approach, and cost; A declaration of whether the contract award is subject to successful contract negotiation should be detailed in the RFP; and
- The RFP shall contain a schedule of events that specifies RFP deadlines.
Respondents shall be given a reasonable time, as determined by the Chief Procurement

Officer, to consider the required scope and the response evaluation factors before responses are submitted. The schedule of events may contain the deadlines for events, which includes by way of example only:

- RFP Issuance Date;
- Disability Accommodation Request;
- Pre-Proposal Conference;
- Notice of Intent to Propose;
- Respondent Written “Questions and Comments” Submission;
- State Response to Written “Questions and Comments”;
- Oral Presentation;
- Site Visit;
- Performance Bond Submission;
- Response Submission;
- State Completion of Technical Response Evaluations;
- State Opening and Scoring of Cost Proposals;
- State Evaluation Notice Released and RFP Files Opened for Public Inspection;
and
- Contract Signing.

The Central Procurement Office or Delegated State Agency shall carefully consider all persons involved with the development, formulation, drafting, or review of a RFP and safeguard against any perceived or actual conflicts of interest.

The Central Procurement Office or Delegated State Agency shall approve all RFPs and any addenda, amendments, and clarifications to RFPs before their public release. All RFPs that would result in contracts requiring the Comptroller’s approval shall also require the approval of the Office of the Comptroller of the Treasury before their public release. Further, any addenda, amendments, and clarifications to RFPs that would result in contracts requiring the Comptroller’s approval shall be filed by the procuring Agency with the Comptroller of the Treasury contemporaneously with their public release.

A RFP or its revisions shall be approved based on the following:

- Application of the requirements of the Rules and Central Procurement Office Policy;
- Adequacy of the scope description; and
- Adequacy of the RFP’s assurance of:
 - Fairness to respondents;
 - Clear and open competition;
 - Achievement of procurement objectives; and
 - Protection of the State’s interests.

Upon approval, the Central Procurement Office or Delegated State Agency shall send the RFP or a written or electronic notice that the specific RFP has been released to a documented list of potential providers.

19.3.1. *Evaluation of Responses.*

To foster the integrity of the RFP evaluation process, each respondent shall be required to submit the Cost Proposal component of the response in a sealed and labeled envelope separate from the technical response component. The cost proposal shall be evaluated separately from the technical response:

- The technical response and the cost proposal may be opened and evaluated simultaneously provided safeguards are in place to avoid the panel evaluating the technical proposal being influenced by the cost proposal;
- The scores of both technical response and the cost proposal may be combined to arrive at a total evaluation score.
- Any response that fails to adequately separate the cost proposal components from the technical response components may be considered non-responsive and rejected by the Chief Procurement Officer in his or her sole discretion.
- Response evaluations shall be impartial and ensure that all material requirements of the RFP have been met.
- Responses shall be evaluated in a manner consistent with the Rules and Central Procurement Office Policy.
- Prior to reviewing responses, each Response Evaluation Team member shall review a list of persons making responses and determine if the member has a conflict of interest with serving on the Response Evaluation Team. Each member shall sign a conflict of interest statement as required by Central Procurement Policy. The conflict of interest statement shall be retained in the Procurement file.
- Responses shall be evaluated based on criteria set forth in the solicitation and on the basis of factors pertinent to the goods or services being procured.
- The Central Procurement Office or Delegated State Agency shall award a contract to the respondent whose response receives the highest evaluation score based on the respondent's technical response and cost proposal.
- Contract awards to a respondent other than the respondent receiving the highest evaluated score shall require the written approval of the Chief Procurement Officer. Justification for the contract award shall be documented in the procurement file.

19.4. *Emergency Purchases.*

“Emergency Purchases” are State Agency purchases made during an actual emergency arising from unforeseen causes without the issuance of a competitive solicitation.

The Central Procurement Office or Delegated State Agency may make purchases of goods or services in the open market to meet emergencies arising from an unforeseen cause.

Emergency purchases shall be made by contract in accordance with Central Procurement Office Policy and the Rules and utilize competitive procurement methods or negotiations whenever practicable. The procuring Agency shall maintain a procurement file that addresses the following:

- The circumstances leading to an emergency purchase;
- Procurement-related actions taken in response to the emergency, including procurement methods used; and
- A complete list of goods or services procured, including prices paid and total purchase amount.

19.4.1. Conditions of Use for Emergency Purchase.

Typical circumstances that warrant the use of an Emergency Purchase method include, by way of example only, natural disasters, e.g., tornadoes and floods, fire and oil or other hazardous material spill, mechanical failures, system outages, or unforeseen police action. An “emergency” does not require the declaration of a State of Emergency. Poor planning or the expiration of funds does not constitute an emergency. While these circumstances may require immediate action or may justify use of Non-Competitive Procurement methods, these circumstances do not warrant use of an Emergency Purchase method.

19.4.2. Emergency Purchase Approval Process and Written Documentation.

The Chief Procurement Officer may delegate Emergency Purchase authority to a State Agency to address emergencies arising from any unforeseen cause, including, but not limited to, delays by contractors, delays in transportation, unanticipated work volume, system or mechanical failures acts of God, or unforeseen police action. Delegated State Agencies may procure goods or services through the Emergency Purchase method in accordance with applicable rules, policies, and procedures. State Agencies should make Emergency Purchases through the Edison system and submit in writing to the Central Procurement Office the following information upon request by the Central Procurement Office:

- The circumstances leading to the Emergency Purchase;
- The procurement-related actions taken in response to the emergency, including procurement methods used;
- A complete list of goods or services procured, including prices paid and total purchase amount; and
- As applicable, additional purchases expected, including expected price and total purchase amount, as of the time of the report.

19.5. Competitive Negotiation.

A competitive negotiation is a procurement method that involves direct discussions between the State and respondents who have been pre-qualified through a pre-

qualification method and found to be responsive and responsible. The purpose of a competitive negotiation is to facilitate discussion between the State and the best evaluated respondent or respondents to ensure award of a contract or contracts on terms on conditions in the best interests of the State.

Competitive negotiation techniques may be used in conjunction with any procurement method. All negotiations shall be conducted by the Chief Procurement Officer, his or her appointed lead negotiator, or an appointed negotiation team. The State may elect to negotiate by requesting revised cost proposals from one or more responsive and responsible respondents. The State, however, reserves the right to award a contract on the basis of initial responses received. Accordingly, each response should contain the respondent's best terms from a price and technical standpoint.

The State reserves the right to conduct multiple negotiation rounds or limit negotiations to only respondents in the competitive range or to only the highest evaluated respondent. If the State exercises its right to enter into negotiations, it may identify areas of one or more proposals that may require further clarification or areas in which it is apparent that there may have been miscommunications or misunderstandings as to the State's specifications or requirements. The State may seek to clarify those identified issues during negotiations.

All responsive and responsible respondents the State has identified for further cost negotiation will receive equivalent information. All cost negotiations will be documented for the procurement file. Additionally, the State may conduct Target Pricing and other price or service level negotiations. Target Pricing may be based on considerations such as current pricing, market considerations, benchmarks, budget availability, or other methods that do not reveal individual respondent pricing. During Target Price negotiations, respondents are not obligated to meet or beat target prices, but respondents will not be allowed to increase prices they propose. All communications, clarifications and negotiations shall be conducted in a manner that supports fairness in proposal improvement. Note that each clarification sought by the State may be unique to an individual respondent.

The Central Procurement Office staff shall maintain, at a minimum, the following documentation for a competitive negotiation:

- A log of the date and time of each meeting with a respondent, including the identity of the respondent and its representative;
- A description of the nature or reason for all material communications with each respondent; and
- A copy of all written and electronic communications between the Central Procurement Office or State Agency and each respondent.

19.6. *Sole Source Procurements.*

Sole source procurements may be made when an item or service possesses specific characteristics that can only be filled by a single source or where exclusive rights exist. Sole source procurements shall require the State Agency to provide advance justification to the Central Procurement Office in accordance with Central Procurement Office Policy. All sole source procurements, regardless of the dollar amount, require the Chief Procurement Officer's prior approval. Reporting of sole source procurements shall be provided to the Comptroller of the Treasury in such form and time period as prescribed in Central Procurement Policy. The Chief Procurement Officer in approving the use of a sole source method of procurement shall consider and adequately document in the procurement file the following:

- Whether the vendor possesses exclusive or predominant capabilities or the item or service contains features providing a superior utility not obtainable from similar vendors;
- Whether the product or service is unique and available from only one source;
- Whether the program requirements can be modified so that competitively procured goods or services may be used;
- Whether items must be interchangeable or compatible with in-place items;
- Whether or not it is in the State's best interests to conduct a pilot program for a defined period of time; or
- Whether the economics, technical aspects, or other facts and circumstances of the procurement in question make the use of a sole source procurement method a more prudent choice than a competitive procurement method.

Sole source procurements shall also be conducted in accordance with the Central Procurement Office's *Non-competitive Procurement Policy and Procedures*.

19.7. *Reverse Auction.*

A Reverse Auction is a competitive process that allows respondents to bid on specified goods or services electronically and adjust cost proposals during a specified time period. An award shall be made to the respondent determined to be the lowest responsible and responsive respondent at the close of the specified response period.

19.8. *Request for Information ("RFI").*

A "Request for Information" or "RFI" is a solicitation sent to a broad base of potential suppliers for the purpose of developing strategy, building a database, or preparing for a Request for Proposals or a Request for Qualifications. A RFI enables an equitable and simultaneous comparison of vendors. Agencies may use this tool to gather information about the availability of goods or services. A RFI is created through the Edison system and should be utilized when:

- An Agency has a procurement need, but requires more information to fully understand the industry;
- The Agency desires to identify vendors who are available to supply the needed good or service; or

- When the Central Procurement Office or procuring State Agency determines that a RFP process will benefit from a RFI.

19.9. *Request for Qualifications (“RFQ”).*

A “Request for Qualifications” or “RFQ” may only be utilized by the Central Procurement Office. It is a written solicitation containing a list of qualifications that must be met before a vendor may propose in response to a Request for Proposals. A written response from a vendor is the appropriate response to a Request for Qualifications. A RFQ is a document that may be distributed before initiation of the Solicitation process. It is used to gather information from potential vendors regarding qualifications of providers of goods and services within the market place.

Related Statutes, Rules and Policies.

Tenn. Code Ann. §§ 4-56-101, *et seq.*

Tenn. Code Ann. §§ 12-3-101, *et seq.*

Tenn. Code Ann. §§ 12-4-101, *et seq.*

PROPOSED CHANGES TO:

**SECTIONS 11, 5.13.3, AND 6.3.3 OF THE
*PROCUREMENT PROCEDURES MANUAL
OF THE CENTRAL PROCUREMENT
OFFICE***

Procurement Procedures Manual of the Central Procurement Office

1. Revise section:

11. Templates and Models.

Procurement professionals should utilize applicable templates and models when drafting procurement documents generated outside of the *Edison* system. When applicable, the templates must be utilized and deviations from such shall require an approved Rule Exception Request by oversight examiners. When a Rule Exception Request is not applicable, a written explanation for the deviation shall be provided by the agency head. The models are intended to be used as helpful guides or minimum standards that may be modified as needed. All documents are available on the State Intranet website <http://tn.gov/generalserv/cpo/sourcing//model.html>. Procurement professionals should refer to the intranet site frequently to ensure that the most up-to-date template is being utilized and submitted for requisite approvals.

The Intranet website, models, and templates cited herein are incorporated by reference into this Procurement Procedures Manual as though set forth verbatim herein, and the below listing of available templates and models are for informational purposes only. Links to these templates and models are set forth below. Each of these templates and models is self-explanatory. All questions regarding use of these templates and models should be directed to Central Procurement Office staff. Any and all changes or modifications thereto are subject to review and recommendation by the Advisory Council and approval by the Procurement Commission.

2. DELETE:

Competitive Negotiation Request from the list of documents available online under § 11

3. Revise section :

5.13.3. *Sole Source or Proprietary Contract Awards.*

All Special Contract Requests to award a sole source or proprietary contract shall first be approved by the Chief Procurement Officer and be accompanied by sufficient documentation supporting the request. When it becomes apparent pursuant to a

competitive procurement that the source of supply of the good or service at issue involves sole source or proprietary rights, the Chief Procurement Officer shall approve the contract award. Additional State approvals of the contract may be required pursuant to Section 5.15.3 of this Manual.

4. Revise section:

6.3.3. Proprietary Procurement Approval Process.

All Special Contract Requests for Proprietary Procurements, with accompanied justification and circumstances for limiting competition to a select group of distributors or suppliers, must be submitted to the Chief Procurement Officer for approval prior to the draft or issuance of any associated procurement document. All other approvals for the selected procurement method still apply.

**CERTIFICATION RELATED
DOCUMENTATION**



STATE OF TENNESSEE
PROCUREMENT COMMISSION

3rd Floor, William R. Snodgrass TN Tower, 312 Rosa L. Parks Avenue
Nashville, Tennessee 37243-1102
(615) 741-1035 Fax (615) 741-0684

RE-CERTIFICATION(S)

1. Item No. 763.100
Service: Janitorial Services
Agency/Location: Tennessee Department of Transportation
Region 2 Headquarters
4005 Cromwell Avenue
Chattanooga, TN
Annual Price: \$33,025.68 or \$0.9604 per square foot, no price increase requested.
Satisfaction: No complaints have been filed.
Re-Certification Requested for Period of 9/01/13 – 8/31/14

2. Item No. 763.36ad
Service: Female Sanitary Products (5 types)
Annual Sales: \$40,934.55
Satisfaction: No complaints have been filed.
Re-Certification Requested for Period of 10/01/13 – 09/30/14

3. Item No. 763.A65
Service: Janitorial Services
Agency/Location: Military Department
Tennessee Air National Guard
G, 1-230th ACS
A.A.S.F. #3 Hanger Office Space
2254 Westover Road
Jackson, TN 38301
Annual Price: \$10,634.40 or \$0.89 per square foot, no price increase requested.
Satisfaction: No complaints have been filed.
Re-Certification Requested for Period of 10/01/13 – 9/30/14

LARRY MARTIN, Chairman
Commissioner of Finance & Administration

JUSTIN P. WILSON
Comptroller of the Treasury

ROBERT E. OGLESBY
Commissioner of General Services

MIKE PERRY
Chief Procurement Officer

4. Item No. 763.19a
Service: Janitorial Services
Agency/Location: Military Department
Tennessee Army National Guard
Army Aviation Support Facility #2
112 Army Drive
Louisville, TN
Annual Price: \$31,668.12 or \$1.578985 per square foot, no price increase requested.
Satisfaction: No complaints have been filed.
Re-Certification Requested for Period of 10/01/13 – 9/30/14

5. Item No. 763.A66
Service: Janitorial Services
Agency/Location: Tennessee Department of Transportation
TDOT Region IV Headquarters
300 Benchmark Place
Jackson, TN 38301
Annual Price: \$112,040.88 or \$1.57991 per square foot, no price increase requested.
Satisfaction: No complaints have been filed.
Re-Certification Requested for Period of 10/01/13 – 9/30/14

6. Item No. 763.76
Service: Vehicle Prep & Inspection Services
Agency/Location: Tennessee Department of Transportation
Motor Pool
First Street North
Nashville, TN
Annual Price: \$17,957.40 or \$14.39 per vehicle, no price increase requested.
Satisfaction: No complaints have been filed.
Re-Certification Requested for Period of 10/01/13 – 9/30/14

7. Item No. 763.77
Service: Janitorial Services
Agency/Location: Tennessee Department of Transportation
Motor Pool
First Street North
Nashville, TN
Annual Price: \$4,735.08 or \$5.20338 per square foot, no price increase requested.
Satisfaction: No complaints have been filed.
Re-Certification Requested for Period of 10/01/13 – 9/30/14

8. Item No. 763.19
 Service: Janitorial Services
 Agency/Location: Tennessee Air National Guard Base
 Nashville International Airport
 Nashville, TN
 Annual Price: \$43,372.68 or \$0.9560 per square foot, no price increase requested.
 Satisfaction: No complaints have been filed.
 Re-Certification Requested for Period of 10/01/13 – 9/30/14

9. Item No. 763.54
 Service: Janitorial Services
 Agency/Location: Tennessee Department of Transportation
 Region 3 Complex (Bldg E Locker Rooms)
 6601 Centennial Blvd.
 Nashville, TN
 Annual Price: \$6,731.04 or \$3.97816 per square foot, no price increase requested.
 Satisfaction: No complaints have been filed.
 Re-Certification Requested for Period of 11/01/13 – 4/30/14

CERTIFICATION(S)

10. Item No. 763.A161
 Service: Janitorial Services
 Agency/Location: Department of Environment & Conservation
 Pickett State Park
 Jamestown, TN
 Annual Price: \$3,685.67 or \$1.22856 per square foot
 Certification Requested for Period of 9/01/13 – 8/31/14

11. Item No. 763.A162
 Service: Janitorial Services
 Agency/Location: Department of Environment & Conservation
 Bledsoe Creek State Park
 Gallatin, TN
 The annual cost will be \$9,905.84 or \$1.80 per square foot for seven (7) months and \$2909.05 or \$0.83 per square foot for five (5) months.
 Certification Requested for Period of 10/01/13 – 9/30/14

12. Item No. 763.A130
 Service: Drug Testing Kits
 Statewide Contract
 Annual Price: Estimated Annual Sales \$327,493.25
 Re-Certification Requested for Period of 11/01/13 – 10/31/14