GRANT (GR) TEMPLATE

REDLINE VERSION

GR TEMPLATE

This template prescribes the format and content for a cost-reimbursement grant contract with an individual, business, non-profit, or a government entity of another state or country.

Procurement professionals shall adhere to this template with revisions only as instructions permit. Changes to this template require a Rule Exception Request as set forth in Tenn. Comp. R. & Regs. 0690-03-01-.17 and the *Procurement Procedures Manual of the Central Procurement Office*.

Procurement professionals should complete text fields and follow, replace, or otherwise address red instructional text (*e.g.*, State Agency Name, amount, will/will not) as indicated with appropriate font and color. The standard GR Template begins on the following page. Additional GR instructions, considerations, and options follow the standard GR Template.

GRANT CONTRACT

(cost reimbursement grant contract with an individual, business, non-profit, or governmental entity of another state or country)

Begin Date	End Date	Agency Tracking #	Edison ID

Grantee Legal Entity Name	Edison Vendor ID

Subrecipient or Contractor	CFDA #
☐ Subrecipient ☐ Contractor	Grantee's fiscal year end

Service Caption (one line only)

Funding —

FY	State	Federal	Interdepartmental	Other	TOTAL Grant Co

					ntract Amount
TOTAL:					

Ownership/Control

☐ African American ☐ Asian ☐ Hispanic ☐ Native American ☐ Female

☐ Person w/Disability ☐ Small Business ☐ Government ☐ NOT

☐ Other:	Minority/Disadvantaged
Grantee Selection Process Summary	
☐ Competitive Selection	Describe the competitive selection process used.
☐ Non-competitive Selection	Describe the reasons for a non-competitive grantee selection process.
Budget Officer Confirmation: There is a balance in the appropriation from which obligations hereunder are required to be paid that is not already encumbered to pay other obligations.	*CPO USE - GR*
Speed Chart (optional)	**Account Code** (optional)

GRANT CONTRACT
BETWEEN THE STATE OF TENNESSEE,
STATE AGENCY NAME
AND
GRANTEE NAME

This Grant Contract, 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 "Grantee," is for the provision of Scope of Service Caption, as further defined in the "SCOPE OF SERVICES."

The Grantee is a/an Individual, For-Profit Corporation, Non-Profit Corporation, Special Purpose Corporation Or Association, Partnership, Joint Venture, Or Limited Liability Company.
Grantee Place of Incorporation or Organization: Location
Grantee Edison Vendor ID # Number

A. SCOPE OF SERVICES AND DELIVERABLES:

A.1. The Grantee shall provide all services and deliverables ("Scope") as required, described, and detailed in this Grant Contract.

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.

B. TERM OF GRANT CONTRACT:

This Grant Contract shall be effective on DATE ("Effective Date") and extend for a period of number (#) months after the Effective Date ("Term"). The State shall have no obligation for goods or services provided by the Grantee prior to the Effective Date.

C. PAYMENT TERMS AND CONDITIONS:

C.1. Maximum Liability. In no event shall the maximum liability of the State under this Grant Contract exceed Written Dollar Amount ($Number) ("Maximum Liability"). The Grant Budget, attached and incorporated hereto as Attachment Reference, shall constitute the maximum amount due the Grantee under this Grant Contract. 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 State is not subject to escalation for any reason unless amended. The Grant Budget amounts are firm for the Term and are not subject to escalation for any reason unless amended, except as provided in Section C.6.

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 Scope, as described in Section A of this Grant Contract, 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. Invoice Requirements. The Grantee shall invoice the State no more often than monthly, with all necessary supporting documentation, and present such to:

State Agency Billing Address

a. Each invoice shall clearly and accurately detail all of the following required information (calculations must be extended and totaled correctly).

(1) Invoice/Reference Number (assigned by the Grantee).
(2) Invoice Date.
(3) Invoice Period (to which the reimbursement request is applicable).
(4) Grant Contract Number (assigned by the State).
(5) Grantor: State Agency & Division Name.
(6) Grantor Number (assigned by the Grantee to the above-referenced Grantor).
(7) Grantee Name.
(8) Grantee Tennessee Edison Registration ID Number Referenced in Preamble of this Grant Contract.
(9) Grantee Remittance Address.
(10) Grantee Contact for Invoice Questions (name, phone, or fax).
(11) Itemization of Reimbursement Requested for the Invoice Period— it must detail, at minimum, all of the following:

i. The amount requested by Grant Budget line-item (including any travel expenditure reimbursement requested and for which documentation and receipts, as required by "State Comprehensive Travel Regulations," are attached to the invoice).
ii. The amount reimbursed by Grant Budget line-item to date.
iii. The total amount reimbursed under the Grant Contract to date.
iv. The total amount requested (all line-items) for the Invoice Period.

b. The Grantee understands and agrees to all of the following.

(1) An invoice under this Grant Contract shall include only reimbursement requests for actual, reasonable, and necessary expenditures required in the delivery of service described by this Grant Contract and shall be subject to the Grant Budget and any other provision of this Grant Contract relating to allowable reimbursements.
(2) An invoice under this Grant Contract shall not include any reimbursement request for future expenditures.
(3) An invoice under this Grant Contract shall initiate the timeframe for reimbursement only when the State is in receipt of the invoice, and the invoice meets the minimum requirements of this section C.5.

C.6. Budget Line-items. Expenditures, reimbursements, and payments under this Grant Contract shall adhere to the Grant Budget. The Grantee may vary from a Grant Budget line-item amount by up to one percent (1%) 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 Contract amount detailed by the Grant Budget. Any increase in the Grant Budget, grand total amounts shall require an amendment of this Grant Contract.

C.7. 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 Contract end date, in form and substance acceptable to the State.

a. If total disbursements by the State pursuant to this Grant Contract exceed the amounts permitted by Section C of this Grant Contract, the Grantee shall refund the difference to the

State. The Grantee shall submit said refund with the final grant disbursement reconciliation report.

b. The State shall not be responsible for the payment of any invoice submitted to the state after the grant disbursement reconciliation report. The State will not deem any Grantee costs submitted for reimbursement after the grant disbursement reconciliation report to be allowable and reimbursable by the State, and such invoices will NOT be paid.

c. The Grantee's failure to provide a final grant disbursement reconciliation report to the state as required shall result in the Grantee being deemed ineligible for reimbursement under this Grant Contract, and the Grantee shall be required to refund any and all payments by the state pursuant to this Grant Contract.

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

C.8. Indirect Cost. Should the Grantee request reimbursement for indirect costs, the Grantee must submit to the State a copy of the indirect cost rate approved by the cognizant federal agency or the cognizant state agency, as applicable. The Grantee will be reimbursed for indirect costs in accordance with the approved indirect cost rate and 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 Term. Any changes in the approved indirect cost rate must have prior approval of the cognizant federal agency or the cognizant state agency, as applicable. If the indirect cost rate is provisional during the Term, once the rate becomes final, the Grantee agrees to remit any overpayment of funds to the State, and subject to the availability of funds the State agrees to remit any underpayment to the Grantee.

C.9. 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 Term.

C.10. Payment of Invoice. A payment by the State shall not prejudice the State's right to object to or question any reimbursement, invoice, or matter in relation thereto. A payment by the State shall not be construed as acceptance of any part of the work or service provided or as approval of any amount as an allowable cost.

C.11. Non-allowable Costs. Any amounts payable to the Grantee shall be subject to reduction for amounts included in any invoice or payment that are determined by the State, on the basis of audits or monitoring conducted in accordance with the terms of this Grant Contract, to constitute non-allowable costs.

C.12. State's Right to Set Off. The State reserves the right to deduct from amounts that are or shall become due and payable to the Grantee under this Grant Contract or any other contract between the Grantee and the State of Tennessee under which the Grantee has a right to receive payment from the State.

C.13. Prerequisite Documentation. The Grantee shall not invoice the State under this Grant Contract until the State has received the following, properly completed documentation.

a. The Grantee shall complete, sign, and present to the State an "Authorization Agreement for Automatic Deposit (ACH Credits) Form" provided by the State. By doing so, the Grantee acknowledges and agrees that, once this form is received by the State, all payments to the Grantee under this or any other grant contract will be made by automated clearing house ("ACH").

b. The Grantee shall complete, sign, and return to the State the State-provided W-9 form. The taxpayer identification number on the W-9 form must be the same as the Grantee's Federal Employer Identification Number or Social Security Number referenced in the Grantee's Edison registration information.

D. STANDARD TERMS AND CONDITIONS:

D.1. Required Approvals. The State is not bound by this Grant Contract until it is signed by the parties and approved by appropriate officials in accordance with applicable Tennessee laws and regulations (depending upon the specifics of this Grant Contract, the 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. This Grant Contract may be modified only by a written amendment signed by all parties and approved by the officials who approved the Grant Contract and, depending upon the specifics of the Grant Contract 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 State may terminate this Grant Contract without cause for any reason. A termination for convenience shall not be a breach of this Grant Contract by the State. The State shall give the Grantee at least thirty (30) days written notice before the effective termination date. The Grantee shall be entitled to compensation for authorized expenditures and satisfactory services completed as of the termination date, but in no event shall the State be liable to the Grantee for compensation for any service that has not been rendered. The final decision as to the amount for which the State is liable shall be determined by the State. The Grantee shall not have any right to any actual general, special, incidental, consequential, or any other damages whatsoever of any description or amount for the State's exercise of its right to terminate for convenience.

D.4. Termination for Cause. If the Grantee fails to properly perform its obligations under this Grant Contract in a timely or proper manner, or if the Grantee violates any terms of this Grant Contract ("Breach Condition"), the State shall have the right to immediately terminate the Grant Contract and withhold payments in excess of compensation for completed services or provided goods. Notwithstanding the above, the Grantee shall not be relieved of liability to the State for damages sustained by virtue of any Breach Condition and the State may seek other remedies allowed at law or in equity for breach of this Grant Contract.

D.5. Subcontracting. The Grantee shall not assign this Grant Contract or enter into a subcontract for any of the services performed under this Grant Contract without obtaining the prior written approval of the State. If such subcontracts are approved by the State, each shall contain, at a minimum, sections of this Grant Contract pertaining to "Conflicts of Interest," "Lobbying," "Nondiscrimination," "Public Accountability," "Public Notice," and "Records" (as identified by the section headings). Notwithstanding any use of approved subcontractors, the Grantee shall remain responsible for all work performed.

D.6. Conflicts of Interest. The Grantee warrants that no part of the total Grant Contract 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 Grantee in connection with any work contemplated or performed relative to this Grant Contract.

The Grantee acknowledges, understands, and agrees that this Grant Contract shall be null and void if the Grantee is, or within the past six months has been, an employee of the State of

Tennessee or if the Grantee is an entity in which a controlling interest is held by an individual who is, or within the past six months has been, an employee of the State of Tennessee.

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

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

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

c. The Grantee shall require that the language of this certification be included in the award documents for all sub-awards at all tiers (including subcontracts, sub-grants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into and is a prerequisite for making or entering into this transaction imposed by 31 U.S.C. § 1352.

D.8. Communications and Contacts. All instructions, notices, consents, demands, or other communications required or contemplated by this Grant Contract shall be in writing and shall be made by certified, first class mail, return receipt requested and postage prepaid, by overnight courier service with an asset tracking system, or by email or facsimile transmission with recipient confirmation. All communications, regardless of method of transmission, shall be addressed to the respective party as set out below:
The State:

State Contact Name & Title
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

A change to the above contact information requires written notice to the person designated by the other party to receive notice.

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

D.9. Subject to Funds Availability. This Grant Contract is subject to the appropriation and availability of State or Federal funds. In the event that the funds are not appropriated or are otherwise unavailable, the State reserves the right to terminate this Grant Contract upon written notice to the Grantee. The State's right to terminate this Grant Contract due to lack of funds is not a breach of this Grant Contract by the State. Upon receipt of the written notice, the Grantee shall cease all work associated with the Grant Contract. Should such an event occur, the Grantee shall be entitled to compensation for all satisfactory and authorized services completed as of the termination date. Upon such termination, the Grantee shall have no right to recover from the State any actual, general, special, incidental, consequential, or any other damages whatsoever of any description or amount.

D.10. Nondiscrimination. The Grantee agrees that no person shall be excluded from participation in, be denied benefits of, or be otherwise subjected to discrimination in the performance of this Grant Contract or in the employment practices of the Grantee on the grounds of handicap or disability, age, race, color, religion, sex, national origin, or any other classification protected by Federal, Tennessee State constitutional, or statutory law. The Grantee shall, upon request, show proof of such nondiscrimination and shall post in conspicuous places, available to all employees and applicants, notices of nondiscrimination.

D.11. HIPAA Compliance. The State and the Grantee shall comply with obligations under the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"), Health Information Technology for Economic and Clinical Health ("HITECH") Act and any other relevant laws and regulations regarding privacy (collectively the "Privacy Rules"). The obligations set forth in this Section shall survive the termination of this Grant Contract.

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

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

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

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

D.12. Public Accountability. If the Grantee is subject to Tenn. Code Ann. § 8-4-401 *et seq.*, or if this Grant Contract involves the provision of services to citizens by the Grantee on behalf of the State, the Grantee agrees to establish a system through which recipients of services may present grievances about the operation of the service program. The Grantee shall also display in a prominent place, located near the passageway through which the public enters in order to receive Grant supported services, a sign at least eleven inches (11") in height and seventeen inches (17") in width stating:

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

The sign shall be on the form prescribed by the Comptroller of the Treasury. The Grantor State Agency shall obtain copies of the sign from the Comptroller of the Treasury, and upon request from the Grantee, provide Grantee with any necessary signs.

D.13. Public Notice. All notices, informational pamphlets, press releases, research reports, signs, and similar public notices prepared and released by the Grantee in relation to this Grant Contract shall include the statement, "This project is funded under a Grant Contract with the State of Tennessee." All notices by the Grantee in relation to this Grant Contract shall be approved by the State.

D.14. Licensure. The Grantee and its employees and all sub-grantees shall be licensed pursuant to all applicable federal, state, and local laws, ordinances, rules, and regulations and shall upon request provide proof of all licenses.

D.15. Records. The Grantee and any approved subcontractor shall maintain documentation for all charges under this Grant Contract. The books, records, and documents of the Grantee and any approved subcontractor, insofar as they relate to work performed or money received under this Grant Contract, shall be maintained for a period of five (5) full years from the date of the final payment and shall be subject to audit at any reasonable time and upon reasonable notice by the Grantor State Agency, the Comptroller of the Treasury, or their duly appointed representatives.

The records shall be maintained in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification, Public Company Accounting Oversight Board (PCAOB) Accounting Standards Codification, or Governmental Accounting Standards Board (GASB) Accounting Standards Codification, as applicable, and any related AICPA Industry Audit and Accounting guides.

In addition, documentation of grant applications, budgets, reports, awards, and expenditures will be maintained in accordance with U.S. Office of Management and Budget's *Uniform Administrative Requirements, Audit Requirements, and Cost Principles for Federal Awards*.

The Grantee shall also comply with any recordkeeping and reporting requirements prescribed by the Tennessee Comptroller of the Treasury.

The Grantee shall establish a system of internal controls that utilize the COSO Internal Control - Integrated Framework model as the basic foundation for the internal control system. The Grantee shall incorporate any additional Comptroller of the Treasury directives into its internal control system.

Any other required records or reports which are not contemplated in the above standards shall follow the format designated by the head of the Grantor State Agency, the Central Procurement Office, or the Commissioner of Finance and Administration of the State of Tennessee.

D.16. Monitoring. The Grantee's activities conducted and records maintained pursuant to this Grant Contract shall be subject to monitoring and evaluation by the State, the Comptroller of the Treasury, or their duly appointed representatives.

D.17. Progress Reports. The Grantee shall submit brief, periodic, progress reports to the State as requested.

D.18. Annual and Final Reports. The Grantee shall submit, within three (3) months of the conclusion of each year of the Term, an annual report. For grant contracts with a term of less than one (1) year, the Grantee shall submit a final report within three (3) months of the conclusion of the Term. For

grant contracts with multiyear terms, the final report will take the place of the annual report for the final year of the Term. The Grantee shall submit annual and final reports to the Grantor State Agency and the Department of Finance and Administration ("F&A"). Send electronic copies of annual and final reports to F&A at fa.audit@tn.gov. At minimum, annual and final reports shall include: (a) the Grantee's name; (b) the Grant Contract's Edison identification number, Term, and total amount; (c) a narrative section that describes the program's goals, outcomes, successes and setbacks, whether the Grantee used benchmarks or indicators to determine progress, and whether any proposed activities were not completed; and (d) other relevant details requested by the Grantor State Agency. Annual and final report documents to be completed by the Grantee shall appear on the Grantor State Agency's website or as an attachment to the Grant Contract.

D.19. Audit Report. For purposes of this Section, pass-through entity means a non-federal entity that provides a subaward to a subrecipient to carry out part of a federal program.

The Grantee shall provide audited financial statements to the Tennessee Comptroller of the Treasury ("Comptroller") if during the Grantee's fiscal year, the Grantee: (1) expends seven hundred fifty thousand dollars ($750,000) or more in direct and indirect federal financial assistance and the State is a pass-through entity; (2) expends seven hundred fifty thousand dollars ($750,000) or more in state funds from the State; or (3) expends seven hundred fifty thousand dollars ($750,000) or more in federal financial assistance and state funds from the State, and the State is a pass-through entity. At least ninety (90) days before the end of its fiscal year, the Grantee shall complete Attachment [reference the Notice of Audit Report document] to notify the State whether or not Grantee is subject to an audit. The Grantee should submit only one, completed document during the Grantee's fiscal year. Any Grantee that is subject to an audit and so indicates on Attachment [reference the Notice of Audit Report document] shall complete Attachment [reference the Parent Child Information document]. If the Grantee is subject to an audit, Grantee shall obtain the Comptroller's approval before engaging a licensed, independent public accountant to perform the audit. The Grantee may contact the Comptroller for assistance identifying auditors.

All audits shall be performed in accordance with the Comptroller's requirements, as posted on its web site. When a federal single audit is required, the audit shall be performed in accordance with U.S. Office of Management and Budget's *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*.

A copy of the audit report shall be provided to the Comptroller by the licensed, independent public accountant. Audit reports shall be made available to the public.

The audit contract between the Grantee and the Auditor shall be on a contract form prescribed by the Comptroller. The Grantee shall be responsible for payment of fees for an audit prepared by a licensed, independent public accountant. Payment of the audit fees by the Grantee shall be subject to the provision relating to such fees contained within this Grant Contract. The Grantee shall be responsible for reimbursing the Comptroller for any costs of an audit prepared by the Comptroller.

D.20. Procurement. If other terms of this Grant Contract allow reimbursement for the cost of goods, materials, supplies, equipment, and/or contracted services, such procurement(s) shall be made on a competitive basis, including the use of competitive bidding procedures, where practical. The Grantee shall maintain documentation for the basis of each procurement for which reimbursement is paid pursuant to this Grant Contract. In each instance where it is determined that use of a competitive procurement method is not practical, supporting documentation shall include a written justification for the decision and for use of a non-competitive procurement. If the Grantee is a subrecipient, the Grantee shall comply with 2 C.F.R. §§ 200.318—300.326 when procuring property and services under a federal award..

The Grantee shall obtain prior approval from the State before purchasing any equipment under this Grant Contract.

D.21. Strict Performance. Failure by any party to this Grant Contract to insist in any one or more cases upon the strict performance of any of the terms, covenants, conditions, or provisions of this agreement shall not be construed as a waiver or relinquishment of any such term, covenant, condition, or provision. No term or condition of this Grant Contract shall be held to be waived, modified, or deleted except by a written amendment signed by the parties hereto.

D.22. Independent Contractor. The parties shall not act as employees, partners, joint venturers, or associates of one another in the performance of this Grant Contract. The parties acknowledge that they are independent contracting entities and that nothing in this Grant Contract shall be construed to create a principal/agent relationship or to allow either to exercise control or direction over the manner or method by which the other transacts its business affairs or provides its usual services. The employees or agents of one party shall not be deemed or construed to be the employees or agents of the other party for any purpose whatsoever.

The Grantee, being an independent contractor and not an employee of the State, agrees to carry adequate public liability and other appropriate forms of insurance, including adequate public liability and other appropriate forms of insurance on the Grantee's employees, and to pay all applicable taxes incident to this Grant Contract.

D.23. State Liability. The State shall have no liability except as specifically provided in this Grant Contract.

D.24. Force Majeure. "Force Majeure Event" means fire, flood, earthquake, elements of nature or acts of God, wars, riots, civil disorders, rebellions or revolutions, acts of terrorism or any other similar cause beyond the reasonable control of the Party except to the extent that the non-performing Party is at fault in failing to prevent or causing the default or delay, and provided that the default or delay cannot reasonably be circumvented by the non-performing Party through the use of alternate sources, workaround plans or other means. A strike, lockout or labor dispute shall not excuse either Party from its obligations under this Grant Contract. Except as set forth in this Section, any failure or delay by a Party in the performance of its obligations under this Grant Contract arising from a Force Majeure Event is not a default under this Grant Contract or grounds for termination. The non-performing Party will be excused from performing those obligations directly affected by the Force Majeure Event, and only for as long as the Force Majeure Event continues, provided that the Party continues to use diligent, good faith efforts to resume performance without delay. The occurrence of a Force Majeure Event affecting Grantee's representatives, suppliers, subcontractors, customers or business apart from this Grant Contract is not a Force Majeure Event under this Grant Contract. Grantee will promptly notify the State of any delay caused by a Force Majeure Event (to be confirmed in a written notice to the State within one (1) day of the inception of the delay) that a Force Majeure Event has occurred, and will describe in reasonable detail the nature of the Force Majeure Event. If any Force Majeure Event results in a delay in Grantee's performance longer than forty-eight (48) hours, the State may, upon notice to Grantee: (a) cease payment of the fees until Grantee resumes performance of the affected obligations; or (b) immediately terminate this Grant Contract or any purchase order, in whole or in part, without further payment except for fees then due and payable. Grantee will not increase its charges under this Grant Contract or charge the State any fees other than those provided for in this Grant Contract as the result of a Force Majeure Event.

D.25. Tennessee Department of Revenue Registration. The Grantee shall comply with all applicable registration requirements contained in Tenn. Code Ann. §§ 67-6-601 – 608. Compliance with applicable registration requirements is a material requirement of this Grant Contract.

D.26. 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.

D.27. No Acquisition of Equipment or Motor Vehicles. This Grant Contract does not involve the acquisition and disposition of equipment or motor vehicles acquired with funds provided under this Grant Contract.

D.28. State and Federal Compliance. The Grantee shall comply with all applicable state and federal laws and regulations in the performance of this Grant Contract.

D.29. Governing Law. This Grant Contract shall be governed by and construed in accordance with the laws of the State of Tennessee. The Grantee agrees that it will be subject to the exclusive jurisdiction of the courts of the State of Tennessee in actions that may arise under this Grant Contract. The Grantee acknowledges and agrees that any rights or claims against the State of Tennessee or its employees hereunder, and any remedies arising there from, shall be subject to and limited to those rights and remedies, if any, available under Tenn. Code Ann. §§ 9-8-101 through 9-8-407.

D.30. Completeness. This Grant Contract is complete and contains the entire understanding between the parties relating to the subject matter contained herein, including all the terms and conditions of the parties' agreement. This Grant Contract supersedes any and all prior understandings, representations, negotiations, and agreements between the parties relating hereto, whether written or oral.

D.31. Severability. If any terms and conditions of this Grant Contract are held to be invalid or unenforceable as a matter of law, the other terms and conditions hereof shall not be affected thereby and shall remain in full force and effect. To this end, the terms and conditions of this Grant Contract are declared severable.

D.32. Headings. Section headings are for reference purposes only and shall not be construed as part of this Grant Contract.

E. SPECIAL TERMS AND CONDITIONS:

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

IN WITNESS WHEREOF,

GRANTEE LEGAL ENTITY NAME:

GRANTEE SIGNATURE **DATE**

PRINTED NAME AND TITLE OF GRANTEE SIGNATORY (above)

GRANTOR STATE AGENCY NAME:

NAME & TITLE DATE

ATTACHMENT REFERENCE

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 CONTRACT**	**GRANTEE PARTICIPATION**	**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
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.

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

ATTACHMENT REFERENCE

Notice of Audit Report

Check one of the two boxes below and complete the remainder of this document as instructed. Send completed documents as a PDF file to cpo.auditnotice@tn.gov. ***The Grantee should submit only one, completed "Notice of Audit Report" document to the State ~~during~~ninety (90) days prior to the Grantee's fiscal year.***

☐ Grantee Legal Entity Name is subject to an audit for fiscal year #.

☐ Grantee Legal Entity Name is not subject to an audit for fiscal year #.

Grantee's Edison Vendor ID Number:

Grantee's fiscal year end:

Any Grantee that is subject to an audit must complete the information below.

~~Grantee's Edison Vendor ID Number:~~

Type of funds expended	Estimated amount of funds expended by end of Grantee's fiscal year
Federal pass-through funds a. Funds passed through the State of Tennessee b. Funds passed through any other entity	a. d.
Funds received directly from the federal government	
Non-federal funds received directly from the State of Tennessee	

Auditor's name:

Auditor's address:

Auditor's phone number:

Auditor's email:

ATTACHMENT REFERENCE

Parent Child Information

Send completed documents as a PDF file to cpo.auditnotice@tn.gov. ***The Grantee should submit only one, completed "Parent Child Information" document to the State during the Grantee's fiscal year if the Grantee indicates it is subject to an audit on the "Notice of Audit Report" document.***

"Parent" means an entity whose IRS filing contains the information of at least one other entity.

"Child" means an entity whose information is contained in another entity's IRS filing.

Grantee's Edison Vendor ID number:

Is Grantee Legal Entity Name a parent? Yes ☐ No ☐

If yes, provide the name and Edison Vendor ID number, if applicable, of any child entities.

Is Grantee Legal Entity Name a child? Yes ☐ No ☐

If yes, complete the fields below.

Parent entity's name: _____

Parent entity's tax identification number: _____

Note: If the parent entity's tax identification number is a social security number, this form must be submitted via US mail to:

Central Procurement Office, Grants Program Manager
3rd Floor, WRS Tennessee Tower
312 Rosa L Parks Avenue
Nashville, TN 37243

Parent entity's contact information

Name of primary contact person: _____

Address: _____

Phone number: _____

Email address: _____

Parent entity's Edison Vendor ID number, if applicable: _____

GR INSTRUCTIONS, CONSIDERATIONS, and OPTIONS

The following pages contain additional GR instructions, considerations, and options. Replace or modify the standard GR Template by including the following content as appropriate. ~~Content included with a box around it is intended to be inserted into the standard GR Template as appropriate.~~

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.

COVER SHEET

A summary cover sheet properly completed and in accordance with the template is required. Complete summary cover fields as indicated within the template and the following field directions.

Agency Tracking #	a unique number comprised of: 5-digit business unit # + unique, 5-digit # example: 31707-12345
Subrecipient or Contractor	Subrecipient or Contractor in accordance with the OMB's *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*
Funding	Amounts by fiscal year and funding source and with row and column totals; the Maximum Liability MUST equal the sum of the TOTAL Grant Contract Amount column
Grantee Ownership/Control	African American if the contractor is ≥ 51% owned or controlled by descendants of the black peoples of Africa
	Asian if the contractor is ≥ 51% owned or controlled by descendants of the original peoples of the Far East, Asia, Southeast Asia, the subcontinent, or the Pacific Islands
	Government if the contractor is any governmental entity
	Hispanic if the contractor is ≥ 51% owned or controlled by persons of Cuban, Mexican, Puerto Rican, Central or South American, or other Spanish or Portuguese origin, culture, or descent, regardless of race, or having a Spanish surname
	Native American if the contractor is ≥ 51% owned or controlled by descendants of the peoples of the first nations of North America
	NOT Minority/Disadvantaged if the contractor is not ≥ 51% owned or controlled by minority or disadvantaged persons & is not a small business
	Other if the contractor is ≥ 51% owned or controlled by persons of a minority or disadvantaged ethnic background, national origin, etc. other than previously described
	Person w/Disability if the contractor is ≥ 51% owned or controlled by persons with a physical or mental impairment that substantially limits one or more major life activities (i.e., caring for oneself, writing, walking, seeing, hearing, speaking and breathing)
	Small Business if the contractor is independently owned and operated, has total gross receipts of ≤ $2 million for the last federal tax year, and has ≤ 30 full-time employees

PREAMBLE

Add additional information only if necessary.

In a grant contract with an individual, delete the preamble phrase, "Place of Incorporation or Organization: Location."

A. SCOPE OF SERVICES

It is the Grantor State Agency's responsibility to adequately draft a scope of services and deliverables ("Scope"). Oversight examiners will rely on the authorized signature of the Grantor State Agency on the

Grant Contract as certification and assurance that the proposed Scope is clear and correct, adequate for all legal and enforcement purposes, and sufficiently detailed to ensure Grantee accountability and results.

Do NOT include payment terms in the Scope.

Draft the Scope to clearly, specifically, and definitively detail Grantee duties, responsibilities, and associated performance requirements. 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 Contract in lieu of a properly drafted Scope. Proposals for funding are NOT adequately definitive to stand alone as the description of Grantee duties and responsibilities or performance requirements.

To attach an associated grant proposal to the Grant Contract in support of a properly drafted Scope, use the following optional section.

A.#. Incorporation of Additional Documents. Each of the following documents is included as a part of this Grant Contract 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 Contract 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.

Option: Federal Award Identification Worksheet

If the Grantee is a subrecipient and the Grant Contract involves any federal funds, the Grantor must complete the federal award identification worksheet on the following page and reference the worksheet by adding the following section. Include the worksheet as an attachment to the Grant Contract. If some federal award identification information is not available, provide as much information as is available. Agencies should update the worksheet no more than once every six (6) months to reflect any changes. Send the updated worksheet to the Grantee and upload a copy into Edison.

A.#. Incorporation of Federal Award Identification Worksheet. The federal award identification worksheet, which appears as Attachment #, is incorporated in this Grant Contract.

ATTACHMENT REFERENCE

Federal Award Identification Worksheet

Subrecipient's name (must match registered name in DUNS)	
Subrecipient's DUNS number	
Federal Award Identification Number (FAIN)	
Federal award date	
CFDA number and name	
Grant contract's begin date	
Grant contract's end date	
Amount of federal funds obligated by this grant contract	
Total amount of federal funds obligated to the subrecipient	
Total amount of the federal award to the pass-through entity (Grantor State Agency)	
Name of federal awarding agency	
Name and contact information for the federal awarding official	
Is the federal award for research and development?	
Indirect cost rate for the federal award (See 2 C.F.R. §200.331 for information on type of indirect cost rate)	

B. GRANT CONTRACT TERM

Procurement professionals should obtain the Grantee's signature first before submitting the Grant Contract for State signatures or approvals. Procurement professionals shall obtain all required approvals prior to the Effective Date written in the Grant Contract and submit it for Central Procurement Office approval no less than thirty (30) days before the Effective Date.

If a signed Grant Contract is not submitted to the Central Procurement Office at least thirty (30) days prior to the Effective Date, then the CPO may require that the Grant Contract be resubmitted with a new Effective Date or require a Rule Exception Request that explains why the Grant Contract was submitted less than thirty (30) days before the Effective Date. In no event shall the Grantee deliver goods or perform services prior to the Effective Date.

When the Grant Contract is required to be obligated by a certain date because of a federal award, the Grantor State Agency is exempt from this requirement if the Grantor State Agency obtains a rule exception request. The rule exception request must include supporting documentation for the Grant Contract's effective date, which may include a hyperlink to federal award information.

Draft the Grant Contract with an appropriate, definitive, and complete Term. Note that no Grant Contract with a Term exceeding sixty (60) months shall be awarded unless approved by the Central Procurement Officer as being in the best interests of the State. (Tenn. Comp. R. & Regs. 0690-03-01-.14(2)(c)). Comptroller of the Treasury approval will also be required.

Option: Term Renewal or Extension

To reserve the right to extend the Grant Contract's Term beyond the original period, change the designation of the paragraph under B. to B.1. and add one or both of the following sections, revising the length of the extension period(s) as appropriate.

B.#. Renewal Options. This Grant Contract may be renewed upon satisfactory completion of the Term. The State reserves the right to execute up to number (#) renewal options under the same terms and conditions for a period not to exceed twelve (12) months each by the State, at the State's sole option. In no event, however, shall the maximum Term, including all renewals or extensions, exceed a total of sixty (60) months.

B.#. Term Extension. It is understood and agreed that the State may extend the Term an additional period of time, not to exceed one hundred-eighty (180) days beyond the expiration date of this Grant Contract, under the same terms and conditions. In no event, however, shall the maximum Term, including all extensions or renewals, exceed a total of sixty (60) months.

C. PAYMENT TERMS AND CONDITIONS

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

Payment Methodology

Pursuant to Central Procurement Office Policy 2013-007, any Grantor State Agency seeking to effect a partial, periodic, or total advance payment shall submit a Rule Exception Request to justify the advance payment.

Option: Partial Advance Payment

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

C.3. Payment Methodology – Partial Advance Payment. 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 Contract. Then, upon progress toward the completion of the work, as described in Section A of this Grant Contract, 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 Contract.

Option: Periodic Advance Payment

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

C.3. Payment Methodology – Periodic Advance Payment. 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 Contract and on Date(s) on which the state will make advance payment(s). The total of said payments shall not exceed the Maximum Liability of this Grant Contract.

(2) Delete the Invoice Requirements section (renumbering any subsequent sections accordingly).

(3) 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) days of the Grant Contract 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").

Option: Total Advance Payment

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

C.3. Payment Methodology – Total Advance Payment. 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 Contract.

(2) Delete the Invoice Requirements section (renumbering any subsequent sections accordingly).

(3) 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) days of the Grant Contract 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").

Invoice Requirements

Add clear, non-conflicting, invoice requirements to the section as appropriate (revising the first sentence "no more often than monthly" requirement as necessary).

Delete the Section (and renumber subsequent sections appropriately) if the Payment Methodology Section provides for a total advance payment or periodic advance payments.

Option: Late Invoices Prohibition

Add the following as C.5.b.(4) when appropriate and revise the maximum number of days to thirty (30) or more.

(4) An invoice under this Grant Contract shall be presented to the State within sixty (60) days after the end of the calendar month in which the subject costs were incurred or services were rendered by the Grantee. An invoice submitted more than sixty (60) days after such date will NOT be paid. The State will not deem such Grantee costs to be allowable and reimbursable by the State unless, at the sole discretion of the State, the failure to submit a timely invoice is warranted. The Grantee shall submit a special, written request for reimbursement with any such untimely invoice. The request must detail the reason the invoice is untimely as well as the Grantee's plan for submitting future invoices as required, and it must be signed by a Grantee agent that would be authorized to sign this Grant Contract.

Budget Line-Items

Option 1: Revise line-item variance amount as appropriate and up to the maximum of twenty percent (20%). Budget line-item variation of more than the specified percentage will require an amendment. The Budget Line-Items provision should NOT be amended after Grant Contract approval.

Option 2: Grantee may Request Budget Line-Item Variance Exceeding Twenty Percent (20%) Per Line-Item

Replace the Section with the following:

C.6. Grant Budget and Revisions to Grant Budget Line-Items. Expenditures, reimbursements, and payments under this Grant Contract shall adhere to the Grant Budget.

a. The Grantee may vary from a Grant Budget line-item amount by up to twenty percent (20%) of the line-item amount, provided that any increase is off-set by an equal reduction of other line-item amounts. The net result of any changes to Grant Budget line-item amounts shall not result in funding for a line-item that was previously funded at zero dollars ($0.00) or increase the total Grant Contract amount detailed by the Grant Budget.

b. The Grantee may request in writing Grant Budget line-item revisions exceeding the limitation set forth in section C.6.a., above, giving full details supporting the Grantee's request, provided that such revisions do not result in funding for a line-item that was previously funded at zero dollars ($0.00) and do not increase the total Grant Contract amount. Grant Budget line-item revisions may not be made without prior, written approval of the State in which the terms of the approved revisions are detailed. Any approval of a revision to a Grant Budget line-item greater than twenty percent (20%) shall be superseded by a subsequent revision of the Grant Budget by Grant Contract amendment.

c. Any increase in the total Grant Contract amount shall require a Grant Contract Amendment.

Option 3: NO Line-Item Variance

Replace the Section with the following:

C.6. Budget Line-items. Expenditures, reimbursements, and payments under this Grant Contract shall adhere to the Grant Budget. Reimbursable expenditures may NOT vary from the Grant Budget

line-item amount(s) detailed.

Option 4:

The Department of Health may add the following Section as appropriate:

C.6. Budget Line-items. Expenditures, reimbursements, and payments under this Grant Contract shall adhere to the Grant Budget. The Grantee may move up to one percent (1%) of a line-item amount to another line item category provided that any increase is off-set by an equal reduction of other line-item amount(s) and the total Grant Contract amount detailed by the Grant Budget does not increase. An increase of any line item funded at zero dollars ($0.00) shall require prior approval of the Grantor State Agency.

Option 5:

The Department of Transportation may add the following Section as appropriate:

C.6. Budget Line-item: Expenditures, reimbursements, and payments under this Grant Contract shall adhere to the Grant Budget. The Grantee may request revisions of Grant Budget line-items by letter, giving full details supporting such request, provided that such revisions do not increase total Grant Budget amount. Grant Budget line-item revisions may not be made without prior, written approval of the State in which the terms of the approved revisions are explicitly set forth. Any increase in the total Grant Budget amount shall require a Grant Contract amendment.

Disbursement Reconciliation and Close Out

To require additional grant disbursement and reconciliation reports, revise the first paragraph of the standard C.7. Disbursement Reconciliation and Close Out language, as necessary.

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 Contract will be reduced by the amount of any Grantee failure to meet the match requirement), replace the Disbursement Reconciliation and Close Out Section with the following and revise the maximum number of days to thirty (30) or more.

C.#. 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 Contract end date and in form and substance acceptable to the State.

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 contract 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 State pursuant to this Grant Contract, as detailed by the Grant Budget column "Grant Contract," shall be reduced by the amount that the Grantee failed to contribute to the Total Project as budgeted.

b. If total disbursements by the State pursuant to this Grant Contract exceed the amounts permitted by Section C of this Grant Contract (including any adjustment pursuant to subsection a.ii. above), the Grantee shall refund the difference to the State. The Grantee shall submit the refund with the final grant disbursement reconciliation report.

c. The State shall not be responsible for the payment of any invoice submitted to the State after the grant disbursement reconciliation report. The State will not deem any Grantee costs submitted for reimbursement after the grant disbursement reconciliation report to be allowable and reimbursable by the State, and such invoices will NOT be paid.

d. The Grantee's failure to provide a final grant disbursement reconciliation report to the state as required shall result in the Grantee being deemed ineligible for reimbursement under this Grant Contract, and the Grantee shall be required to refund any and all payments by the State pursuant to this Grant Contract.

e. The Grantee must close out its accounting records at the end of the Term 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. Any additional, necessary terms and conditions may be added to the section E, Special Terms and Conditions.

Termination for Convenience

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

Option: Bilateral Termination

Replace the Section with the following bilateral termination provision only if the Grantor State Agency can justify that the bilateral provision is in the best interest of the State.

D. #. Termination for Convenience. The Grant Contract 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 State be liable to the Grantee for any service which has not been rendered. The final decision as to the amount, for which the State is liable, shall be determined by the State. In the event of disagreement, the Grantee may file a claim with the Tennessee Claims Commission to seek redress.

Termination for Cause

The Department of Environment and Conservation may add the following Section as appropriate:

D.4. Termination for Cause. If the Grantee fails to properly perform its obligations under the Grant Contract in a timely or proper manner, or if the Grantee violates any term(s) of this Grant Contract, the State shall have the right to immediately terminate the Grant Contract and withhold payment in excess of fair compensation for completed services. Notwithstanding the above, the Grantee shall not be relieved of liability to the State for damages sustained by virtue of any breach of this Grant Contract by the Grantee. Specifically, the Grantee shall be liable to the State for the full amount paid by the State to the Grantee under this Grant Contract if the Grantee fails to fully meet the requirements of the Scope of Services.

Nondiscrimination

Replace the Section with the following ONLY if the Grantee is a religious organization.

D.10. Nondiscrimination. The Grantee agrees, warrants, and assures that no person shall be excluded from participation in, be denied benefits of, or be otherwise subjected to discrimination in the performance of this Grant Contract or in the employment practices of the Grantee on the basis of any classification protected by Federal, Tennessee State constitutional, or statutory law. The

Grantee shall, upon request, show proof of such nondiscrimination and shall post in conspicuous places, available to all employees and applicants, notices of nondiscrimination.

HIPAA Compliance

A Grantee must execute a Business Associate Agreement (BAA) if: (a) the Grantee is a "covered entity" as defined in the Privacy Rules; (b) the Grantee engages another person or entity outside of its workforce to perform activities on its behalf; and (c) those activities involve access to protected health information.

If the Grantor State Agency obtains an approved Rule Exception Request to delete the HIPAA Compliance provision, add the following Section:

D.11. **Reserved.**

Charges to Service Recipients Prohibited

If the Grantor State Agency obtains an approved Rule Exception to delete the Charges to Service Recipients Prohibited provision, add the following Section: The Department of Transportation Division of Multimodal Resources, Department of Human Services, and Department of Environment and Conservation may use the following section as needed.

D.26. **Reserved.**

Charges to Service Recipients Prohibited

The Department of Health may use the following term as applicable:

D.26. 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, with the exception of:

(a) patient liability amounts (including copay, coinsurance, and deductibles) established by insurance plans and assigned to the patient,
(b) charges based on patients' income and family size, and
(c) other fees as established by the State.

The Grantee shall be allowed to bill the patient's insurance, including governmental insurers such as TennCare, where appropriate. The parties shall comply with all applicable governmental and insurance plan reimbursement rules, including but not limited to Medicaid/TennCare or Medicare. The parties further agree that benefits provided or received under this Grant Contract are not contingent on referrals nor are they paid under arrangement to provide healthcare services reimbursed by Medicare or Medicaid/TennCare.

Charges to Service Recipients Prohibited

The Department of Health may use the following term as applicable:

D. 26. 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, with the exception of co-pays paid by the recipient and reimbursement from the recipient's third party insurance provider. The Grantee shall be allowed to bill the recipients' insurance, including governmental insurers such as TennCare, where appropriate. The parties shall comply with all TennCare reimbursement rules. The parties further agree that benefits provided or received under this Grant Contract are not contingent on referrals nor are they paid under arrangement to provide healthcare services reimbursed by Medicare or Medicaid/TennCare. This grant award plus the co-pays paid by the recipients and payment from the recipients' third party insurance provided received by the Grantee shall not exceed the Grantee's total program cost.

No Acquisition of Equipment or Motor Vehicles

Delete the Section if the Grant Budget provides funding for the acquisition of equipment or motor vehicles and insert the State Interest In Equipment or Motor Vehicles Section below.

State Interest in Equipment or Motor Vehicles

Attorney General staff have advised that the Grantor State Agency must file a UCC-1 or

perfect in accordance with applicable law to the extent that it wishes to secure a security agreement and priority.

Add the following Section if the Grant Contract provides for the reimbursement of expenditures for equipment or motor vehicles (revising the second to last sentence of the first paragraph as necessary to establish a lower dollar threshold for the definition of "equipment or motor vehicles").

D.27. State Interest in Equipment or Motor Vehicles. The Grantee shall take legal title to all equipment or motor vehicles purchased totally or in part with funds provided under this Grant Contract, subject to the State's equitable interest therein, to the extent of its *pro rata* share, based upon the State's contribution to the purchase price. The term "equipment" shall include any article of nonexpendable, tangible, personal property having a useful life of more than one year and an acquisition cost which equals or exceeds five thousand dollars ($5,000.00). The term "motor vehicle" shall include any article of tangible personal property that is required to be registered under the "Tennessee Motor Vehicle Title and Registration Law", Tenn. Code Ann. Title 55, Chapters 1-6.

As authorized by the Tennessee Uniform Commercial Code, Tenn. Code Ann. Title 47, Chapter 9 and the "Tennessee Motor Vehicle Title and Registration Law," Tenn. Code Ann. Title 55, Chapters 1-6, the parties intend this Grant Contract to create a security interest in favor of the State in the equipment or motor vehicles acquired by the Grantee pursuant to the provisions of this Grant Contract. A further intent of this Grant Contract is to acknowledge and continue the security interest in favor of the State in the equipment or motor vehicles acquired by the Grantee pursuant to the provisions of this program's prior year Grant Contracts between the State and the Grantee.

The Grantee grants the State a security interest in all equipment or motor vehicles acquired in whole or in part by the Grantee under this Grant Contract. This Grant Contract is intended to be a security agreement pursuant to the Uniform Commercial Code for any of the equipment or motor vehicles 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 State a security interest in said equipment or motor vehicles. The Grantee agrees that the State may file this Grant Contract or a reproduction thereof, in any appropriate office, as a financing statement for any of the equipment or motor vehicles 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 State, upon the State's request, any financing statements, as well as extensions, renewals, and amendments thereof, and reproduction of this Grant Contract in such form as the State may require to perfect a security interest with respect to said equipment or motor vehicles. 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 State may reasonably require. Without the prior written consent of the State, the Grantee shall not create or suffer to be created pursuant to the Uniform Commercial Code any other security interest in said equipment or motor vehicles, including replacements and additions thereto. Upon the Grantee's breach of any covenant or agreement contained in this Grant Contract, including the covenants to pay when due all sums secured by this Grant Contract, the State shall have the remedies of a secured party under the Uniform Commercial Code and, at the State's option, may also invoke the remedies herein provided.

x

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 Contract. The Grantee shall maintain a perpetual inventory system for all equipment or motor vehicles purchased with funds provided under this Grant Contract and shall submit an inventory control report which must include, at a minimum, the following:

a. Description of the equipment or motor vehicles;
b. Manufacturer's serial number or other identification number, when applicable;
c. Consecutive inventory equipment or motor vehicles 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 or motor vehicles 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 or motor vehicles with an identification number which is cross referenced to the equipment or motor vehicle item on the inventory control report. The Grantee shall inventory equipment or motor vehicles 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 or motor vehicles purchased with funding through this Grant Contract within thirty (30) days of its end date and in form and substance acceptable to the State. This inventory control report shall contain, at a minimum, the requirements specified above for inventory control. The Grantee shall notify the State, in writing, of any equipment or motor vehicle loss describing the reasons for the loss. Should the equipment or motor vehicles be destroyed, lost, or stolen, the Grantee shall be responsible to the State for the *pro rata* amount of the residual value at the time of loss based upon the State's original contribution to the purchase price.

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

Prevailing Wage Rates

Add the following Section if the Grant Contract involves a construction project for the purpose of building, repairing, locating, relocating or repairing any Tennessee streets, highways, or bridges.

D.#. Prevailing Wage Rates. All State contracts for highway construction projects that are for the purpose of building, rebuilding, locating, relocating or repairing any streets, highways or bridges require compliance with the prevailing wage laws provided in Tenn. Code Ann. §§ 12-4-401--415.

Audit Report

Add the following text just prior to the final sentence of the Section as appropriate.

The State may reimburse the Grantee for a reasonably proportionate share of the costs of audits required by and performed in accordance with the "Single Audit Act Amendments of 1996" as provided in 2 C.F.R. § 200.425.

Procurement

Replace the Section with the following if Grantor State Agency head approval is required for non-competitive procurements under the grant.

D.17. Procurement. If other terms of this Grant Contract allow reimbursement for the cost of goods, materials, supplies, equipment, and/or contracted services, such procurement(s) shall be made on a competitive basis, including the use of competitive bidding procedures, where practical. The Grantee shall maintain documentation for the basis of each procurement for which reimbursement is paid pursuant to this Grant Contract. In each instance where it is determined that use of a competitive procurement method is not practical, supporting documentation shall include a written justification, approved by the State Agency Head Title, for such decision and non-competitive procurement.. Further and notwithstanding the foregoing, 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 State before purchasing any equipment under this Grant Contract.

E. SPECIAL TERMS AND CONDITIONS

Add the following sections as appropriate and in the order below. An approved Rule Exception Request is required to add any Section E provisions that are not among the options below. Should any of these special terms and conditions conflict with any other terms and condition of this Grant Contract, the special terms and conditions shall be subordinate to the Grant Contract's other terms and conditions.

Insurance

Add the following Section as appropriate. Revise minimum coverage amounts and deleting any unneeded subsections. If unsure whether the Section is applicable, consult the CPO legal team.

E.#. Insurance. The Grantee shall carry adequate liability and other appropriate forms of insurance.

a. The Grantee shall maintain, at minimum, the following insurance coverage:

(1) Workers' Compensation/ Employers' Liability (including all states coverage) with a limit not less than the relevant statutory amount or one million dollars ($1,000,000) per occurrence for employers' liability whichever is greater;

(2) 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 one million dollars ($1,000,000) per occurrence and two million dollars ($2,000,000) aggregate;

(3) Automobile Coverage (including owned, leased, hired, and non-owned vehicles) with a bodily injury/property damage combined single limit not less than one million dollars ($1,000,000) per occurrence; and

(4) Professional Malpractice Liability with a limit of not less than one million dollars ($1,000,000) per claim and two million dollars ($2,000,000) aggregate.

b. The Grantee shall provide a valid Certificate of Insurance naming the State as an additional insured and detailing Coverage Description; Insurance Company and Policy Number; Exceptions and Exclusions; Policy Effective Date; Policy Expiration Date; Limit(s) of Liability; and Name and Address of Insured. Grantee shall obtain from Grantee's insurance carrier(s) and will deliver to the State waivers of the subrogation

rights under the respective policies. Failure to provide required evidence of insurance coverage shall be a material breach of this Grant Contract.

Debarment and Suspension

Add the following Section as appropriate.

E.#. Debarment and Suspension. The Grantee certifies, to the best of its knowledge and belief, that it, its current and future principals, its current and future subcontractors and their principals:

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

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

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

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

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

Confidentiality of Records

Add the following Section as appropriate. If unsure whether the Section is applicable, consult the CPO legal team.

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 State or acquired by the Grantee on behalf of the State that is regarded as confidential information under state or federal law shall be considered "Confidential Information." Nothing in this Section shall permit Grantee to disclose any Confidential Information, regardless of whether is has been disclosed or made available to the Grantee due to intentional or negligent actions or inactions of agents of the State or third parties. Confidential Information shall not be disclosed except as required or permitted under state or federal law. Grantee shall take all necessary steps to safeguard the confidentiality of such material or information in conformance with applicable state and federal law. The obligations set forth in this Section shall survive the termination of this Grant Contract.

Federal Educational Rights and Privacy Act & Tennessee Data Accessibility, Transparency and Accountability Act

Add the following section only if the Grantee will have access to personally identifiable student information or student information that is confidential pursuant to federal or state law.

E. #. Federal Educational Rights and Privacy Act & Tennessee Data Accessibility, Transparency and

Accountability Act. The Grantee shall comply with the Federal Educational Rights and Privacy Act of 1974 (20 U.S.C. 1232(g)) and its accompanying regulations (34 C.F.R. § 99) ("FERPA"). The Grantee warrants that the Grantee is familiar with FERPA requirements and that it will comply with these requirements in the performance of its duties under this Grant Contract. The Grantee agrees to cooperate with the State, as required by FERPA, in the performance of its duties under this Grant Contract. The Grantee agrees to maintain the confidentiality of all education records and student information. The Grantee shall only use such records and information for the exclusive purpose of performing its duties under this Grant Contract.

The Grantee shall also comply with Tenn. Code Ann. § 49-1-701, *et seq.*, known as the "Data Accessibility, Transparency and Accountability Act," and any accompanying administrative rules or regulations (collectively "DATAA"). The Grantee agrees to maintain the confidentiality of all records containing student and de-identified data, as this term is defined in DATAA, in any databases, to which the State has granted the Grantee access, and to only use such data for the exclusive purpose of performing its duties under this Grant Contract.

Any instances of unauthorized disclosure of data containing personally identifiable information in violation of FERPA or DATAA that come to the attention of the Grantee shall be reported to the State within twenty-four (24) hours. Grantee shall indemnify and hold harmless State, its employees, agents and representatives, from and against any and all claims, liabilities, losses, or causes of action that may arise, accrue, or result to any person or entity that is injured or damaged as a result of Grantee's failure to comply with this section.

Patient Protection and Affordable Care Act

Add the following Section as appropriate. If unsure whether the Section is applicable, contact the CPO legal team.

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

HIPAA Compliance

Grantees: The Grantee must execute a business associate agreement ("BAA") if: (a) the Grantor State Agency is a "covered entity" as defined by the Privacy Rules; and (b) the Grantee will provide services that involve Grantee's access to protected health information ("PHI") as defined by the Privacy Rules.

Subcontractors: The Grantee must execute a BAA with a subcontractor if the subcontractor creates, receives, maintains, or transmits PHI on behalf of the Grantee.

Printing Authorization

Add the following Section as appropriate.

E.#. Printing Authorization. The Grantee agrees that no publication coming within the jurisdiction of Tenn. Code Ann.§§ 12-7-101, *et seq.*, shall be printed pursuant to this Grant Contract unless a printing authorization number has been obtained and affixed as required by Tenn. Code Ann. § 12-7-103(d).

State Furnished Property

Add the following Section as appropriate.

E.#. State Furnished Property. The Grantee shall be responsible for the correct use, maintenance, and protection of all articles of nonexpendable, tangible, personal property furnished by the State for the Grantee's temporary use under this Grant Contract. Upon termination of this Grant Contract, all property furnished shall be returned to the State in good order and condition as when received, reasonable use and wear thereof excepted. Should the property be destroyed, lost, or stolen, the Grantee shall be responsible to the State for the residual value of the property at the time of loss.

Work Papers Subject To Review

Add the following Section only if the Grant Contract requires the performance of audit, accounting or financial analysis services.

E.#. Work Papers Subject to Review. The Grantee shall make all audit, accounting, or financial analysis work papers, notes, and other documents available for review by the Comptroller of the Treasury or his representatives, upon request, during normal working hours either while the analysis is in progress or subsequent to the completion of this Grant Contract.

Prohibited Advertising

Add the following Section as appropriate.

E.#. Prohibited Advertising. The Grantee shall not refer to this Grant Contract or the Grantee's relationship with the State under this Grant Contract in commercial advertising in such a manner as to state or imply that the Grantee or the Grantee's goods or services are endorsed. The obligations set forth in this Section shall survive the termination of this Grant Contract.

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 "Children's Act for Clean Indoor Air of 1995," Tenn. Code Ann. §§ 39-17-1601 through 1606, 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 Contract.

Performance Bond

> **This Section is optional unless the Grant Contract involves construction in excess of one hundred thousand dollars ($100,000). In which case, the Grantee must execute a performance bond for twenty-five percent (25%) of the Maximum Liability. A performance bond requirement is generally not recommended for several reasons. A performance bond can be very expensive and difficult for any business to obtain, and the requirement makes it virtually impossible for small and minority businesses to serve as grantees. A performance bond is not a usual cost of doing business, and the cost associated with meeting the requirement will most certainly be passed directly to the State. Finally, the benefit purported to result from a performance bond is highly questionable. This type of bond can be difficult to enforce, and the State has little or no experience in enforcing such obligations. A performance bond is a poor insurance policy. There are much better methods for the State to ensure Grantee performance (e.g., the Scope is sufficiently detailed to ensure Grantee accountability and results; payment methodology involves contingent, incremental payments; a retention of final payment provision; a liquidated damages provision; and sound contract management).**

Add the following Section only as appropriate, and provided that the Grantor State Agency legal counsel: (1) drafts the referenced, state-prescribed, bond form; and (2) makes a determination that the bond requirement will be reasonably and legally enforceable under the Grant Contract.

E.#. Performance Bond. The Grantee shall provide to the State a performance bond guaranteeing full and faithful performance of all undertakings and obligations under this Grant Contract and in the amount equal to Written Dollar Amount ($Number). The Grantee shall submit the bond no later than the day immediately preceding the contract start date and in the manner and form prescribed by the State (at Attachment Reference hereto), and the bond shall be issued through a company licensed to issue such a bond in the state of Tennessee. The performance bond shall guarantee full and faithful performance of all undertakings and obligations under this Grant Contract for:

a. the initial contract term and all extensions thereof; or

b. the first, annual period of the Grant Contract (ending December 31st following the Grant Contract start date) in the amount of Written Dollar Amount ($Number) and, thereafter, a new performance bond in the amount of Written Dollar Amount ($Number) covering each subsequent annual period of the Grant Contract. In which case, the Grantee shall provide annual performance bonds to the State no later than each December 10th preceding the annual covered period beginning on January 1st of each year.

Failure to provide the performance bond(s) as required herein prior to the Grant Contract start date and, as applicable in the case of an annual performance bond, no later than December 10th preceding each annual covered period beginning on January 1st of each year, shall result in contract termination. The Grantee understands and agrees that the stated amount of the performance bond required hereunder shall not be reduced during the contract period for any reason.

Intellectual Property

Add the following Section as appropriate. If unsure whether the Section is applicable, consult the CPO legal team.

E.#. Intellectual Property. The Contractor agrees to indemnify and hold harmless the State of Tennessee as well as its officers, agents, and employees from and against any and all claims or suits which may be brought against the State concerning or arising out of any claim of an alleged patent, copyright, trade secret or other intellectual property infringement. In any such claim or action brought against the State, the Contractor shall satisfy and indemnify the State for the amount of any settlement or final judgment, and the Contractor shall be responsible for all legal or other fees or expenses incurred by the State arising from any such claim. The State shall give the Contractor notice of any such claim or suit, however, the failure of the State to give such notice shall only relieve Contractor of its obligations under this Section to the extent Contractor can demonstrate actual prejudice arising from the State's failure to give notice. This Section shall not grant the Contractor, through its attorneys, the right to represent the State of Tennessee in any legal matter, as provided in Tenn. Code Ann. § 8-6-106.

Hold Harmless

> **Inclusion of this requirement should be carefully considered. The requirement is likely to chill interest in seeking the contract award, and so, it may reduce competition and increase cost (for a contractor to take on the additional risk).**

Add the following Section if recommended by the Grantor State Agency's legal counsel.

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

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

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 Contract."

Disclosure of Personally Identifiable Information

Add the following Section as appropriate.

E.#. Disclosure of Personal Identity Information. The Grantee shall report to the State any instances of unauthorized disclosure of personally identifiable information that comes to the Grantee's attention. The Grantee shall make any such report within twenty-four (24) hours after the instance has come to the Grantee's attention. The Grantee, at the sole discretion of the State, 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 personally identifiable information involved in a potential disclosure event, including individual letters or public notice. The remedies set forth in this Section are not exclusive and are in addition to any claims or remedies available to the State under this Grant Contract or otherwise available at law.

Federal Funding Accountability and Transparency Act

Add the following Section if the Grant Contract will be funded in whole or part by a federal grant or contract of twenty-five thousand dollars ($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 twenty-five thousand dollars ($25,000) or more in federal funds.

E.#. Federal Funding Accountability and Transparency Act (FFATA). This Grant requires the Grantee to provide supplies 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 C.F.R. § 170.320 (and sub awards); 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 sub awards); 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 § 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.).

As defined in 2 C.F.R. § 170.315, "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 § C.F.R. 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 Contract is established.

c. If this Grant is amended to extend the 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 Contract 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.

Transfer of Grantee's Obligations

Add the following Section as appropriate.

E.#. Transfer of Grantee's Obligations.

The Grantee shall not transfer or restructure its operations related to this Grant Contract without the prior written approval of the State. The Grantee shall immediately notify the State in writing of a proposed transfer or restructuring of its operations related to this Grant Contract. The State reserves the right to request additional information or impose additional terms and conditions before approving a proposed transfer or restructuring.

Tennessee Department of Children Services

The Department of Children of Services may add the following Section(s) as appropriate:

E. #. Supplemental Conflict of Interest. The Grantee shall not have as any owner, member of the board of directors, or member of the board of trustees, a person who also holds any other position that may influence the placements provided to children in the plaintiff class of Brian A. v. Haslam . Such positions include, but are not limited to juvenile court judges, referees, or other court officers involved in the individual cases of children in foster care.

E. #. Title VI of the Civil Rights Act of 1964. The Grantee shall develop and deliver to the State on or before July 31st of each fiscal year an implementation plan that describes the Grantee's long-range goals and objectives that will guide the Grantee's efforts to ensure compliance with Title VI of the Civil Rights Act of 1964 pursuant to the guidelines established by the Tennessee Title VI Compliance Commission. Title VI plans must be submitted no later than July 31st of each year to: Tennessee Department of children's Services, Director of the Division of Diversity Initiatives, Division for Diversity Initiatives.

E. #. Supplemental Subcontracting. In accordance with the Brian A. Settlement Agreement (specifically, the Racial Disparities Study conducted by Dr. Ruth McRoy) the State is actively working toward decreasing the racial disparity between service providers and target service populations. To help correct this disparity, the State strongly recommends, in situations where subcontracts are necessary, that the Grantee subcontract for services with minority owned or operated subcontractors that can assist the Grantee in meeting the needs of the children and families that are served. The State requires the Grantee to support the State's commitment to achieving diversity and developing programs that reflect the diversity of the population served.

E. #. Monitoring Sub-Contractors. The Grantee shall develop written procedures for monitoring all of its State-approved subcontractors. The procedures must clearly outline the process for assuring that all subcontractors are in compliance with the DCS and Provider Policy Manuals and the subcontracting guidelines detailed at the following web site: http://www.state.tn.us/youth/providers/prov_policies.htm

The Grantee shall have an established quality assurance/quality improvement plan for all subcontractors.

The Grantee shall also maintain an internal quality improvement process that assesses the overall quality and performance of its subcontractors.

E. #. Working Capital. The Grantee must have a minimum of sixty (60) days working capital in the event payment to the Grantee is interrupted by an emergency or for reasons beyond the Grantee's control to ensure continuity of operations. Working capital must be documented by a review of the Grantee's balance sheet and income statement. Working capital is defined as current assets minus current liabilities. Current assets may include marketable securities as long as they have not been legally pledged against a long term equity interest. Credit lines are not working capital.

Working capital requirements shall be met at the time of initial contracting and maintained during subsequent contracting periods. In the event working capital declines below the sixty (60) day

requirement, the Grantee shall be placed on probation and the Contract will be subject to cancellation at the discretion of the State.

E. #. Financial Statements. The Grantee shall submit to the State independently audited financial statements containing an auditor's report reflecting the auditor's opinion that the statements are presented fairly and found to be in conformity with generally accepted accounting principles. The independent audit must have been performed by a certified public accounting firm in good standing with the American Institute of Certified Public Accountants (AICPA). The financial statements must be complete, and include all statements and notes to the statements as contained within the audit report. The financial statements and audit report shall be submitted within nine (9) months of the Grantee's reporting period to: Department of Children's Services, Finance & Budget Division. Division

The financial statements must represent the Contracting entity. Where the financial statements are for a parent company of the entity providing the service, the Contract must be in the name of the parent company and signed by an authorized representative of the parent company. The entity providing the service may be identified within the Contract as the service provider; however, financial responsibility will belong to the parent company.

E. #. Grantee Gatekeeper Contact. The Grantee shall provide information to the Child Placement & Private Provider's Division (CPPP) relative to the Grantee's gatekeeper or representative empowered to make placement decisions on behalf of the Grantee to allow access to placement 24 hours a day seven days a week to the State. The information to be provided is as follows: gatekeeper/representative name(s); title; direct telephone number(s), cell phone number and/or pager number(s).

E. #. Performance Standards. The Grantee hereby acknowledges and agrees that its performance under this Grant Contract shall meet the standards set forth in Section A of this Grant Contract, the DCS Provider Policy Manual (PPM), DCS Policy, the Brian A. Settlement Agreement, and the conditions set forth in this Contract. If the Grantee fails to meet these standards, the State, at its exclusive option, may allow up to six (6) months for the provider to achieve compliance with the standards. If performance deficiencies are not resolved to the satisfaction of the State within the prescribed time, and if no extenuating circumstances can be documented by the Grantee to the State's satisfaction, the State may cancel the Grant Contract at the State's discretion.

E. #. Notification of Closure. The Grantee shall notify the State of the closure of its agency or facility no less than thirty (30) days prior to the actual date of closure. Failure to provide the State thirty (30) days written notice of the Grantee's intent to close its operations or any part of its operation shall be considered a breach of this Contract.

E. #. Closure Transition. Within thirty (30) days from the closure notification date, the Grantee shall work with the State to transition all custodial youth placed with the Grantee, shall reconcile all records, transfer case files to DCS, and complete the Contract transition.

E. #. State Ownership of Case Files. The State shall have ownership, right, title, and interest in all case files created, designed, developed, derived, documented, installed, or maintained on behalf of the State pursuant to this Contract. The State shall have unlimited rights to all said case files. The Grantee shall furnish such information and data upon the request of the State, in accordance with this Contract and applicable State law.

E. #. Permanent Education Records. The Grantee shall maintain educational records permanently. These records shall be cut off at discharge or graduation. If the Grantee's school ceases operation, or the State ceases to contract with the Grantee, the permanent educational records for students who have been in State custody shall be forwarded to the State by the Grantee. The Grantee shall bear all costs for the transfer of all records.

Both paper and electronic media shall be included. Records include, but are not limited to: institution academic transcripts, grade reports, records of grade changes, copies of GED Certificates or State issued diplomas/certificates of any kind, standardized examination reports, birth records, grade point average (GPA), class rank, letters of recommendation and related documentation and correspondence.

Records from closed Grantee schools shall be forwarded at least five (5) business days prior to closure to: DCS Records Management, Records Officer.

E. #. Mergers, Dissolutions, Partnerships & Joint Ventures. As would be the case with any agency dissolution, merger, or acquisition, the agency and the State have financial responsibilities requiring resolution. The Grantee is required to provide ninety (90) days notification prior to any dissolution, merger, or acquisition.

In the event an agency is dissolved, the State maintains rights to assets (representing accounts payable/reinvestment due to the State) as may be distributed voluntarily or by court action. Additionally, the State acknowledges its responsibility for its liabilities (representing accounts payable/reinvestment due to the Grantee).

In the event an agency is merged or acquired by another agency/entity then the due to/from financial responsibilities shall be commensurate with the Articles to the Merger or Acquisition.

E. #. Ownership of Software. Pursuant to 45 C.F.R. § 95.617(a),the State shall have all ownership rights to all software, modifications and associated documentation thereof prepared by the Grantee in connection with the performance of the services under this Grant Contract. The Grantee waives any authorship rights and similar retained interests in the software, modifications, and associated documentation prepared in connection with the performance of the services under this Grant Contract.

Pursuant to 45 C.F.R. § 95.617(b), the federal government reserves a royalty-free, nonexclusive, and irrevocable license to reproduce, publish, or otherwise use and to authorize others to use for federal government purposes, such software, modifications, and associated documentation prepared by the Grantee in connection with the performance of the services under this federal financial participation contract.

E. #. Not a DCS Employee. The Grantee shall inform the client in writing that the Grantee is a private provider and not an employee of the State.

E. #. Violation of Security and Facility Policies. Violation of security and facility policies or practices, or possession of contraband items will result in the Grantee being immediately escorted from campus and arrested/criminally prosecuted as warranted.

E. #. Employee Background Checks. Prior to the provision of any services, all personnel that have direct contact with children shall comply with DCS Policy 4.1. Employee Background checks.

E. #. Criminal Background Check. Prior to the provision of any services for this Grant Contract, all Grantee personnel performing work under this Grant Contract shall provide fingerprint samples to effect a criminal history records check conducted by the Tennessee Bureau of Investigation. Fingerprints may only be submitted at DCS approved sites where they can be processed electronically. The Grantee shall be responsible for the payment of all fee(s) for Grantee personnel providing their fingerprint samples and submitting to a criminal history review.

E. #. Prison Rape Elimination Act (PREA). The Grantee shall comply with the Prison Rape Elimination Act of 2003 (42 U.S.C. § 15601 *et seq.*), and with all applicable PREA standards and DCS policies related to PREA for preventing, detecting, monitoring, investigating, and eradicating any form of sexual abuse in facilities owned, operated or subcontracted by the Grantee. Grantee acknowledges that, in addition to self-monitoring requirements, DCS will conduct announced and unannounced

on-site compliance monitoring. Failure to comply with PREA, PREA Standards, or relevant DCS policies may result in termination of the contract.

E. #. Title VI of the Civil Rights Act of 1964. The Grantee shall adhere to the requirements of Title VI of the Civil Rights Act of 1964, as codified in 42 U.S.C. 2000d, which states that "No person in the United States shall, on the ground of race, color or national origin be excluded from participation in, be denied the benefits of, or be subject to discrimination under any program or activity receiving federal financial assistance." The Grantee shall have in place or available a process to assist qualified persons of the provided service who may be limited in their English proficiency (LEP).

The Grantee shall deliver to the State on or before July 31st of each fiscal year an implementation plan that describes the Grantee's long-range goals and objectives that will guide the Grantee's efforts to ensure compliance with Title VI of the Civil Rights Act of 1964 pursuant to the guidelines established by the Tennessee Human Rights Commission's Title VI Compliance Program. Title VI plans must be submitted no later than July 31st of each year to the Tennessee Department of Children's Services, Division of Diversity Initiatives.

E. #. Evidence-Based Programs. Pursuant to Tenn. Code Ann. § 37-5-121, the Department of Children's Services is prohibited from expending state funds on any juvenile justice program or program related to the prevention, treatment or care of delinquent juveniles, including any service model or delivery system in any form or by any name, unless the program is evidence-based. "Evidence-based" means a program or practice that is governed by a program manual or protocol that specifies the nature, quality, and amount of service that constitutes the program; and scientific research using methods that meet high scientific standards for evaluating the effects of such programs must have demonstrated with two (2) or more separate client samples that the program improves client outcomes central to the purpose of the program.

The Grantee and any of the Grantee's subcontractors shall cooperate with the State in evaluating whether its services are evidence-based or otherwise, and will provide program and service details, efficacy data and any information required or requested by the State, consistent with State and federal law regarding confidentiality, for the purpose of complying with this statute for monitoring and quality control. The Grantee further acknowledges and understands that the intent of the law is to discontinue programs and services that are not supported by the evidence of impartial scientific investigation as outlined by statute, rules and regulations which have been, or may be, promulgated by the Department of Children's Services. By affixing its signature below, the Grantee understands and agrees that the Department of Children's Services is compelled by law to terminate this Grant instrument if services with any Grantee or the Grantee's subcontractor(s) are not proven to be evidence-based and if continuation of this Grant shall cause the Department of Children's Services not to be in compliance with such statute within the timetable set forth in Tenn. Code Ann. § 37-5-121.

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 State or acquired by the Grantee on behalf of the State shall be regarded as confidential information in accordance with the provisions of applicable State and federal law, State and federal rules and regulations, departmental policy, and ethical standards. Such confidential information shall not be disclosed, and all necessary steps shall be taken by the 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 Contract; previously possessed by the Grantee without written obligations to the State 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 State's information; or, disclosed by the State 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 State or third parties.

The State acknowledges that the Grantee may use data generated through work under this Contract for educational, patient care, and research purposes, including academic publication. All such research activities shall preserve the confidentiality of DCS client and family records at each level of research and data usage. All privacy preservation safeguard procedures must be approved by the Grantee's Institutional Review Board (IRB) and the DCS Research Committee, which provide separate Grantee and State oversight for research activities using de-identified and/or limited data sets that do not maintain links to identifying information about individual children. These data sets will be used to conduct statistical analyses on the cross sectional and longitudinal assessment of the mental health needs, strengths, service utilizations and outcomes of children in state custody.

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

Tennessee Department of Health

The Tennessee Department of Health may add the following Section(s) as appropriate:

E. #. Healthy Eating Requirements. Grant recipients who purchase or serve snacks or meals in conjunction with their performance under this Grant Contract shall provide only healthy foods. No high sugar beverage shall be served at any time. Fruits and vegetables shall be given preference in menu selections.

E. #. CFDA Number(s) When applicable, the Grantee shall inform its licensed independent public accountant of the federal regulations that are to be complied within the performance of an audit. This information shall consist of the following Catalog of Federal Domestic Assistance Numbers: (Specific CFDA# is given and it's name)

E. #. Health Care Data. Grantee shall provide data reports about health care services provided under this Grant using the Department of Health's Patient Tracking and Billing Management Information System (or its successor). Data regarding health care services provided by the Grantee shall be coded and entered into the Patient Tracking and Billing Management Information System (PTBMIS), using the PTBMIS Codes Manual. The PTBMIS Codes manual is available electronically at http://hsaintranet.health.tn.gov/ and e-mail notices shall be sent to the Grantee regarding new revisions and/or updates, which can be accessed through the above-referenced website.

On a schedule defined by the State, the Grantee shall submit Central Office Database Report (CODB) files, as defined in PTBMIS, electronically to the State. The Grantee shall also submit other health care data reports, as requested by the State, and in a format acceptable to the State.

E. #. Security Audit. The State may conduct audits of Grantee's compliance with the State's Enterprise Information Security Policy ("The Policy") or under this Grant Contract, including those obligations imposed by Federal or State law, regulation or policy. The Policy, as may be periodically revised, can be located at the following link: http://www.tn.gov/finance/oir/security/secpolicy.html. The State's right to conduct security audits is independent of any other audit or monitoring required by this Grant Contract. The timing and frequency of such audits shall be at the State's discretion and may, but not necessarily shall, be in response to a security incident.

a. A security audit may include the following: (i) review of access logs, screen shots and other paper or electronic documentation relating to Grantee's compliance with the Policy. This may include review

of documentation relevant to subcontractors or suppliers of security equipment and services used with respect to State data; (ii) physical inspection of controls such as door locks, file storage, communications systems, and employee identification procedures; and (iii) interviews of responsible technical and management personnel regarding security procedures.

b. Grantee shall provide reports or additional information upon request of the state and access by the State or the State's designated staff to Grantee's facilities and/or any location involved with providing services to the State or involved with processing or storing State data, and Grantee shall cooperate with State staff and audit requests submitted under this Section. Any confidential information of either party accessed or disclosed during the course of the security audit shall be treated as set forth under this Grant Contract or federal or state law or regulations. Each party shall bear its own expenses incurred in the course of conducting this security audit. Grantee shall at its own expense promptly rectify any non-compliance with the Policy or other requirements identified by this security audit and provide proof to the State thereof.

Tennessee Department of Human Services

The Department of Human of Services may add the following Section(s) as appropriate:

E.#. Disaster Recovery/Continuity of Operations Plan. The Grantee acknowledges and represents to the State that it has implemented a disaster recovery/continuity of operations plan that may be executed in the event of a natural disaster or man-made disaster. Said plan shall be made available to the State upon request.

E. #. Confidentiality of Records. The Grantee agrees that strict standards of confidentiality of records shall be maintained in accordance with State and Federal law and regulations (Reference TCA Sections 71-1-131, 71-3-119, 45-10-101 et seq., 45-10-118,and 50-7-701, 45 Code of Federal Regulations Sections 205.50, 303.21, and 307.13; 26 U.S.C. Section 6103(*l*); 42 U.S.C. Sections 653, and 1320b-7), and all other applicable State and Federal laws regulations and any and all data-sharing agreements between the Tennessee Department of Human Services and the Federal Government, specifically including, but not limited to, the SDS-BENDEX-SVES for 1137 and/or Child Support Benefit Programs Data Matching Agreement between the Social Security Administration and the Tennessee Department of Human Services.

(a) All material and information provided to the Grantee by the State or acquired by the Grantee on behalf of the State from any non-public source whether verbal, written, electronic data, magnetic tape, cards or otherwise shall be regarded as confidential information in accordance with the provisions of State and Federal law and ethical standards and shall not be disclosed, except as otherwise permitted by law, regulation or court order, and all necessary steps shall be taken by the Grantee to safeguard the confidentiality of such material or information in conformance with Federal and State law and ethical standards.

(b) The Grantee further agrees that any information provided by the State relative to applicants or recipients of public assistance is to be used only for the administration of this Grant Contract or in any investigation, prosecution, or criminal, administrative or civil proceeding conducted pursuant to this Grant Contract. The Grantee agrees to provide safeguards to restrict the use or disclosure of any information concerning such applicants or recipients to purposes stated in this section.

(c) The safeguards so provided shall also prohibit disclosure to any legislator, legislative or other committee or legislative body, investigator, attorney, or prosecutor of any information which identifies by name or address any such applicant or recipient, except as otherwise permitted by law.

(d) The Grantee agrees that any Federal or State tax related information will be treated as confidential as set forth in this section, and will be used solely for purposes of administering the child support program, unless otherwise required by law.

(e) It shall be the Grantee's responsibility to ensure that any destruction of confidential information, as described in this section, will be accomplished in a manner consistent with State policy and Federal regulations pertaining to the destruction of private or confidential data. Confidential information shall be destroyed completely by a method that assures complete obliteration, removal, or destruction to preclude recognition or reconstruction of the confidential information.

(f) 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 Contract; previously possessed by the Grantee without written obligations to the State 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 State's information; or, disclosed by the State to others without restrictions against disclosure.

(g) In performance of this Grant Contract, the Grantee agrees to comply with and assume responsibility for compliance by his or her employees with the following requirements regarding Federal Tax Information (FTI):

1) All work will be done under the supervision of the Grantee or the Grantee's employees.

2) Any return or return information made available in any format shall be used only for the purpose of carrying out the provisions of this Grant Contract. Information contained in such material will be treated as confidential and will not be divulged or made known in any manner to any person except as may be necessary in the performance of this Grant Contract. Disclosure to anyone other than an officer or employee of the Grantee is prohibited.

3) All returns and return information will be accounted for upon receipt and properly stored before, during, and after processing. In addition, all related output will be given the same level of protection as required for the source material.

4) The Grantee certifies that the data processed during the performance of this Grant Contract will be completely purged from all data storage components of his or her computer facility; no output will be retained by the Grantee at the time the work is completed. If immediate purging of all data storage components is not possible, the Grantee certifies that any IRS data remaining in any storage component will be safeguarded to prevent unauthorized disclosures.

5) Any spoilage or any intermediate hard copy printout that may result during the processing of IRS data will be given to the State or its designee. When this is not possible, the Grantee will be responsible for the destruction of the spoilage or any intermediate hard copy printouts, and will provide the State or its designee with a statement containing the date of destruction, description of material destroyed, and the method used.

6) All computer systems processing, storing, or transmitting Federal tax information must meet the requirements defined in IRS Publication 1075. To meet functional and assurance requirements, the security features of the system must have the following minimum requirements: a security policy, accountability, assurance, and documentation. All security features must be available and activated to protect against unauthorized use of and access to Federal tax information.

7) No work involving Federal tax information furnished under this Grant Contract will be subGrant Contracted without prior written approval from the State.

8) The Grantee will maintain a list of employees having authorized access. Such list will be provided to the State upon request and, upon request, to the IRS reviewing office. The State will have the right to void the Grant Contract if the Grantee fails to provide the safeguards described above.

(h) Criminal /Civil Sanctions: Each officer or employee of any person to whom returns or return information is or may be disclosed will be notified in writing by such person that returns or return information disclosed to such officer or employee can be used only for a purpose and to the extent authorized herein, and that further disclosure of any such returns or return information for a purpose or to an extent unauthorized herein constitutes a felony punishable upon conviction by a fine of as much as five thousand dollars ($5,000.00) or imprisonment for as long as five (5) years, or both, together with the costs of prosecution. Such person shall also notify each such officer and employee that any such unauthorized further disclosure of returns or return information may also result in an award of civil damages against the officer or employee in an amount not less than one thousand dollars ($1,000.00) with respect to each instance of unauthorized disclosure. These penalties are prescribed by IRC sections 7213 and 7431 and set forth at 26 CFR 301.6103(n)-1.

Each officer or employee of any person to whom returns or return information is or may be disclosed shall be notified in writing by such person that any return or return information made available in any format shall be used only for the purpose of carrying out the provisions of this Grant Contract. Information contained in such material shall be treated as confidential and shall not be divulged or made known in any manner to any person except as may be necessary in the performance of the Grant Contract. Inspection by or disclosure to anyone without an official need to know constitutes a criminal misdemeanor punishable upon conviction by a fine of as much as one thousand dollars ($1,000.00) or imprisonment for as long as one (1) year, or both, together with the costs of prosecution. Such person shall also notify each officer and employee that any such unauthorized inspection or disclosure of returns or return information may also result in an award of civil damages against the officer or employee in an amount equal to the sum of the greater of one thousand dollars ($1,000.00) for each act of unauthorized inspection or disclosure with respect to which such defendant is found liable or the sum of the actual damages sustained by the plaintiff as a result of such unauthorized inspection or disclosure plus in the case of a willful inspection or disclosure which is the result of gross negligence, punitive damages, plus the costs of the action. These penalties are prescribed by IRC section 7213A and 7431.

Additionally, it is incumbent upon the Grantee to inform its officers and employees of the penalties for improper disclosure imposed by the Privacy Act of 1974, 5 U.S.C. 552a. Specifically, 5 U.S.C. 552a(I)(1), which is made applicable to Grantees by 5 U.S.C. 552a(m)(1), provides that any officer or employee of a Grantee, who by virtue of his/her employment or official position, has possession of or access to agency records which contain individually identifiable information, the disclosure of which is prohibited by the Privacy Act or regulations established thereunder, and who knowing that disclosure of the specific material is prohibited, willfully disclosed the material in any manner to any person or agency not entitled to receive it, shall be guilty of a misdemeanor and fined not more than five thousand dollars ($5,000.00).

(i) Inspection: The IRS and the State shall have the right to send its officers and employees into the offices and plants of the Grantee for inspection of the facilities and operations provided for the performance of any work under this Grant Contract. On the basis of such inspection, specific measures may be required in cases where the Grantee is found to be non-compliant with Grant Contract safeguards.

(j) The Grantee agrees, and understands, that access to FTI must be preceded by certification that all personnel of the Grantee and its subgrantees understand security policy and procedures for safeguarding IRS information. Training provided prior to initial certification, and annually thereafter, must include, but not be limited to, Incident Response policy and procedures for reporting unauthorized disclosures and data breaches. Further, the Grantee agrees that all personnel of the Grantee, and all personnel of subgrantees performing services under this Grant Contract for the Grantee, authorized to handle Federal tax related information will sign, annually, an IRS Confidentiality Form, to be provided by the State, with the original signed forms to be maintained by the Grantee, along with a current list of its employees, and those of its subgrantees, performing services under this Grant Contract. These IRS Confidentiality Forms, and the list of Grantee's

employees and those of its subgrantees performing services under this Grant Contract, shall be made available to the State and the IRS upon request.

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

Tennessee Department of Mental Health and Substance Abuse Services

The Tennessee Department of Mental Health and Substance Abuse Services may add the following Section(s) as appropriate:

E.#. Prohibitions on Use of Federal Mental Health Block Grant (MHBG) Funds. Pursuant to federal laws and regulations, the Grantee shall not use any federal Community Mental Health Services Block Grant (now MHBG, formerly CMHS BG) funds made available under this Grant Contract for any of the following purposes:

a. to provide inpatient services;
b. to make cash payments to intended recipients of health services;
c. to purchase or improve land, purchase, construct or permanently improve (other than minor remodeling) any building or other facility, or to purchase major medical equipment;
d. to satisfy any requirement for the expenditure of non-federal funds for the receipt of federal funds;
e. to provide financial assistance to any entity other than a public or non-profit private entity.

E.#. Prohibition on Supplantation of Federal Mental Health Block Grant (MHBG) Funds. Pursuant to federal laws and regulations, the Grantee shall not use any funds paid or services rendered under the federal Community Mental Health Services Block Grant (now MHBG, formerly CMHS BG) to supplant any other funds available for the services provided under this Grant Contract.

E.#. Prohibitions on Use of Federal Substance Abuse Block Grant (SABG) Funds. Pursuant to federal laws and regulations, the Grantee shall not use any federal Substance Abuse Prevention and Treatment Block Grant (now SABG, formerly SAPT BG) funds made available under this Grant Contract for any of the following purposes:

a. to provide inpatient hospital or inpatient community mental health services;
b. to make cash payments to intended recipients of health services;
c. to purchase or improve land, purchase, construct or permanently improve (other than minor remodeling) any building or facility, or purchase major medical equipment
d. to satisfy any requirement for the expenditure of non-federal funds for the receipt of federal funds;
e. to provide financial assistance to any entity other than a public or non-profit private entity;
f. to carry out any program of distributing sterile needles for the hypodermic injection of any illegal drug or distributing bleach for the purpose of cleansing needles for such hypodermic injection;
g. to carry out any testing for the etiologic agent for acquired immune deficiency syndrome unless such testing is accompanied by the appropriate pre-test counseling and appropriate post-test counseling.

E.#. Prohibition on Supplantation of Federal Substance Abuse Block Grant (SABG) Funds. Pursuant to federal laws and regulations, the Grantee shall not use any funds paid or services rendered under the federal Substance Abuse Prevention and Treatment Block Grant (now SABG, formerly SAPT BG) to supplant any other funds available for the services provided under this Grant Contract.

E.#. Permitted Uses of Federal Projects for Assistance in the Transition from Homelessness Act of 1990 (PATH) Funds. Pursuant to federal laws and regulations, the Grantee may use federal PATH funds made available under this Grant Contract as follows:

a. In accordance with Public Law 101-645 Section 528(b), funds may be used for housing services including:

(1) minor renovation, expansion, and repair;
(2) planning of housing;
(3) technical assistance in applying for housing assistance;
(4) improving the coordination of housing services;
(5) security deposits;
(6) costs associated with matching eligible homeless individuals with appropriate housing situations;
(7) one-time rental payments to prevent eviction.

b. In accordance with Public Law 101-645 Section 526(a)(6), funds may be used for administrative expenses.

E.#. Prohibitions on Use of Federal Projects for Assistance in the Transition from Homelessness Act of 1990 (PATH) Funds. Pursuant to federal laws and regulations, particularly Public Law 101-645 Section 528(c), the Grantee shall not use any federal PATH funds made available under this Grant Contract for any of the following purposes:

a. emergency shelter;
b. construction of housing facilities;
c. inpatient psychiatric or substance abuse treatment;
d. cash payments directly to intended recipient of PATH services

E.#. Federal Projects for Assistance in the Transition from Homelessness Act of 1990 (PATH) Funds Shall Supplement, Not Supplant. Pursuant to federal laws and regulations, particularly Public Law 101-645 Sections 523(e)(1), 523(e)(2), and 526(a)(3), the Grantee shall use federal PATH funds made available under this Grant Contract to supplement, not supplant, funds currently utilized to provide existing services to service recipients.

E.#. Rule 2 Compliance. The State and the Grantee shall comply with obligations under Rule 2 of the Confidentiality of Alcohol and Drug Abuse Patient Records, and its accompanying regulations as codified at 42 C.F.R. §§ 2.1 *et seq.*

a. The Grantee warrants to the State that it is familiar with the requirements of Rule 2 of the Confidentiality of Alcohol and Drug Abuse Patient Records, and its accompanying regulations, and will comply with all applicable requirements in the course of this Grant Contract.

b. The Grantee warrants that it will cooperate with the State, including cooperation and coordination with State privacy officials and other compliance officers required by Rule 2 of the Confidentiality of Alcohol and Drug Abuse Patient Records, and its regulations, in the course of performance of the Grant Contract so that both parties will be in compliance with Rule 2 of the Confidentiality of Alcohol and Drug Abuse Patient Records.

c. The State and the Grantee will sign documents, including but not limited to business associate agreements, as required by Rule 2 of the Confidentiality of Alcohol and Drug Abuse Patient Records, and that are reasonably necessary to keep the State and the Grantee in compliance with Rule 2 of the Confidentiality of Alcohol and Drug Abuse Patient Records. This provision shall not apply if information received by the State under this Grant Contract is NOT "protected health information" as defined by Rule 2 of the Confidentiality of Alcohol and Drug Abuse Patient Records, or if Rule 2 of the Confidentiality of Alcohol and Drug Abuse Patient Records permits the State to receive such information without entering into a business associate agreement or signing another such document.

d. The Grantee will indemnify the State and hold it harmless for any violation by the Grantee or its subcontractors of Rule 2 of the Confidentiality of Alcohol and Drug Abuse Patient Records.

This includes the costs of responding to a breach of protected information, the costs of responding to a government enforcement action related to the breach, and any fines, penalties, or damages paid by the State because of the violation. [not used in GG Grant Contracts]

E.#. Professional Practice. The Grantee shall assure that there is a code of conduct in place and applicable to all employees that covers, at minimum, business practices, clinical practices, and service recipient/staff interaction/fraternization. Further, Grantee's personnel shall conduct their practice in conformity with all applicable statutes, rules and regulations, and recognized ethical standards of their profession. Procedures for reporting violations of the ethical standards shall be developed and communicated to staff upon hire and annually thereafter, which shall include a non-reprisal approach for persons reporting suspected violations, as well as a description of possible sanctions for violating the standards. Failure to implement a code of conduct in accordance with this section and to adequately address suspected violations of the code of conduct may be cause for termination of this Grant Contract.

E.#. Additional Subcontracting Requirements. If subcontracts are approved by the State, they shall contain, in addition to those sections identified in D.5., sections on "Licensure", "Environmental Tobacco Smoke", "Confidentiality of Records", "HIPAA Compliance", and "Rule 2 Compliance" (as identified by the section headings). Notwithstanding any use of approved subcontractors, the Grantee shall be the prime contractor and shall be responsible for all work performed.

Tennessee Military Department

The Tennessee Military Department may add the following Section(s) as appropriate:

E. #. Compliance with Title VI of the Civil Rights Act of 1964. The Grantee agrees to comply with the provisions contained in Title IV of 1964 Civil Rights Act (42 U.S.C. 2000d), and any federal regulations specific to the funding of this grant. The Grantee further agrees to complete and return a self-compliance report as provided by the Grantor.

E.#. The Grantee agrees to seek recovery of all funds that are expended in alleviating the damages and suffering caused by this major disaster against any party or parties whose negligence or other tortious conduct may have caused or contributed to the damage or hardship for which Federal assistance is provided pursuant to the Presidential declaration of this major disaster. FEMA will treat such amounts as duplicated benefits available to the Grantee in accordance with 42 U.S.C. § 5155 and 44 CFR 206.

E. #. Compliance with National Incident Management System (NIMS). The Grantee will be in compliance with NIMS Standards established by the U.S. Department of Homeland Security and the Federal Emergency Management Agency authorized by Homeland Security Presidential Directive 08 (HSPD-08). The Grantee agrees that it has met NIMS compliance standards. The Grantee further agrees to complete within the announced suspense date the NIMS Implementation yearly survey.

Tennessee Department of Transportation

The Department of Transportation may add the following Section(s) as appropriate:

E. #. Additional Federal Highway Administration Requirements. In addition to the requirements found in other sections of this Grant Contract, the Grantee shall become familiar with, and shall at all times comply with and observe, when appropriate, the provisions of 23 CFR Part 420.121.

E.#. Work Products. The State shall have ownership, right, title, and interest, including ownership of copyright, in all deliverables described in or developed from Section A. above (the "Work Products") , including but not limited to, documents, computer source code, computer software, methodologies, models, templates, processes, testing assessment tools and scenarios, created, designed, developed, derived, documented, installed, or delivered under this Grant Contract subject to the terms and conditions of this Section and full and final payment for each "Work

Product." The State and Federal Highway Administration shall have royalty-free and unlimited rights and license to use, disclose, reproduce, publish, distribute, modify, maintain, or create derivative works from, for any purpose whatsoever, all said Work Products.

To the extent that the Grantee uses any of its pre-existing tools, materials or information in the performance of the Scope of Services described in Section A above of this Grant Contract ("Grantee Materials"), the Grantee shall retain all right, title and interest in and to such Grantee Materials, and the State shall acquire no right, title or interest in or to such Grantee Materials EXCEPT the Grantee grants to the State an unlimited, non-exclusive, non-transferable license to use, copy, and distribute internally, solely for the State's internal purposes, any Grantee Materials reasonably necessary for the State to exercise its rights in any Work Product provided under the Grant Contract.

The Grantee shall furnish such information and data as the State may request, including but not limited to, computer code that is applicable, essential, fundamental, or intrinsic to any Work Product and Grantee Materials reasonably necessary for the State to exercise its rights in any Work Product, in accordance with this Grant Contract and applicable state law.

Nothing in this Grant Contract shall prohibit the Grantee's use for any purposes of the Grantee Materials, the data, results and other information resulting from the Scope of Services, as well as any general knowledge, skills, experience, ideas, concepts, know-how, and techniques created, obtained or used during the course of providing the services requested under this Grant Contract. Additionally, the State agrees that it is the intent of the parties that Grantee and its research personnel (including without limitation, students) publish their work conducted pursuant to this Grant Contract. Therefore, the State agrees that Grantee and its research personnel (including without limitation, students) shall be free to publish the results and data generated or otherwise arising from the conduct of the Scope of Services contained in Section A above and that such research personnel shall hold all right, title and interest (including without limitation, copyright) in any manuscripts created by such research personnel for purposes of publication in scholarly journals.

Nothing in the Grant Contract shall prohibit the Grantee from developing for itself, or for others, materials which are similar to and/or competitive with those that are produced under this Grant Contract.

The State and Grantee are subject to the provisions of 37 CFR Part 401 governing patents and inventions, and the standard patent rights clause at 37 CFR Part 401.14 is hereby incorporated into this Grant Contract by reference. In addition, the Grantee will retain all rights provided for the State in this clause, and the State will not, as part of the consideration for making the award and entering into this Grant Contract, obtain rights in the Grantee's subject inventions. The State and the Federal Highway Administration (FHWA) shall have a royalty-free, non-exclusive, and irrevocable right to unlimited use of any and all aforesaid material developed or created as a result of the work or services specified in this Grant Contract. The State's or FHWA's use may be for commercial or non-commercial purposes and shall be free from any and all claims for royalties or other compensation that might otherwise be asserted by the Grantee.

E.#. FTA Compliance. All applicable terms of FTA Master Agreement, dated [insert date] are incorporated herein by reference.

E.#. T.C.A. Section 13-10-107 Compliance.

1) Grantee agrees to proceed expeditiously with and complete the project in accordance with plans approved by the Commissioner of TDOT ("Commissioner");

2) Grantee agrees to commence and continue operation of the project on completion of the project and not to discontinue operations or dispose of all or part of the project without Commissioner's prior written approval;

3) Grantee agrees to apply for and make reasonable efforts to secure federal assistance for the project, subject to any conditions the Commissioner may require in order to maximize the amounts of such assistance received or to be received for all projects in the State; and

4) Grantee agrees to provide Grantee's share of the cost of the project and comply with T.C.A. § 13-10-107(c)(4).

E.#. Match/Share Requirement. A Grantee Match/Share Requirement is detailed in the Grant Budget, and the maximum total amount reimbursable by the State pursuant to this Grant Contract, as detailed by the "Grant Contract" column in the Grant Budget, shall be reduced by the amount of any Grantee failure to meet the Match/Share Requirement.

E.#. Reimbursements to Reflect Match/Share. Reimbursements to Grantee shall reflect the percentage of Grantee Match/Share detailed in the Grant Budget. Reimbursements are subject to the other provisions of this Grant Contract, including but not limited to, the maximum liability amount in Section C.1.

E.#. The Grantee agrees:

(a) To use the equipment acquired under this Grant only for the purposes and the manner set forth in their application.

(b) At the beginning of each calendar year, the Grantee shall certify that the equipment received under this Grant is still being used in accordance with the terms and provisions of this agreement.

(c) To pay all fees on the equipment acquired through this Grant, including but not limited to, title and registration fees.

(d) To be responsible for all costs and expenses related to the operation, maintenance, and repair of the equipment acquired through this Grant Agreement.

(e) To provide licensed drivers, as required by the Tennessee Department of Safety, for operation of all equipment received under this Grant.

(f) To provide insurance of all vehicles acquired under this Grant for the following minimum amounts:

1. Personal Injury Liability – minimum of $300,000.00 per person and $1,000,000.00 per incident.
2. Property Damage Liability – minimum of $300,000.00 per incident.
3. Comprehensive – maximum deductible of $500.00.
4. Collision – maximum deductible of $500.00.
5. Uninsured Motorist – minimum of $50,000.00 per person and $100,000.00 per incident.

This insurance shall be in effect at all times while the vehicle is used for public transportation services or service vehicle purposes in operations. The Grantee shall furnish the State with evidence of such insurance at the time the equipment is delivered to the Grantee and annually on the anniversary date of the delivery of the equipment. Upon demand by the State, the Grantee shall provide proof of insurance at any time during the term of useful life of equipment.

(g) That any vehicles received under this Grant will comply with the Motor Vehicle Safety Standards as established by the United States Department of Transportation.

(h) That any vehicles received under this Grant shall be used for not less than the useful life. The useful life of all vehicles purchased under the grant is as listed in the grant document filed with

the Federal Transit Administration (FTA). Upon reaching the expiration of the useful life of the equipment, the state may ask the Grantee to provide written notice to the State.

E.#. Possession of Vehicle Titles. While the Grantee shall take legal title to all vehicles purchased under the contract, the State shall hold possession of all titles. Upon issuance of the title to the Grantee, the Grantee shall turn over possession of the title to the State. The State shall maintain physical possession of the title until the State approves the Grantee to initiate the disposal process for the vehicle.

E.#. Vehicle Disposal Process. The Grantee shall adhere to disposal process as described in the State Management Plan for FTA Programs of the Tennessee Department of Transportation on file with the Federal Transit Administration (FTA)

E.#. Vehicle Disposal Proceeds. All proceeds from the disposal of the vehicle as described in the vehicle disposal process shall be accounted for and used for transportation program activity expenses.

E.#. Human Service Contract Proceeds. All funds generated from Human Service Contracts using state or FTA funded vehicles or supported by state or federal operating funds shall be accounted for and used for transportation program activity expenses.

E.#. Funding for Special Transportation Services (STS). The funds provided in this grant shall be utilized as described in Section A. Scope of Service and shall apply only to the Special Transportation Services in Chattanooga, Hamilton County, Tennessee.

E.#. Funding for Morristown. The funds provided in this grant shall be utilized as described in Section A. Scope of Service and shall apply only to Morristown/Lakeway Metropolitan Transportation Planning Organization in Morristown, Jefferson County, White Pine, Hamblen, and Jefferson County, Tennessee.

E.#. Funding for Cleveland. The funds provided in this grant shall be utilized as described in Section A. Scope of Service and shall apply only to the Cleveland Urban Area Transit System in Cleveland, Bradley County, Tennessee.

E.#. Funding for Department of Regional Services. The funds provided in this grant shall be utilized as described in Section A. Scope of Service and shall apply only to the Department of Regional Services in Shelby County, Tennessee.

E.#. Grantee Match. Upon execution of this grant contract, the Grantee will be required to deposit its share of the estimated total project cost to the State.

Additional deposits will be required if actual costs exceed the estimated costs. Any excess in the amount deposited above actual costs will be refunded.

If the cost of this project increases by more than fifteen percent (15%) of the estimated grant contract amount during the progress of the work, the parties agree to enter into a supplemental agreement setting out the respective financial obligations of the State, Grantee, and the Federal Airport Improvement Program.

E.#. Participation in Real Property Acquisition. The State and/or Federal participation in the acquisition of real property is outlined in Attachment #, attached and incorporated herein to this Grant Contract.

E.#. Airport Assurances from Sale or Disposal of Land, Properties, Structures or Materials Related to Airport. The airport owner shall not sell or otherwise dispose of the property identified herein without the express prior written consent of the State, which consent will not be unreasonably withheld. In the event that the State grants permission to sell or otherwise dispose of all or a portion of the forgoing property in perpetuity, the airport owner shall be liable to pay the State a portion of the proceeds at fair market value as determined herein, resulting from the agreed upon sale price or fair market value. The funds collected from the sale of the property or fair market value will be

divided in the same proportion as defined in this Grant Contract with said State funds reinvested into airport property in accordance with State funding policies and procedures.

Nothing herein shall prohibit the parties hereto from agreeing to the reinvestment of said proportion of the proceeds or fair market value for rehabilitation or improvements in any remaining airport properties or structures or at a new airport site.

All properties purchased with assistance of this Grant must include in the property deed a clause that states that **"This property was purchased with the assistance of State and/or Federal funds, and may not be sold or otherwise disposed of without all agencies express written consent."**

E.#. Airport Operations. For all grants that total fifty thousand dollars ($50,000.00) or more, as consideration for receiving this Grant from the State, the Grantee agrees to operate and maintain the Airport for a period of twenty (20) years from the effective date of this Grant Contract.

E.#. Compliance with FAA Regulations. For all grants involving federal funds, the Grantee agrees to accomplish the project in compliance with the terms and conditions contained in the U. S. Department of Transportation Federal Aviation Administration *Terms and Conditions of Accepting Airport Improvement Program Grants* hereby incorporated into this document by reference. Said document is on file in the Tennessee Department of Transportation, Aeronautics Division Office. These assurances can also be located on the FAA Website at www.faa.gov/airports/aip/grant_assurances

E.#. No Retainage Allowed. The Grantee may not withhold retainage on progress payments from the prime contractor and the prime contractor may not withhold retainage from their subcontractors.

E.#. Printing Authorization. The Grantee agrees that no printing/publication shall be printed pursuant to this Grant Agreement without the prior authorization of the State even if printing costs are included in the budget line items, and shall be contingent upon and limited by the Grant Budget funding for said reimbursement. The Grantee and its employees may publish the results of the research in whole or in part as they deem appropriate without authorization by the State if it is at no cost to the Grantor State Agency.

E.#. Grantor State Agency Furnished Property. The Grantee shall be responsible for the correct use, maintenance, and protection of all articles of nonexpendable, tangible, personal property furnished by the Grantor State Agency for the Grantee's temporary use under this Grant Agreement. Upon termination of this Grant Agreement, all property furnished shall be returned to the Grantor State Agency in good order and condition as when received, reasonable use and wear thereof excepted. Should the property be destroyed, lost, or stolen, the Grantee shall be responsible to the Grantor State Agency for the residual value of the property at the time of loss.

E.#. Travel Requirements. Travel must be project related and ALL conference and/or out-of-state travel must be preapproved by the Grantor State Agency even if included in the budget line items, and shall be contingent upon and limited by the Grant Budget funding for said reimbursement.

The Grantee, upon request, must include (in addition to other invoice requirements of this Grant Agreement) a complete itemization of travel compensation requested in accordance with and attaching to the invoice appropriate documentation and receipts as required by the above-referenced "State Comprehensive Travel Regulations."

E.#. Additional Compensation Terms. The Grantee is not entitled to be paid the maximum liability for any period under the Grant Agreement or any extensions of the Grant Agreement for work not requested by the Grantor State Agency. The maximum liability represents available funds for payment to the Grantee and does not guarantee payment of any such funds to the Grantee under this Grant Agreement unless the Grantor State Agency requests work and the Grantee performs said work. In which case, the Grantee shall be paid in accordance with the payment rates detailed in section C.3. The Grantor State Agency is under no obligation to request work from the Grantee in any specific dollar amounts or to request any work at all from the Grantee during any period of this Grant Agreement.

The payment rate in Section C.3 shall constitute the entire compensation due the Grantee for associated deliverables, as outlined in Section A.2, and all of the Grantee's obligations hereunder regardless of the difficulty, materials or equipment required. 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.

E.#. Competitive Procurements. Should this Grant Agreement provide for the reimbursement of the cost of goods, materials, supplies, equipment, or contracted services; such procurements shall be made on a competitive basis, where practicable. The Grantee shall maintain documentation for the basis of e ach procurement for which reimbursement is paid pursuant to this Grant Agreement. In each instance where it is determined that use of a competitive procurement method was not practical, said documentation shall include a written justification for such decision and non-competitive procurement.

SIGNATURES

By signature, the Grantor State Agency head or authorized designee assures that:

1. there is a balance in the appropriation from which obligations under the Grant Contract are required to be paid that is not already encumbered to pay other obligations;
2. the Grantor State Agency maintains documentation of the Grantee process indicated on the summary cover sheet; and,
3. the proposed Scope is clear and correct, adequate for all legal and enforcement purposes, and sufficiently detailed to ensure Grantee accountability and results.

Draft the Grant Contract 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 Contract column total must equal the Maximum Liability of the Grant Contract.

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 contracting 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 Grant 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 contract 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 grant budget pages, numbered consecutively, detailing funding information for consecutive period of applicability. If a grant budget attachment does include multiple pages respectively applicable 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 Contract's Maximum Liability and any other relevant provisions of this Grant Contract.

Option: Grant Budget Grantee Match Requirement

GRANT BUDGET				
Additional Identification Information As Necessary				
The Grant Budget line-item amounts below shall be applicable only to expenses incurred during the following applicable period: BEGIN: DATE END: DATE				
POLICY 03 Object Line-Item Reference	EXPENSE OBJECT LINE-ITEM CATEGORY [1]	GRANT CONTRACT	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

Replace the Grant Budget table with the table on the following page if a grantee match is required.

n/a	Grantee Match Requirement (for any amount of the required Grantee Match that is not 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 Contract, as detailed by the "Grant Contract" column above, shall be reduced by the amount of any Grantee failure to meet the Match Requirement.

Document comparison by Workshare Compare on Monday, October 19, 2015 9:55:09 AM

Input:	
Document 1 ID	file://C:\Users\ba10301\Desktop\GR Template_approved 9.14.15.docx
Description	GR Template_approved 9.14.15
Document 2 ID	file://C:\Users\ba10301\Desktop\GR Template Clean.docx
Description	GR Template Clean
Rendering set	Standard

Legend:	
Insertion	
~~Deletion~~	
~~Moved from~~	
Moved to	
Style change	
Format change	
~~Moved deletion~~	
Inserted cell	
Deleted cell	
Moved cell	
Split/Merged cell	
Padding cell	

Statistics:	
	Count
Insertions	254
Deletions	13
Moved from	1
Moved to	1
Style change	0
Format changed	0
Total changes	269

GRANT (GR) TEMPLATE

CLEAN VERSION

GR TEMPLATE

This template prescribes the format and content for a cost-reimbursement grant contract with an individual, business, non-profit, or a government entity of another state or country.

Procurement professionals shall adhere to this template with revisions only as instructions permit. Changes to this template require a Rule Exception Request as set forth in Tenn. Comp. R. & Regs. 0690-03-01-.17 and the *Procurement Procedures Manual of the Central Procurement Office*.

Procurement professionals should complete text fields and follow, replace, or otherwise address red instructional text (*e.g.*, State Agency Name, amount, will/will not) as indicated with appropriate font and color. The standard GR Template begins on the following page. Additional GR instructions, considerations, and options follow the standard GR Template.

GRANT CONTRACT

(cost reimbursement grant contract with an individual, business, non-profit, or governmental entity of another state or country)

Begin Date	End Date	Agency Tracking #	Edison ID

Grantee Legal Entity Name	Edison Vendor ID

Subrecipient or Contractor	CFDA #
☐ Subrecipient ☐ Contractor	Grantee's fiscal year end

Service Caption (one line only)

Funding —

FY	State	Federal	Interdepartmental	Other	TOTAL Grant Contract Amount
TOTAL:					

Ownership/Control

☐ African American ☐ Asian ☐ Hispanic ☐ Native American ☐ Female
☐ Person w/Disability ☐ Small Business ☐ Government ☐ NOT Minority/Disadvantaged
☐ Other:

Grantee Selection Process Summary

☐ Competitive Selection	Describe the competitive selection process used.
☐ Non-competitive Selection	Describe the reasons for a non-competitive grantee selection process.

Budget Officer Confirmation: There is a balance in the appropriation from which obligations hereunder are required to be paid that is not already encumbered to pay other obligations.

CPO USE - GR

Speed Chart (optional)	Account Code (optional)

GRANT CONTRACT
BETWEEN THE STATE OF TENNESSEE,
STATE AGENCY NAME
AND
GRANTEE NAME

This Grant Contract, 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 "Grantee," is for the provision of Scope of Service Caption, as further defined in the "SCOPE OF SERVICES."

The Grantee is a/an Individual, For-Profit Corporation, Non-Profit Corporation, Special Purpose Corporation Or Association, Partnership, Joint Venture, Or Limited Liability Company.
Grantee Place of Incorporation or Organization: Location
Grantee Edison Vendor ID # Number

A. SCOPE OF SERVICES AND DELIVERABLES:

A.1. The Grantee shall provide all services and deliverables ("Scope") as required, described, and detailed in this Grant Contract.

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.

B. TERM OF GRANT CONTRACT:

This Grant Contract shall be effective on DATE ("Effective Date") and extend for a period of number (#) months after the Effective Date ("Term"). The State shall have no obligation for goods or services provided by the Grantee prior to the Effective Date.

C. PAYMENT TERMS AND CONDITIONS:

C.1. Maximum Liability. In no event shall the maximum liability of the State under this Grant Contract exceed Written Dollar Amount ($Number) ("Maximum Liability"). The Grant Budget, attached and incorporated hereto as Attachment Reference, shall constitute the maximum amount due the Grantee under this Grant Contract. 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 State is not subject to escalation for any reason unless amended. The Grant Budget amounts are firm for the Term and are not subject to escalation for any reason unless amended, except as provided in Section C.6.

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 Scope, as described in Section A of this Grant Contract, 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. Invoice Requirements. The Grantee shall invoice the State no more often than monthly, with all necessary supporting documentation, and present such to:

State Agency Billing Address

a. Each invoice shall clearly and accurately detail all of the following required information (calculations must be extended and totaled correctly).

(1) Invoice/Reference Number (assigned by the Grantee).
(2) Invoice Date.
(3) Invoice Period (to which the reimbursement request is applicable).
(4) Grant Contract Number (assigned by the State).
(5) Grantor: State Agency & Division Name.
(6) Grantor Number (assigned by the Grantee to the above-referenced Grantor).
(7) Grantee Name.
(8) Grantee Tennessee Edison Registration ID Number Referenced in Preamble of this Grant Contract.
(9) Grantee Remittance Address.
(10) Grantee Contact for Invoice Questions (name, phone, or fax).
(11) Itemization of Reimbursement Requested for the Invoice Period— it must detail, at minimum, all of the following:

i. The amount requested by Grant Budget line-item (including any travel expenditure reimbursement requested and for which documentation and receipts, as required by "State Comprehensive Travel Regulations," are attached to the invoice).
ii. The amount reimbursed by Grant Budget line-item to date.
iii. The total amount reimbursed under the Grant Contract to date.
iv. The total amount requested (all line-items) for the Invoice Period.

b. The Grantee understands and agrees to all of the following.

(1) An invoice under this Grant Contract shall include only reimbursement requests for actual, reasonable, and necessary expenditures required in the delivery of service described by this Grant Contract and shall be subject to the Grant Budget and any other provision of this Grant Contract relating to allowable reimbursements.
(2) An invoice under this Grant Contract shall not include any reimbursement request for future expenditures.
(3) An invoice under this Grant Contract shall initiate the timeframe for reimbursement only when the State is in receipt of the invoice, and the invoice meets the minimum requirements of this section C.5.

C.6. Budget Line-items. Expenditures, reimbursements, and payments under this Grant Contract shall adhere to the Grant Budget. The Grantee may vary from a Grant Budget line-item amount by up to one percent (1%) 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 Contract amount detailed by the Grant Budget. Any increase in the Grant Budget, grand total amounts shall require an amendment of this Grant Contract.

C.7. 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 Contract end date, in form and substance acceptable to the State.

a. If total disbursements by the State pursuant to this Grant Contract exceed the amounts permitted by Section C of this Grant Contract, the Grantee shall refund the difference to

the State. The Grantee shall submit said refund with the final grant disbursement reconciliation report.

b. The State shall not be responsible for the payment of any invoice submitted to the state after the grant disbursement reconciliation report. The State will not deem any Grantee costs submitted for reimbursement after the grant disbursement reconciliation report to be allowable and reimbursable by the State, and such invoices will NOT be paid.

c. The Grantee's failure to provide a final grant disbursement reconciliation report to the state as required shall result in the Grantee being deemed ineligible for reimbursement under this Grant Contract, and the Grantee shall be required to refund any and all payments by the state pursuant to this Grant Contract.

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

C.8. Indirect Cost. Should the Grantee request reimbursement for indirect costs, the Grantee must submit to the State a copy of the indirect cost rate approved by the cognizant federal agency or the cognizant state agency, as applicable. The Grantee will be reimbursed for indirect costs in accordance with the approved indirect cost rate and 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 Term. Any changes in the approved indirect cost rate must have prior approval of the cognizant federal agency or the cognizant state agency, as applicable. If the indirect cost rate is provisional during the Term, once the rate becomes final, the Grantee agrees to remit any overpayment of funds to the State, and subject to the availability of funds the State agrees to remit any underpayment to the Grantee.

C.9. 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 Term.

C.10. Payment of Invoice. A payment by the State shall not prejudice the State's right to object to or question any reimbursement, invoice, or matter in relation thereto. A payment by the State shall not be construed as acceptance of any part of the work or service provided or as approval of any amount as an allowable cost.

C.11. Non-allowable Costs. Any amounts payable to the Grantee shall be subject to reduction for amounts included in any invoice or payment that are determined by the State, on the basis of audits or monitoring conducted in accordance with the terms of this Grant Contract, to constitute non-allowable costs.

C.12. State's Right to Set Off. The State reserves the right to deduct from amounts that are or shall become due and payable to the Grantee under this Grant Contract or any other contract between the Grantee and the State of Tennessee under which the Grantee has a right to receive payment from the State.

C.13. Prerequisite Documentation. The Grantee shall not invoice the State under this Grant Contract until the State has received the following, properly completed documentation.

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

payments to the Grantee under this or any other grant contract will be made by automated clearing house ("ACH").

b. The Grantee shall complete, sign, and return to the State the State-provided W-9 form. The taxpayer identification number on the W-9 form must be the same as the Grantee's Federal Employer Identification Number or Social Security Number referenced in the Grantee's Edison registration information.

D. STANDARD TERMS AND CONDITIONS:

D.1. Required Approvals. The State is not bound by this Grant Contract until it is signed by the parties and approved by appropriate officials in accordance with applicable Tennessee laws and regulations (depending upon the specifics of this Grant Contract, the 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. This Grant Contract may be modified only by a written amendment signed by all parties and approved by the officials who approved the Grant Contract and, depending upon the specifics of the Grant Contract 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 State may terminate this Grant Contract without cause for any reason. A termination for convenience shall not be a breach of this Grant Contract by the State. The State shall give the Grantee at least thirty (30) days written notice before the effective termination date. The Grantee shall be entitled to compensation for authorized expenditures and satisfactory services completed as of the termination date, but in no event shall the State be liable to the Grantee for compensation for any service that has not been rendered. The final decision as to the amount for which the State is liable shall be determined by the State. The Grantee shall not have any right to any actual general, special, incidental, consequential, or any other damages whatsoever of any description or amount for the State's exercise of its right to terminate for convenience.

D.4. Termination for Cause. If the Grantee fails to properly perform its obligations under this Grant Contract in a timely or proper manner, or if the Grantee violates any terms of this Grant Contract ("Breach Condition"), the State shall have the right to immediately terminate the Grant Contract and withhold payments in excess of compensation for completed services or provided goods. Notwithstanding the above, the Grantee shall not be relieved of liability to the State for damages sustained by virtue of any Breach Condition and the State may seek other remedies allowed at law or in equity for breach of this Grant Contract.

D.5. Subcontracting. The Grantee shall not assign this Grant Contract or enter into a subcontract for any of the services performed under this Grant Contract without obtaining the prior written approval of the State. If such subcontracts are approved by the State, each shall contain, at a minimum, sections of this Grant Contract pertaining to "Conflicts of Interest," "Lobbying," "Nondiscrimination," "Public Accountability," "Public Notice," and "Records" (as identified by the section headings). Notwithstanding any use of approved subcontractors, the Grantee shall remain responsible for all work performed.

D.6. Conflicts of Interest. The Grantee warrants that no part of the total Grant Contract 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 Grantee in connection with any work contemplated or performed relative to this Grant Contract.

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

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

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

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

c. The Grantee shall require that the language of this certification be included in the award documents for all sub-awards at all tiers (including subcontracts, sub-grants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into and is a prerequisite for making or entering into this transaction imposed by 31 U.S.C. § 1352.

D.8. Communications and Contacts. All instructions, notices, consents, demands, or other communications required or contemplated by this Grant Contract shall be in writing and shall be made by certified, first class mail, return receipt requested and postage prepaid, by overnight courier service with an asset tracking system, or by email or facsimile transmission with recipient confirmation. All communications, regardless of method of transmission, shall be addressed to the respective party as set out below:
The State:

State Contact Name & Title
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

A change to the above contact information requires written notice to the person designated by the other party to receive notice.

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

D.9. Subject to Funds Availability. This Grant Contract is subject to the appropriation and availability of State or Federal funds. In the event that the funds are not appropriated or are otherwise unavailable, the State reserves the right to terminate this Grant Contract upon written notice to the Grantee. The State's right to terminate this Grant Contract due to lack of funds is not a breach of this Grant Contract by the State. Upon receipt of the written notice, the Grantee shall cease all work associated with the Grant Contract. Should such an event occur, the Grantee shall be entitled to compensation for all satisfactory and authorized services completed as of the termination date. Upon such termination, the Grantee shall have no right to recover from the State any actual, general, special, incidental, consequential, or any other damages whatsoever of any description or amount.

D.10. Nondiscrimination. The Grantee agrees that no person shall be excluded from participation in, be denied benefits of, or be otherwise subjected to discrimination in the performance of this Grant Contract or in the employment practices of the Grantee on the grounds of handicap or disability, age, race, color, religion, sex, national origin, or any other classification protected by Federal, Tennessee State constitutional, or statutory law. The Grantee shall, upon request, show proof of such nondiscrimination and shall post in conspicuous places, available to all employees and applicants, notices of nondiscrimination.

D.11. HIPAA Compliance. The State and the Grantee shall comply with obligations under the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"), Health Information Technology for Economic and Clinical Health ("HITECH") Act and any other relevant laws and regulations regarding privacy (collectively the "Privacy Rules"). The obligations set forth in this Section shall survive the termination of this Grant Contract.

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

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

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

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

D.12. Public Accountability. If the Grantee is subject to Tenn. Code Ann. § 8-4-401 *et seq.*, or if this Grant Contract involves the provision of services to citizens by the Grantee on behalf of the State, the Grantee agrees to establish a system through which recipients of services may present grievances about the operation of the service program. The Grantee shall also display in a prominent place, located near the passageway through which the public enters in order to receive Grant supported services, a sign at least eleven inches (11") in height and seventeen inches (17") in width stating:

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

The sign shall be on the form prescribed by the Comptroller of the Treasury. The Grantor State Agency shall obtain copies of the sign from the Comptroller of the Treasury, and upon request from the Grantee, provide Grantee with any necessary signs.

D.13. Public Notice. All notices, informational pamphlets, press releases, research reports, signs, and similar public notices prepared and released by the Grantee in relation to this Grant Contract shall include the statement, "This project is funded under a Grant Contract with the State of Tennessee." All notices by the Grantee in relation to this Grant Contract shall be approved by the State.

D.14. Licensure. The Grantee and its employees and all sub-grantees shall be licensed pursuant to all applicable federal, state, and local laws, ordinances, rules, and regulations and shall upon request provide proof of all licenses.

D.15. Records. The Grantee and any approved subcontractor shall maintain documentation for all charges under this Grant Contract. The books, records, and documents of the Grantee and any approved subcontractor, insofar as they relate to work performed or money received under this Grant Contract, shall be maintained for a period of five (5) full years from the date of the final payment and shall be subject to audit at any reasonable time and upon reasonable notice by the Grantor State Agency, the Comptroller of the Treasury, or their duly appointed representatives.

The records shall be maintained in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification, Public Company Accounting Oversight Board (PCAOB) Accounting Standards Codification, or Governmental Accounting Standards Board (GASB) Accounting Standards Codification, as applicable, and any related AICPA Industry Audit and Accounting guides.

In addition, documentation of grant applications, budgets, reports, awards, and expenditures will be maintained in accordance with U.S. Office of Management and Budget's *Uniform Administrative Requirements, Audit Requirements, and Cost Principles for Federal Awards*.

The Grantee shall also comply with any recordkeeping and reporting requirements prescribed by the Tennessee Comptroller of the Treasury.

The Grantee shall establish a system of internal controls that utilize the COSO Internal Control - Integrated Framework model as the basic foundation for the internal control system. The Grantee shall incorporate any additional Comptroller of the Treasury directives into its internal control system.

Any other required records or reports which are not contemplated in the above standards shall follow the format designated by the head of the Grantor State Agency, the Central Procurement Office, or the Commissioner of Finance and Administration of the State of Tennessee.

D.16. Monitoring. The Grantee's activities conducted and records maintained pursuant to this Grant Contract shall be subject to monitoring and evaluation by the State, the Comptroller of the Treasury, or their duly appointed representatives.

D.17. Progress Reports. The Grantee shall submit brief, periodic, progress reports to the State as requested.

D.18. Annual and Final Reports. The Grantee shall submit, within three (3) months of the conclusion of each year of the Term, an annual report. For grant contracts with a term of less than one (1) year, the Grantee shall submit a final report within three (3) months of the conclusion of the Term. For grant contracts with multiyear terms, the final report will take the place of the annual report for the final year of the Term. The Grantee shall submit annual and final reports to the Grantor State Agency and the Department of Finance and Administration ("F&A"). Send electronic copies of annual and final reports to F&A at fa.audit@tn.gov. At minimum, annual and final reports shall include: (a) the Grantee's name; (b) the Grant Contract's Edison identification number, Term, and total amount; (c) a narrative section that describes the program's goals, outcomes, successes and setbacks, whether the Grantee used benchmarks or indicators to determine progress, and whether any proposed activities were not completed; and (d) other relevant details requested by the Grantor State Agency. Annual and final report documents to be completed by the Grantee shall appear on the Grantor State Agency's website or as an attachment to the Grant Contract.

D.19. Audit Report. For purposes of this Section, pass-through entity means a non-federal entity that provides a subaward to a subrecipient to carry out part of a federal program.

The Grantee shall provide audited financial statements to the Tennessee Comptroller of the Treasury ("Comptroller") if during the Grantee's fiscal year, the Grantee: (1) expends seven hundred fifty thousand dollars ($750,000) or more in direct and indirect federal financial assistance and the State is a pass-through entity; (2) expends seven hundred fifty thousand dollars ($750,000) or more in state funds from the State; or (3) expends seven hundred fifty thousand dollars ($750,000) or more in federal financial assistance and state funds from the State, and the State is a pass-through entity. At least ninety (90) days before the end of its fiscal year, the Grantee shall complete Attachment [reference the Notice of Audit Report document] to notify the State whether or not Grantee is subject to an audit. The Grantee should submit only one, completed document during the Grantee's fiscal year. Any Grantee that is subject to an audit and so indicates on Attachment [reference the Notice of Audit Report document] shall complete Attachment [reference the Parent Child Information document]. If the Grantee is subject to an audit, Grantee shall obtain the Comptroller's approval before engaging a licensed, independent public accountant to perform the audit. The Grantee may contact the Comptroller for assistance identifying auditors.

All audits shall be performed in accordance with the Comptroller's requirements, as posted on its web site. When a federal single audit is required, the audit shall be performed in accordance with U.S. Office of Management and Budget's *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*.

A copy of the audit report shall be provided to the Comptroller by the licensed, independent public accountant. Audit reports shall be made available to the public.

The audit contract between the Grantee and the Auditor shall be on a contract form prescribed by the Comptroller. The Grantee shall be responsible for payment of fees for an audit prepared by a licensed, independent public accountant. Payment of the audit fees by the Grantee shall be subject to the provision relating to such fees contained within this Grant Contract. The Grantee shall be responsible for reimbursing the Comptroller for any costs of an audit prepared by the Comptroller.

D.20. Procurement. If other terms of this Grant Contract allow reimbursement for the cost of goods, materials, supplies, equipment, and/or contracted services, such procurement(s) shall be made on a competitive basis, including the use of competitive bidding procedures, where practical. The Grantee shall maintain documentation for the basis of each procurement for which

reimbursement is paid pursuant to this Grant Contract. In each instance where it is determined that use of a competitive procurement method is not practical, supporting documentation shall include a written justification for the decision and for use of a non-competitive procurement. If the Grantee is a subrecipient, the Grantee shall comply with 2 C.F.R. §§ 200.318—300.326 when procuring property and services under a federal award..

The Grantee shall obtain prior approval from the State before purchasing any equipment under this Grant Contract.

D.21. Strict Performance. Failure by any party to this Grant Contract to insist in any one or more cases upon the strict performance of any of the terms, covenants, conditions, or provisions of this agreement shall not be construed as a waiver or relinquishment of any such term, covenant, condition, or provision. No term or condition of this Grant Contract shall be held to be waived, modified, or deleted except by a written amendment signed by the parties hereto.

D.22. Independent Contractor. The parties shall not act as employees, partners, joint venturers, or associates of one another in the performance of this Grant Contract. The parties acknowledge that they are independent contracting entities and that nothing in this Grant Contract shall be construed to create a principal/agent relationship or to allow either to exercise control or direction over the manner or method by which the other transacts its business affairs or provides its usual services. The employees or agents of one party shall not be deemed or construed to be the employees or agents of the other party for any purpose whatsoever.

The Grantee, being an independent contractor and not an employee of the State, agrees to carry adequate public liability and other appropriate forms of insurance, including adequate public liability and other appropriate forms of insurance on the Grantee's employees, and to pay all applicable taxes incident to this Grant Contract.

D.23. State Liability. The State shall have no liability except as specifically provided in this Grant Contract.

D.24. Force Majeure. "Force Majeure Event" means fire, flood, earthquake, elements of nature or acts of God, wars, riots, civil disorders, rebellions or revolutions, acts of terrorism or any other similar cause beyond the reasonable control of the Party except to the extent that the non-performing Party is at fault in failing to prevent or causing the default or delay, and provided that the default or delay cannot reasonably be circumvented by the non-performing Party through the use of alternate sources, workaround plans or other means. A strike, lockout or labor dispute shall not excuse either Party from its obligations under this Grant Contract. Except as set forth in this Section, any failure or delay by a Party in the performance of its obligations under this Grant Contract arising from a Force Majeure Event is not a default under this Grant Contract or grounds for termination. The non-performing Party will be excused from performing those obligations directly affected by the Force Majeure Event, and only for as long as the Force Majeure Event continues, provided that the Party continues to use diligent, good faith efforts to resume performance without delay. The occurrence of a Force Majeure Event affecting Grantee's representatives, suppliers, subcontractors, customers or business apart from this Grant Contract is not a Force Majeure Event under this Grant Contract. Grantee will promptly notify the State of any delay caused by a Force Majeure Event (to be confirmed in a written notice to the State within one (1) day of the inception of the delay) that a Force Majeure Event has occurred, and will describe in reasonable detail the nature of the Force Majeure Event. If any Force Majeure Event results in a delay in Grantee's performance longer than forty-eight (48) hours, the State may, upon notice to Grantee: (a) cease payment of the fees until Grantee resumes performance of the affected obligations; or (b) immediately terminate this Grant Contract or any purchase order, in whole or in part, without further payment except for fees then due and payable. Grantee will not increase its charges under this Grant Contract or charge the State any fees other than those provided for in this Grant Contract as the result of a Force Majeure Event.

D.25. Tennessee Department of Revenue Registration. The Grantee shall comply with all applicable registration requirements contained in Tenn. Code Ann. §§ 67-6-601 – 608. Compliance with applicable registration requirements is a material requirement of this Grant Contract.

D.26. 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.

D.27. No Acquisition of Equipment or Motor Vehicles. This Grant Contract does not involve the acquisition and disposition of equipment or motor vehicles acquired with funds provided under this Grant Contract.

D.28. State and Federal Compliance. The Grantee shall comply with all applicable state and federal laws and regulations in the performance of this Grant Contract.

D.29. Governing Law. This Grant Contract shall be governed by and construed in accordance with the laws of the State of Tennessee. The Grantee agrees that it will be subject to the exclusive jurisdiction of the courts of the State of Tennessee in actions that may arise under this Grant Contract. The Grantee acknowledges and agrees that any rights or claims against the State of Tennessee or its employees hereunder, and any remedies arising there from, shall be subject to and limited to those rights and remedies, if any, available under Tenn. Code Ann. §§ 9-8-101 through 9-8-407.

D.30. Completeness. This Grant Contract is complete and contains the entire understanding between the parties relating to the subject matter contained herein, including all the terms and conditions of the parties' agreement. This Grant Contract supersedes any and all prior understandings, representations, negotiations, and agreements between the parties relating hereto, whether written or oral.

D.31. Severability. If any terms and conditions of this Grant Contract are held to be invalid or unenforceable as a matter of law, the other terms and conditions hereof shall not be affected thereby and shall remain in full force and effect. To this end, the terms and conditions of this Grant Contract are declared severable.

D.32. Headings. Section headings are for reference purposes only and shall not be construed as part of this Grant Contract.

E. SPECIAL TERMS AND CONDITIONS:

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

IN WITNESS WHEREOF,

GRANTEE LEGAL ENTITY NAME:

GRANTEE SIGNATURE **DATE**

PRINTED NAME AND TITLE OF GRANTEE SIGNATORY (above)

GRANTOR STATE AGENCY NAME:

NAME & TITLE DATE

ATTACHMENT REFERENCE

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 CONTRACT**	**GRANTEE PARTICIPATION**	**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
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.

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

ATTACHMENT REFERENCE

Notice of Audit Report

Check one of the two boxes below and complete the remainder of this document as instructed. Send completed documents as a PDF file to cpo.auditnotice@tn.gov. ***The Grantee should submit only one, completed "Notice of Audit Report" document to the State ninety (90) days prior to the Grantee's fiscal year.***

☐ Grantee Legal Entity Name is subject to an audit for fiscal year #.

☐ Grantee Legal Entity Name is not subject to an audit for fiscal year #.

Grantee's Edison Vendor ID Number:

Grantee's fiscal year end:

Any Grantee that is subject to an audit must complete the information below.

Type of funds expended	Estimated amount of funds expended by end of Grantee's fiscal year
Federal pass-through funds a. Funds passed through the State of Tennessee b. Funds passed through any other entity	a. b.
Funds received directly from the federal government	
Non-federal funds received directly from the State of Tennessee	

Auditor's name:

Auditor's address:

Auditor's phone number:

Auditor's email:

ATTACHMENT REFERENCE

Parent Child Information

Send completed documents as a PDF file to cpo.auditnotice@tn.gov. ***The Grantee should submit only one, completed "Parent Child Information" document to the State during the Grantee's fiscal year if the Grantee indicates it is subject to an audit on the "Notice of Audit Report" document.***

"Parent" means an entity whose IRS filing contains the information of at least one other entity.

"Child" means an entity whose information is contained in another entity's IRS filing.

Grantee's Edison Vendor ID number:

Is Grantee Legal Entity Name a parent? Yes ☐ No ☐

If yes, provide the name and Edison Vendor ID number, if applicable, of any child entities.

Is Grantee Legal Entity Name a child? Yes ☐ No ☐

If yes, complete the fields below.

Parent entity's name: _____

Parent entity's tax identification number: _____

Note: If the parent entity's tax identification number is a social security number, this form must be submitted via US mail to:

Central Procurement Office, Grants Program Manager
3rd Floor, WRS Tennessee Tower
312 Rosa L Parks Avenue
Nashville, TN 37243

Parent entity's contact information

Name of primary contact person: _____

Address: _____

Phone number: _____

Email address: _____

Parent entity's Edison Vendor ID number, if applicable: _____

GR INSTRUCTIONS, CONSIDERATIONS, and OPTIONS

The following pages contain additional GR instructions, considerations, and options. Replace or modify the standard GR Template by including the following content as appropriate.

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.

COVER SHEET

A summary cover sheet properly completed and in accordance with the template is required. Complete summary cover fields as indicated within the template and the following field directions.

Agency Tracking #	a unique number comprised of: 5-digit business unit # + unique, 5-digit # example: 31707-12345
Subrecipient or Contractor	Subrecipient or Contractor in accordance with the OMB's *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*
Funding	Amounts by fiscal year and funding source and with row and column totals; the Maximum Liability MUST equal the sum of the TOTAL Grant Contract Amount column
Grantee Ownership/Control	African American if the contractor is ≥ 51% owned or controlled by descendants of the black peoples of Africa
	Asian if the contractor is ≥ 51% owned or controlled by descendants of the original peoples of the Far East, Asia, Southeast Asia, the subcontinent, or the Pacific Islands
	Government if the contractor is any governmental entity
	Hispanic if the contractor is ≥ 51% owned or controlled by persons of Cuban, Mexican, Puerto Rican, Central or South American, or other Spanish or Portuguese origin, culture, or descent, regardless of race, or having a Spanish surname
	Native American if the contractor is ≥ 51% owned or controlled by descendants of the peoples of the first nations of North America
	NOT Minority/Disadvantaged if the contractor is <u>not</u> ≥ 51% owned or controlled by minority or disadvantaged persons & is <u>not</u> a small business
	Other if the contractor is ≥ 51% owned or controlled by persons of a minority or disadvantaged ethnic background, national origin, etc. other than previously described
	Person w/Disability if the contractor is ≥ 51% owned or controlled by persons with a physical or mental impairment that substantially limits one or more major life activities (i.e., caring for oneself, writing, walking, seeing, hearing, speaking and breathing)
	Small Business if the contractor is independently owned and operated, has total gross receipts of ≤ $2 million for the last federal tax year, and has ≤ 30 full-time employees

PREAMBLE

Add additional information only if necessary.

In a grant contract with an individual, delete the preamble phrase, "Place of Incorporation or Organization: Location."

A. SCOPE OF SERVICES

It is the Grantor State Agency's responsibility to adequately draft a scope of services and deliverables ("Scope"). Oversight examiners will rely on the authorized signature of the Grantor State Agency on the Grant Contract as certification and assurance that the proposed Scope is clear and correct, adequate for all legal and enforcement purposes, and sufficiently detailed to ensure Grantee accountability and results.

Do NOT include payment terms in the Scope.

Draft the Scope to clearly, specifically, and definitively detail Grantee duties, responsibilities, and associated performance requirements. 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 Contract in lieu of a properly drafted Scope. Proposals for funding are NOT adequately definitive to stand alone as the description of Grantee duties and responsibilities or performance requirements.

To attach an associated grant proposal to the Grant Contract in support of a properly drafted Scope, use the following optional section.

A.#. Incorporation of Additional Documents. Each of the following documents is included as a part of this Grant Contract 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 Contract 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.

Option: Federal Award Identification Worksheet

If the Grantee is a subrecipient and the Grant Contract involves any federal funds, the Grantor must complete the federal award identification worksheet on the following page and reference the worksheet by adding the following section. Include the worksheet as an attachment to the Grant Contract. If some federal award identification information is not available, provide as much information as is available. Agencies should update the worksheet no more than once every six (6) months to reflect any changes. Send the updated worksheet to the Grantee and upload a copy into Edison.

A.#. Incorporation of Federal Award Identification Worksheet. The federal award identification worksheet, which appears as Attachment #, is incorporated in this Grant Contract.

ATTACHMENT REFERENCE

Federal Award Identification Worksheet

Subrecipient's name (must match registered name in DUNS)	
Subrecipient's DUNS number	
Federal Award Identification Number (FAIN)	
Federal award date	
CFDA number and name	
Grant contract's begin date	
Grant contract's end date	
Amount of federal funds obligated by this grant contract	
Total amount of federal funds obligated to the subrecipient	
Total amount of the federal award to the pass-through entity (Grantor State Agency)	
Name of federal awarding agency	
Name and contact information for the federal awarding official	
Is the federal award for research and development?	
Indirect cost rate for the federal award (See 2 C.F.R. §200.331 for information on type of indirect cost rate)	

B. GRANT CONTRACT TERM

Procurement professionals should obtain the Grantee's signature first before submitting the Grant Contract for State signatures or approvals. Procurement professionals shall obtain all required approvals prior to the Effective Date written in the Grant Contract and submit it for Central Procurement Office approval no less than thirty (30) days before the Effective Date.

If a signed Grant Contract is not submitted to the Central Procurement Office at least thirty (30) days prior to the Effective Date, then the CPO may require that the Grant Contract be resubmitted with a new Effective Date or require a Rule Exception Request that explains why the Grant Contract was submitted less than thirty (30) days before the Effective Date. In no event shall the Grantee deliver goods or perform services prior to the Effective Date.

When the Grant Contract is required to be obligated by a certain date because of a federal award, the Grantor State Agency is exempt from this requirement if the Grantor State Agency obtains a rule exception request. The rule exception request must include supporting documentation for the Grant Contract's effective date, which may include a hyperlink to federal award information.

Draft the Grant Contract with an appropriate, definitive, and complete Term. Note that no Grant Contract with a Term exceeding sixty (60) months shall be awarded unless approved by the Central Procurement Officer as being in the best interests of the State. (Tenn. Comp. R. & Regs. 0690-03-01-.14(2)(c)). Comptroller of the Treasury approval will also be required.

Option: Term Renewal or Extension

To reserve the right to extend the Grant Contract's Term beyond the original period, change the designation of the paragraph under B. to B.1. and add one or both of the following sections, revising the length of the extension period(s) as appropriate.

B.#. Renewal Options. This Grant Contract may be renewed upon satisfactory completion of the Term. The State reserves the right to execute up to number (#) renewal options under the same terms and conditions for a period not to exceed twelve (12) months each by the State, at the State's sole option. In no event, however, shall the maximum Term, including all renewals or extensions, exceed a total of sixty (60) months.

B.#. Term Extension. It is understood and agreed that the State may extend the Term an additional period of time, not to exceed one hundred-eighty (180) days beyond the expiration date of this Grant Contract, under the same terms and conditions. In no event, however, shall the maximum Term, including all extensions or renewals, exceed a total of sixty (60) months.

C. PAYMENT TERMS AND CONDITIONS

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

Payment Methodology

Pursuant to Central Procurement Office Policy 2013-007, any Grantor State Agency seeking to effect a partial, periodic, or total advance payment shall submit a Rule Exception Request to justify the advance payment.

Option: Partial Advance Payment

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

C.3. Payment Methodology – Partial Advance Payment. 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 Contract. Then, upon progress toward the completion of the work, as described in Section A of this Grant Contract, 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 Contract.

Option: Periodic Advance Payment

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

C.3. Payment Methodology – Periodic Advance Payment. 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 Contract and on Date(s) on which the state will make advance payment(s). The total of said payments shall not exceed the Maximum Liability of this Grant Contract.

(2) Delete the Invoice Requirements section (renumbering any subsequent sections accordingly).

(3) 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) days of the Grant Contract 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").

Option: Total Advance Payment

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

C.3. Payment Methodology – Total Advance Payment. 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 Contract.

(2) Delete the Invoice Requirements section (renumbering any subsequent sections accordingly).

(3) 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) days of the Grant Contract 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").

Invoice Requirements

Add clear, non-conflicting, invoice requirements to the section as appropriate (revising the first sentence "no more often than monthly" requirement as necessary).

Delete the Section (and renumber subsequent sections appropriately) if the Payment Methodology Section provides for a total advance payment or periodic advance payments.

V

Option: Late Invoices Prohibition

Add the following as C.5.b.(4) when appropriate and revise the maximum number of days to thirty (30) or more.

(4) An invoice under this Grant Contract shall be presented to the State within sixty (60) days after the end of the calendar month in which the subject costs were incurred or services were rendered by the Grantee. An invoice submitted more than sixty (60) days after such date will NOT be paid. The State will not deem such Grantee costs to be allowable and reimbursable by the State unless, at the sole discretion of the State, the failure to submit a timely invoice is warranted. The Grantee shall submit a special, written request for reimbursement with any such untimely invoice. The request must detail the reason the invoice is untimely as well as the Grantee's plan for submitting future invoices as required, and it must be signed by a Grantee agent that would be authorized to sign this Grant Contract.

Budget Line-Items

Option 1: Revise line-item variance amount as appropriate and up to the maximum of twenty percent (20%). Budget line-item variation of more than the specified percentage will require an amendment. The Budget Line-Items provision should NOT be amended after Grant Contract approval.

Option 2: Grantee may Request Budget Line-Item Variance Exceeding Twenty Percent (20%) Per Line-Item

Replace the Section with the following:

C.6. Grant Budget and Revisions to Grant Budget Line-Items. Expenditures, reimbursements, and payments under this Grant Contract shall adhere to the Grant Budget.

a. The Grantee may vary from a Grant Budget line-item amount by up to twenty percent (20%) of the line-item amount, provided that any increase is off-set by an equal reduction of other line-item amounts. The net result of any changes to Grant Budget line-item amounts shall not result in funding for a line-item that was previously funded at zero dollars ($0.00) or increase the total Grant Contract amount detailed by the Grant Budget.

b. The Grantee may request in writing Grant Budget line-item revisions exceeding the limitation set forth in section C.6.a., above, giving full details supporting the Grantee's request, provided that such revisions do not result in funding for a line-item that was previously funded at zero dollars ($0.00) and do not increase the total Grant Contract amount. Grant Budget line-item revisions may not be made without prior, written approval of the State in which the terms of the approved revisions are detailed. Any approval of a revision to a Grant Budget line-item greater than twenty percent (20%) shall be superseded by a subsequent revision of the Grant Budget by Grant Contract amendment.

c. Any increase in the total Grant Contract amount shall require a Grant Contract Amendment.

Option 3: NO Line-Item Variance

Replace the Section with the following:

C.6. Budget Line-items. Expenditures, reimbursements, and payments under this Grant Contract shall adhere to the Grant Budget. Reimbursable expenditures may NOT vary from the Grant Budget line-item amount(s) detailed.

Option 4:

The Department of Health may add the following Section as appropriate:

C.6. Budget Line-items. Expenditures, reimbursements, and payments under this Grant Contract shall adhere to the Grant Budget. The Grantee may move up to one percent (1%) of a line-item amount to another line item category provided that any increase is off-set by an equal reduction of other line-item amount(s) and the total Grant Contract amount detailed by the Grant Budget does not increase. An increase of any line item funded at zero dollars ($0.00) shall require prior approval of the Grantor State Agency.

Option 5:

The Department of Transportation may add the following Section as appropriate:

C.6. Budget Line-item: Expenditures, reimbursements, and payments under this Grant Contract shall adhere to the Grant Budget. The Grantee may request revisions of Grant Budget line-items by letter, giving full details supporting such request, provided that such revisions do not increase total Grant Budget amount. Grant Budget line-item revisions may not be made without prior, written approval of the State in which the terms of the approved revisions are explicitly set forth. Any increase in the total Grant Budget amount shall require a Grant Contract amendment.

Disbursement Reconciliation and Close Out

To require additional grant disbursement and reconciliation reports, revise the first paragraph of the standard C.7. Disbursement Reconciliation and Close Out language, as necessary.

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 Contract will be reduced by the amount of any Grantee failure to meet the match requirement), replace the Disbursement Reconciliation and Close Out Section with the following and revise the maximum number of days to thirty (30) or more.

C.#. 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 Contract end date and in form and substance acceptable to the State.

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 contract 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 State pursuant to this Grant Contract, as detailed by the Grant Budget column "Grant Contract," shall be reduced by the amount that the Grantee failed to contribute to the Total Project as budgeted.

b. If total disbursements by the State pursuant to this Grant Contract exceed the amounts

permitted by Section C of this Grant Contract (including any adjustment pursuant to subsection a.ii. above), the Grantee shall refund the difference to the State. The Grantee shall submit the refund with the final grant disbursement reconciliation report.

c. The State shall not be responsible for the payment of any invoice submitted to the State after the grant disbursement reconciliation report. The State will not deem any Grantee costs submitted for reimbursement after the grant disbursement reconciliation report to be allowable and reimbursable by the State, and such invoices will NOT be paid.

d. The Grantee's failure to provide a final grant disbursement reconciliation report to the state as required shall result in the Grantee being deemed ineligible for reimbursement under this Grant Contract, and the Grantee shall be required to refund any and all payments by the State pursuant to this Grant Contract.

e. The Grantee must close out its accounting records at the end of the Term 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. Any additional, necessary terms and conditions may be added to the section E, Special Terms and Conditions.

Termination for Convenience

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

Option: Bilateral Termination

Replace the Section with the following bilateral termination provision only if the Grantor State Agency can justify that the bilateral provision is in the best interest of the State.

D. #. Termination for Convenience. The Grant Contract 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 State be liable to the Grantee for any service which has not been rendered. The final decision as to the amount, for which the State is liable, shall be determined by the State. In the event of disagreement, the Grantee may file a claim with the Tennessee Claims Commission to seek redress.

Termination for Cause

The Department of Environment and Conservation may add the following Section as appropriate:

D.4. Termination for Cause. If the Grantee fails to properly perform its obligations under the Grant Contract in a timely or proper manner, or if the Grantee violates any term(s) of this Grant Contract, the State shall have the right to immediately terminate the Grant Contract and withhold payment in excess of fair compensation for completed services. Notwithstanding the above, the Grantee shall not be relieved of liability to the State for damages sustained by virtue of any breach of this Grant Contract by the Grantee. Specifically, the Grantee shall be liable to the State for the full amount paid by the State to the Grantee under this Grant Contract if the Grantee fails to fully meet the requirements of the Scope of Services.

Nondiscrimination

Replace the Section with the following ONLY if the Grantee is a religious organization.

D.10. Nondiscrimination. The Grantee agrees, warrants, and assures that no person shall be excluded from participation in, be denied benefits of, or be otherwise subjected to discrimination in the performance of this Grant Contract or in the employment practices of the Grantee on the basis of any classification protected by Federal, Tennessee State constitutional, or statutory law. The Grantee shall, upon request, show proof of such nondiscrimination and shall post in conspicuous places, available to all employees and applicants, notices of nondiscrimination.

HIPAA Compliance

A Grantee must execute a Business Associate Agreement (BAA) if: (a) the Grantee is a "covered entity" as defined in the Privacy Rules; (b) the Grantee engages another person or entity outside of its workforce to perform activities on its behalf; and (c) those activities involve access to protected health information.

If the Grantor State Agency obtains an approved Rule Exception Request to delete the HIPAA Compliance provision, add the following Section:

D.11. **Reserved.**

Charges to Service Recipients Prohibited

If the Grantor State Agency obtains an approved Rule Exception to delete the Charges to Service Recipients Prohibited provision, add the following Section. The Department of Transportation Division of Multimodal Resources, Department of Human Services, and Department of Environment and Conservation may use the following section as needed.

D.26. **Reserved.**

Charges to Service Recipients Prohibited

The Department of Health may use the following term as applicable:

D.26. 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, with the exception of:

(a) patient liability amounts (including copay, coinsurance, and deductibles) established by insurance plans and assigned to the patient,
(b) charges based on patients' income and family size, and
(c) other fees as established by the State.

The Grantee shall be allowed to bill the patient's insurance, including governmental insurers such as TennCare, where appropriate. The parties shall comply with all applicable governmental and insurance plan reimbursement rules, including but not limited to Medicaid/TennCare or Medicare. The parties further agree that benefits provided or received under this Grant Contract are not contingent on referrals nor are they paid under arrangement to provide healthcare services reimbursed by Medicare or Medicaid/TennCare.

Charges to Service Recipients Prohibited

The Department of Health may use the following term as applicable:

D. 26. 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, with the exception of co-pays paid by the recipient and reimbursement from the recipient's third party insurance provider. The Grantee shall be allowed to bill the recipients' insurance, including governmental insurers such as TennCare, where appropriate. The parties shall comply with all TennCare reimbursement rules. The parties further agree that benefits

provided or received under this Grant Contract are not contingent on referrals nor are they paid under arrangement to provide healthcare services reimbursed by Medicare or Medicaid/TennCare. This grant award plus the co-pays paid by the recipients and payment from the recipients' third party insurance provided received by the Grantee shall not exceed the Grantee's total program cost.

No Acquisition of Equipment or Motor Vehicles

Delete the Section if the Grant Budget provides funding for the acquisition of equipment or motor vehicles and insert the State Interest In Equipment or Motor Vehicles Section below.

State Interest in Equipment or Motor Vehicles

Attorney General staff have advised that the Grantor State Agency must file a UCC-1 or

perfect in accordance with applicable law to the extent that it wishes to secure a security agreement and priority.

Add the following Section if the Grant Contract provides for the reimbursement of expenditures for equipment or motor vehicles (revising the second to last sentence of the first paragraph as necessary to establish a lower dollar threshold for the definition of "equipment or motor vehicles").

D.27. State Interest in Equipment or Motor Vehicles. The Grantee shall take legal title to all equipment or motor vehicles purchased totally or in part with funds provided under this Grant Contract, subject to the State's equitable interest therein, to the extent of its *pro rata* share, based upon the State's contribution to the purchase price. The term "equipment" shall include any article of nonexpendable, tangible, personal property having a useful life of more than one year and an acquisition cost which equals or exceeds five thousand dollars ($5,000.00). The term "motor vehicle" shall include any article of tangible personal property that is required to be registered under the "Tennessee Motor Vehicle Title and Registration Law", Tenn. Code Ann. Title 55, Chapters 1-6.

As authorized by the Tennessee Uniform Commercial Code, Tenn. Code Ann. Title 47, Chapter 9 and the "Tennessee Motor Vehicle Title and Registration Law," Tenn. Code Ann. Title 55, Chapters 1-6, the parties intend this Grant Contract to create a security interest in favor of the State in the equipment or motor vehicles acquired by the Grantee pursuant to the provisions of this Grant Contract. A further intent of this Grant Contract is to acknowledge and continue the security interest in favor of the State in the equipment or motor vehicles acquired by the Grantee pursuant to the provisions of this program's prior year Grant Contracts between the State and the Grantee.

The Grantee grants the State a security interest in all equipment or motor vehicles acquired in whole or in part by the Grantee under this Grant Contract. This Grant Contract is intended to be a security agreement pursuant to the Uniform Commercial Code for any of the equipment or motor vehicles 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 State a security interest in said equipment or motor vehicles. The Grantee agrees that the State may file this Grant Contract or a reproduction thereof, in any appropriate office, as a financing statement for any of the equipment or motor vehicles 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 State, upon the State's request, any financing statements, as well as extensions, renewals, and amendments thereof, and reproduction of this Grant Contract in such form as the State may require to perfect a security interest with respect to said equipment or motor vehicles. 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 State may reasonably require. Without the prior written consent of the State, the Grantee shall

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not create or suffer to be created pursuant to the Uniform Commercial Code any other security interest in said equipment or motor vehicles, including replacements and additions thereto. Upon the Grantee's breach of any covenant or agreement contained in this Grant Contract, including the covenants to pay when due all sums secured by this Grant Contract, the State shall have the remedies of a secured party under the Uniform Commercial Code and, at the State'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 Contract. The Grantee shall maintain a perpetual inventory system for all equipment or motor vehicles purchased with funds provided under this Grant Contract and shall submit an inventory control report which must include, at a minimum, the following:

a. Description of the equipment or motor vehicles;
b. Manufacturer's serial number or other identification number, when applicable;
c. Consecutive inventory equipment or motor vehicles 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 or motor vehicles 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 or motor vehicles with an identification number which is cross referenced to the equipment or motor vehicle item on the inventory control report. The Grantee shall inventory equipment or motor vehicles 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 or motor vehicles purchased with funding through this Grant Contract within thirty (30) days of its end date and in form and substance acceptable to the State. This inventory control report shall contain, at a minimum, the requirements specified above for inventory control. The Grantee shall notify the State, in writing, of any equipment or motor vehicle loss describing the reasons for the loss. Should the equipment or motor vehicles be destroyed, lost, or stolen, the Grantee shall be responsible to the State for the *pro rata* amount of the residual value at the time of loss based upon the State's original contribution to the purchase price.

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

Prevailing Wage Rates

Add the following Section if the Grant Contract involves a construction project for the purpose of building, repairing, locating, relocating or repairing any Tennessee streets, highways, or bridges.

D.#. Prevailing Wage Rates. All State contracts for highway construction projects that are for the purpose of building, rebuilding, locating, relocating or repairing any streets, highways or bridges require compliance with the prevailing wage laws provided in Tenn. Code Ann. §§ 12-4-401--415.

Audit Report

Add the following text just prior to the final sentence of the Section as appropriate.

The State may reimburse the Grantee for a reasonably proportionate share of the costs of audits required by and performed in accordance with the "Single Audit Act Amendments of 1996" as provided in 2 C.F.R. § 200.425.

Procurement

Replace the Section with the following if Grantor State Agency head approval is required for non-competitive procurements under the grant.

D.17. Procurement. If other terms of this Grant Contract allow reimbursement for the cost of goods, materials, supplies, equipment, and/or contracted services, such procurement(s) shall be made on a competitive basis, including the use of competitive bidding procedures, where practical. The Grantee shall maintain documentation for the basis of each procurement for which reimbursement is paid pursuant to this Grant Contract. In each instance where it is determined that use of a competitive procurement method is not practical, supporting documentation shall include a written justification, approved by the State Agency Head Title, for such decision and non-competitive procurement.. Further and notwithstanding the foregoing, 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 State before purchasing any equipment under this Grant Contract.

E. SPECIAL TERMS AND CONDITIONS

Add the following sections as appropriate and in the order below. An approved Rule Exception Request is required to add any Section E provisions that are not among the options below. Should any of these special terms and conditions conflict with any other terms and condition of this Grant Contract, the special terms and conditions shall be subordinate to the Grant Contract's other terms and conditions.

Insurance

Add the following Section as appropriate. Revise minimum coverage amounts and deleting any unneeded subsections. If unsure whether the Section is applicable, consult the CPO legal team.

E.#. Insurance. The Grantee shall carry adequate liability and other appropriate forms of insurance.

a. The Grantee shall maintain, at minimum, the following insurance coverage:

(1) Workers' Compensation/ Employers' Liability (including all states coverage) with a limit not less than the relevant statutory amount or one million dollars ($1,000,000) per occurrence for employers' liability whichever is greater;

(2) 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 one million dollars ($1,000,000) per occurrence and two million dollars ($2,000,000) aggregate;

(3) Automobile Coverage (including owned, leased, hired, and non-owned vehicles) with a bodily injury/property damage combined single limit not less than one million dollars ($1,000,000) per occurrence; and

(4) Professional Malpractice Liability with a limit of not less than one million dollars ($1,000,000) per claim and two million dollars ($2,000,000) aggregate.

b. The Grantee shall provide a valid Certificate of Insurance naming the State as an additional insured and detailing Coverage Description; Insurance Company and Policy Number; Exceptions and Exclusions; Policy Effective Date; Policy Expiration Date; Limit(s) of Liability; and Name and Address of Insured. Grantee shall obtain from Grantee's insurance carrier(s) and will deliver to the State waivers of the subrogation rights under the respective policies. Failure to provide required evidence of insurance coverage shall be a material breach of this Grant Contract.

Debarment and Suspension

Add the following Section as appropriate.

E.#. Debarment and Suspension. The Grantee certifies, to the best of its knowledge and belief, that it, its current and future principals, its current and future subcontractors and their principals:

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

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

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

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

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

Confidentiality of Records

Add the following Section as appropriate. If unsure whether the Section is applicable, consult the CPO legal team.

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 State or acquired by the Grantee on behalf of the State that is regarded as confidential information under state or federal law shall be considered "Confidential Information." Nothing in this Section shall permit Grantee to disclose any Confidential Information, regardless of whether is has been disclosed or made available to the Grantee due to intentional or negligent actions or inactions of agents of the State or third parties. Confidential Information shall not be disclosed except as required or permitted under state or federal law. Grantee shall take all necessary steps to safeguard the confidentiality of such material or information in conformance with applicable state and federal law. The obligations set forth in this Section shall survive the termination of this Grant Contract.

Federal Educational Rights and Privacy Act & Tennessee Data Accessibility, Transparency and Accountability Act

Add the following section only if the Grantee will have access to personally identifiable student information or student information that is confidential pursuant to federal or state law.

E. #. Federal Educational Rights and Privacy Act & Tennessee Data Accessibility, Transparency and Accountability Act. The Grantee shall comply with the Federal Educational Rights and Privacy Act of 1974 (20 U.S.C. 1232(g)) and its accompanying regulations (34 C.F.R. § 99) ("FERPA"). The Grantee warrants that the Grantee is familiar with FERPA requirements and that it will comply with these requirements in the performance of its duties under this Grant Contract. The Grantee agrees to cooperate with the State, as required by FERPA, in the performance of its duties under this Grant Contract. The Grantee agrees to maintain the confidentiality of all education records and student information. The Grantee shall only use such records and information for the exclusive purpose of performing its duties under this Grant Contract.

The Grantee shall also comply with Tenn. Code Ann. § 49-1-701, *et seq.*, known as the "Data Accessibility, Transparency and Accountability Act," and any accompanying administrative rules or regulations (collectively "DATAA"). The Grantee agrees to maintain the confidentiality of all records containing student and de-identified data, as this term is defined in DATAA, in any databases, to which the State has granted the Grantee access, and to only use such data for the exclusive purpose of performing its duties under this Grant Contract.

Any instances of unauthorized disclosure of data containing personally identifiable information in violation of FERPA or DATAA that come to the attention of the Grantee shall be reported to the State within twenty-four (24) hours. Grantee shall indemnify and hold harmless State, its employees, agents and representatives, from and against any and all claims, liabilities, losses, or causes of action that may arise, accrue, or result to any person or entity that is injured or damaged as a result of Grantee's failure to comply with this section.

Patient Protection and Affordable Care Act

Add the following Section as appropriate. If unsure whether the Section is applicable, contact the CPO legal team.

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

HIPAA Compliance

Grantees: The Grantee must execute a business associate agreement ("BAA") if: (a) the Grantor State Agency is a "covered entity" as defined by the Privacy Rules; and (b) the Grantee will provide services that involve Grantee's access to protected health information ("PHI") as defined by the Privacy Rules.

Subcontractors: The Grantee must execute a BAA with a subcontractor if the subcontractor creates, receives, maintains, or transmits PHI on behalf of the Grantee.

Printing Authorization

Add the following Section as appropriate.

E.#. Printing Authorization. The Grantee agrees that no publication coming within the jurisdiction of Tenn. Code Ann.§§ 12-7-101, *et seq.*, shall be printed pursuant to this Grant Contract unless a printing authorization number has been obtained and affixed as required by Tenn. Code Ann. § 12-7-103(d).

State Furnished Property

Add the following Section as appropriate.

E.#. State Furnished Property. The Grantee shall be responsible for the correct use, maintenance, and protection of all articles of nonexpendable, tangible, personal property furnished by the State for the Grantee's temporary use under this Grant Contract. Upon termination of this Grant Contract, all property furnished shall be returned to the State in good order and condition as when received, reasonable use and wear thereof excepted. Should the property be destroyed, lost, or stolen, the Grantee shall be responsible to the State for the residual value of the property at the time of loss.

Work Papers Subject To Review

Add the following Section only if the Grant Contract requires the performance of audit, accounting or financial analysis services.

E.#. Work Papers Subject to Review. The Grantee shall make all audit, accounting, or financial analysis work papers, notes, and other documents available for review by the Comptroller of the Treasury or his representatives, upon request, during normal working hours either while the analysis is in progress or subsequent to the completion of this Grant Contract.

Prohibited Advertising

Add the following Section as appropriate.

E.#. Prohibited Advertising. The Grantee shall not refer to this Grant Contract or the Grantee's relationship with the State under this Grant Contract in commercial advertising in such a manner as to state or imply that the Grantee or the Grantee's goods or services are endorsed. The obligations set forth in this Section shall survive the termination of this Grant Contract.

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 "Children's Act for Clean Indoor Air of 1995," Tenn. Code Ann. §§ 39-17-1601 through 1606, 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 Contract.

Performance Bond

> **This Section is optional unless the Grant Contract involves construction in excess of one hundred thousand dollars ($100,000). In which case, the Grantee must execute a performance bond for twenty-five percent (25%) of the Maximum Liability. A performance bond requirement is generally not recommended for several reasons. A performance bond can be very expensive and difficult for any business to obtain, and the requirement makes it virtually impossible for small and minority businesses to serve as grantees. A performance bond is not a**

usual cost of doing business, and the cost associated with meeting the requirement will most certainly be passed directly to the State. Finally, the benefit purported to result from a performance bond is highly questionable. This type of bond can be difficult to enforce, and the State has little or no experience in enforcing such obligations. A performance bond is a poor insurance policy. There are much better methods for the State to ensure Grantee performance (e.g., the Scope is sufficiently detailed to ensure Grantee accountability and results; payment methodology involves contingent, incremental payments; a retention of final payment provision; a liquidated damages provision; and sound contract management).

Add the following Section only as appropriate, and provided that the Grantor State Agency legal counsel: (1) drafts the referenced, state-prescribed, bond form; and (2) makes a determination that the bond requirement will be reasonably and legally enforceable under the Grant Contract.

E.#. Performance Bond. The Grantee shall provide to the State a performance bond guaranteeing full and faithful performance of all undertakings and obligations under this Grant Contract and in the amount equal to Written Dollar Amount ($Number). The Grantee shall submit the bond no later than the day immediately preceding the contract start date and in the manner and form prescribed by the State (at Attachment Reference hereto), and the bond shall be issued through a company licensed to issue such a bond in the state of Tennessee. The performance bond shall guarantee full and faithful performance of all undertakings and obligations under this Grant Contract for:

a. the initial contract term and all extensions thereof; or

b. the first, annual period of the Grant Contract (ending December 31st following the Grant Contract start date) in the amount of Written Dollar Amount ($Number) and, thereafter, a new performance bond in the amount of Written Dollar Amount ($Number) covering each subsequent annual period of the Grant Contract. In which case, the Grantee shall provide annual performance bonds to the State no later than each December 10th preceding the annual covered period beginning on January 1st of each year.

Failure to provide the performance bond(s) as required herein prior to the Grant Contract start date and, as applicable in the case of an annual performance bond, no later than December 10th preceding each annual covered period beginning on January 1st of each year, shall result in contract termination. The Grantee understands and agrees that the stated amount of the performance bond required hereunder shall not be reduced during the contract period for any reason.

Intellectual Property

Add the following Section as appropriate. If unsure whether the Section is applicable, consult the CPO legal team.

E.#. Intellectual Property. The Contractor agrees to indemnify and hold harmless the State of Tennessee as well as its officers, agents, and employees from and against any and all claims or suits which may be brought against the State concerning or arising out of any claim of an alleged patent, copyright, trade secret or other intellectual property infringement. In any such claim or action brought against the State, the Contractor shall satisfy and indemnify the State for the amount of any settlement or final judgment, and the Contractor shall be responsible for all legal or other fees or expenses incurred by the State arising from any such claim. The State shall give the Contractor notice of any such claim or suit, however, the failure of the State to give such notice shall only relieve Contractor of its obligations under this Section to the extent Contractor can demonstrate actual prejudice arising from the State's failure to give notice. This Section shall not grant the Contractor, through its attorneys, the right to represent the State of Tennessee in any legal matter, as provided in Tenn. Code Ann. § 8-6-106.

Hold Harmless

Inclusion of this requirement should be carefully considered. The requirement is likely to chill interest in seeking the contract award, and so, it may reduce competition and increase cost (for a contractor to take on the additional risk).

Add the following Section if recommended by the Grantor State Agency's legal counsel.

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

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

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 Contract."

Disclosure of Personally Identifiable Information

Add the following Section as appropriate.

E.#. Disclosure of Personal Identity Information. The Grantee shall report to the State any instances of unauthorized disclosure of personally identifiable information that comes to the Grantee's attention. The Grantee shall make any such report within twenty-four (24) hours after the instance has come to the Grantee's attention. The Grantee, at the sole discretion of the State, 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 personally identifiable information involved in a potential disclosure event, including individual letters or public notice. The remedies set forth in this Section are not exclusive and are in addition to any claims or remedies available to the State under this Grant Contract or otherwise available at law.

Federal Funding Accountability and Transparency Act

Add the following Section if the Grant Contract will be funded in whole or part by a federal grant or contract of twenty-five thousand dollars ($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 twenty-five thousand dollars ($25,000) or more in federal funds.

E.#. Federal Funding Accountability and Transparency Act (FFATA). This Grant requires the Grantee to provide supplies 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 C.F.R. § 170.320 (and sub awards); 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 sub awards); 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 § 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.).

As defined in 2 C.F.R. § 170.315, "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 § C.F.R. 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 Contract is established.

c. If this Grant is amended to extend the 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 Contract 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.

Transfer of Grantee's Obligations

Add the following Section as appropriate.

E.#. Transfer of Grantee's Obligations.
The Grantee shall not transfer or restructure its operations related to this Grant Contract without the prior written approval of the State. The Grantee shall immediately notify the State in writing of a proposed transfer or restructuring of its operations related to this Grant Contract. The State reserves the right to request additional information or impose additional terms and conditions before approving a proposed transfer or restructuring.

Tennessee Department of Children Services

The Department of Children of Services may add the following Section(s) as appropriate:

E. #. Supplemental Conflict of Interest. The Grantee shall not have as any owner, member of the board of directors, or member of the board of trustees, a person who also holds any other position that may influence the placements provided to children in the plaintiff class of Brian A. v. Haslam. Such positions include, but are not limited to juvenile court judges, referees, or other court officers involved in the individual cases of children in foster care.

E. #. Title VI of the Civil Rights Act of 1964. The Grantee shall develop and deliver to the State on or before July 31st of each fiscal year an implementation plan that describes the Grantee's long-range goals and objectives that will guide the Grantee's efforts to ensure compliance with Title VI of the Civil Rights Act of 1964 pursuant to the guidelines established by the Tennessee Title VI Compliance Commission. Title VI plans must be submitted no later than July 31st of each year to: Tennessee Department of children's Services, Director of the Division of Diversity Initiatives, Division for Diversity Initiatives.

E. #. Supplemental Subcontracting. In accordance with the Brian A. Settlement Agreement (specifically, the Racial Disparities Study conducted by Dr. Ruth McRoy) the State is actively working toward decreasing the racial disparity between service providers and target service populations. To help correct this disparity, the State strongly recommends, in situations where subcontracts are necessary, that the Grantee subcontract for services with minority owned or operated subcontractors that can assist the Grantee in meeting the needs of the children and families that are served. The State requires the Grantee to support the State's commitment to achieving diversity and developing programs that reflect the diversity of the population served.

E. #. Monitoring Sub-Contractors. The Grantee shall develop written procedures for monitoring all of its State-approved subcontractors. The procedures must clearly outline the process for assuring that all subcontractors are in compliance with the DCS and Provider Policy Manuals and the subcontracting guidelines detailed at the following web site: http://www.state.tn.us/youth/providers/prov_policies.htm

The Grantee shall have an established quality assurance/quality improvement plan for all subcontractors.

The Grantee shall also maintain an internal quality improvement process that assesses the overall quality and performance of its subcontractors.

E. #. Working Capital. The Grantee must have a minimum of sixty (60) days working capital in the event payment to the Grantee is interrupted by an emergency or for reasons beyond the Grantee's control to ensure continuity of operations. Working capital must be documented by a review of the Grantee's balance sheet and income statement. Working capital is defined as current assets minus current liabilities. Current assets may include marketable securities as long as they have not been legally pledged against a long term equity interest. Credit lines are not working capital.

Working capital requirements shall be met at the time of initial contracting and maintained during subsequent contracting periods. In the event working capital declines below the sixty (60) day requirement, the Grantee shall be placed on probation and the Contract will be subject to cancellation at the discretion of the State.

E. #. Financial Statements. The Grantee shall submit to the State independently audited financial statements containing an auditor's report reflecting the auditor's opinion that the statements are presented fairly and found to be in conformity with generally accepted accounting principles. The independent audit must have been performed by a certified public accounting firm in good standing with the American Institute of Certified Public Accountants (AICPA). The financial statements must be complete, and include all statements and notes to the statements as contained within the audit report. The financial statements and audit report shall be submitted within nine (9) months of the Grantee's reporting period to: Department of Children's Services, Finance & Budget Division. Division

The financial statements must represent the Contracting entity. Where the financial statements are for a parent company of the entity providing the service, the Contract must be in the name of the parent company and signed by an authorized representative of the parent company. The entity providing the service may be identified within the Contract as the service provider; however, financial responsibility will belong to the parent company.

E. #. Grantee Gatekeeper Contact. The Grantee shall provide information to the Child Placement & Private Provider's Division (CPPP) relative to the Grantee's gatekeeper or representative empowered to make placement decisions on behalf of the Grantee to allow access to placement 24 hours a day seven days a week to the State. The information to be provided is as follows: gatekeeper/representative name(s); title; direct telephone number(s), cell phone number and/or pager number(s).

E. #. Performance Standards. The Grantee hereby acknowledges and agrees that its performance under this Grant Contract shall meet the standards set forth in Section A of this Grant Contract, the DCS Provider Policy Manual (PPM), DCS Policy, the Brian A. Settlement Agreement, and the conditions set forth in this Contract. If the Grantee fails to meet these standards, the State, at its exclusive option, may allow up to six (6) months for the provider to achieve compliance with the standards. If performance deficiencies are not resolved to the satisfaction of the State within the prescribed time, and if no extenuating circumstances can be documented by the Grantee to the State's satisfaction, the State may cancel the Grant Contract at the State's discretion.

E. #. Notification of Closure. The Grantee shall notify the State of the closure of its agency or facility no less than thirty (30) days prior to the actual date of closure. Failure to provide the State thirty (30) days written notice of the Grantee's intent to close its operations or any part of its operation shall be considered a breach of this Contract.

E. #. Closure Transition. Within thirty (30) days from the closure notification date, the Grantee shall work with the State to transition all custodial youth placed with the Grantee, shall reconcile all records, transfer case files to DCS, and complete the Contract transition.

E. #. State Ownership of Case Files. The State shall have ownership, right, title, and interest in all case files created, designed, developed, derived, documented, installed, or maintained on behalf of the State pursuant to this Contract. The State shall have unlimited rights to all said case files. The Grantee shall furnish such information and data upon the request of the State, in accordance with this Contract and applicable State law.

E. #. Permanent Education Records. The Grantee shall maintain educational records permanently. These records shall be cut off at discharge or graduation. If the Grantee's school ceases operation, or the State ceases to contract with the Grantee, the permanent educational records for students who have been in State custody shall be forwarded to the State by the Grantee. The Grantee shall bear all costs for the transfer of all records.

Both paper and electronic media shall be included. Records include, but are not limited to: institution academic transcripts, grade reports, records of grade changes, copies of GED Certificates or State issued diplomas/certificates of any kind, standardized examination reports, birth records, grade point average (GPA), class rank, letters of recommendation and related documentation and correspondence.

Records from closed Grantee schools shall be forwarded at least five (5) business days prior to closure to: DCS Records Management, Records Officer.

E. #. Mergers, Dissolutions, Partnerships & Joint Ventures. As would be the case with any agency dissolution, merger, or acquisition, the agency and the State have financial responsibilities requiring resolution. The Grantee is required to provide ninety (90) days notification prior to any dissolution, merger, or acquisition.

In the event an agency is dissolved, the State maintains rights to assets (representing accounts payable/reinvestment due to the State) as may be distributed voluntarily or by court action. Additionally, the State acknowledges its responsibility for its liabilities (representing accounts payable/reinvestment due to the Grantee).

In the event an agency is merged or acquired by another agency/entity then the due to/from financial responsibilities shall be commensurate with the Articles to the Merger or Acquisition.

E. #. Ownership of Software. Pursuant to 45 C.F.R. § 95.617(a),the State shall have all ownership rights to all software, modifications and associated documentation thereof prepared by the Grantee in connection with the performance of the services under this Grant Contract. The Grantee waives any authorship rights and similar retained interests in the software, modifications, and associated documentation prepared in connection with the performance of the services under this Grant Contract.

Pursuant to 45 C.F.R. § 95.617(b), the federal government reserves a royalty-free, nonexclusive, and irrevocable license to reproduce, publish, or otherwise use and to authorize others to use for federal government purposes, such software, modifications, and associated documentation prepared by the Grantee in connection with the performance of the services under this federal financial participation contract.

E. #. Not a DCS Employee. The Grantee shall inform the client in writing that the Grantee is a private provider and not an employee of the State.

E. #. Violation of Security and Facility Policies. Violation of security and facility policies or practices, or possession of contraband items will result in the Grantee being immediately escorted from campus and arrested/criminally prosecuted as warranted.

E. #. Employee Background Checks. Prior to the provision of any services, all personnel that have direct contact with children shall comply with DCS Policy 4.1. Employee Background checks.

E. #. Criminal Background Check. Prior to the provision of any services for this Grant Contract, all Grantee personnel performing work under this Grant Contract shall provide fingerprint samples to effect a criminal history records check conducted by the Tennessee Bureau of Investigation. Fingerprints may only be submitted at DCS approved sites where they can be processed electronically. The Grantee shall be responsible for the payment of all fee(s) for Grantee personnel providing their fingerprint samples and submitting to a criminal history review.

E. #. Prison Rape Elimination Act (PREA). The Grantee shall comply with the Prison Rape Elimination Act of 2003 (42 U.S.C. § 15601 *et seq.*), and with all applicable PREA standards and DCS policies related to PREA for preventing, detecting, monitoring, investigating, and eradicating any form of sexual abuse in facilities owned, operated or subcontracted by the Grantee. Grantee acknowledges that, in addition to self-monitoring requirements, DCS will conduct announced and unannounced on-site compliance monitoring. Failure to comply with PREA, PREA Standards, or relevant DCS policies may result in termination of the contract.

E. #. Title VI of the Civil Rights Act of 1964. The Grantee shall adhere to the requirements of Title VI of the Civil Rights Act of 1964, as codified in 42 U.S.C. 2000d, which states that "No person in the United States shall, on the ground of race, color or national origin be excluded from participation in, be denied the benefits of, or be subject to discrimination under any program or activity receiving federal financial assistance." The Grantee shall have in place or available a process to assist qualified persons of the provided service who may be limited in their English proficiency (LEP).

The Grantee shall deliver to the State on or before July 31st of each fiscal year an implementation plan that describes the Grantee's long-range goals and objectives that will guide the Grantee's efforts to ensure compliance with Title VI of the Civil Rights Act of 1964 pursuant to the guidelines established by the Tennessee Human Rights Commission's Title VI Compliance Program. Title VI plans must be submitted no later than July 31st of each year to the Tennessee Department of Children's Services, Division of Diversity Initiatives.

E. #. Evidence-Based Programs. Pursuant to Tenn. Code Ann. § 37-5-121, the Department of Children's Services is prohibited from expending state funds on any juvenile justice program or program related to the prevention, treatment or care of delinquent juveniles, including any service model or delivery system in any form or by any name, unless the program is evidence-based. "Evidence-based" means a program or practice that is governed by a program manual or protocol that specifies the nature, quality, and amount of service that constitutes the program; and scientific research using methods that meet high scientific standards for evaluating the effects of such programs must have demonstrated with two (2) or more separate client samples that the program improves client outcomes central to the purpose of the program.

The Grantee and any of the Grantee's subcontractors shall cooperate with the State in evaluating whether its services are evidence-based or otherwise, and will provide program and service details, efficacy data and any information required or requested by the State, consistent with State and federal law regarding confidentiality, for the purpose of complying with this statute for monitoring and quality control. The Grantee further acknowledges and understands that the intent of the law is to discontinue programs and services that are not supported by the evidence of impartial scientific investigation as outlined by statute, rules and regulations which have been, or may be, promulgated by the Department of Children's Services. By affixing its signature below, the Grantee understands and agrees that the Department of Children's Services is compelled by law to terminate this Grant instrument if services with any Grantee or the Grantee's subcontractor(s) are not proven to be evidence-based and if continuation of this Grant shall cause the Department of Children's Services not to be in compliance with such statute within the timetable set forth in Tenn. Code Ann. § 37-5-121.

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 State or acquired by the Grantee on behalf of the State shall be regarded as confidential information in accordance with the provisions of applicable State and federal law, State and federal rules and regulations, departmental policy, and ethical standards. Such confidential information shall not be disclosed, and all necessary steps shall be taken by the 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 Contract; previously possessed by the Grantee without written obligations to the State 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 State's information; or, disclosed by the State 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 State or third parties.

The State acknowledges that the Grantee may use data generated through work under this Contract for educational, patient care, and research purposes, including academic publication. All such research activities shall preserve the confidentiality of DCS client and family records at each level of research and data usage. All privacy preservation safeguard procedures must be approved by the Grantee's Institutional Review Board (IRB) and the DCS Research Committee, which provide separate Grantee and State oversight for research activities using de-identified and/or limited data sets that do not maintain links to identifying information about individual children. These data sets will be used to conduct statistical analyses on the cross sectional and longitudinal assessment of the mental health needs, strengths, service utilizations and outcomes of children in state custody.

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

Tennessee Department of Health

The Tennessee Department of Health may add the following Section(s) as appropriate:

E. #. Healthy Eating Requirements. Grant recipients who purchase or serve snacks or meals in conjunction with their performance under this Grant Contract shall provide only healthy foods. No high sugar beverage shall be served at any time. Fruits and vegetables shall be given preference in menu selections.

E. #. CFDA Number(s) When applicable, the Grantee shall inform its licensed independent public accountant of the federal regulations that are to be complied within the performance of an audit. This information shall consist of the following Catalog of Federal Domestic Assistance Numbers: (Specific CFDA# is given and it's name)

E. #. Health Care Data. Grantee shall provide data reports about health care services provided under this Grant using the Department of Health's Patient Tracking and Billing Management Information System (or its successor). Data regarding health care services provided by the Grantee shall be coded and entered into the Patient Tracking and Billing Management Information System (PTBMIS), using the PTBMIS Codes Manual. The PTBMIS Codes manual is available electronically at http://hsaintranet.health.tn.gov/ and e-mail notices shall be sent to the Grantee

regarding new revisions and/or updates, which can be accessed through the above-referenced website.

On a schedule defined by the State, the Grantee shall submit Central Office Database Report (CODB) files, as defined in PTBMIS, electronically to the State. The Grantee shall also submit other health care data reports, as requested by the State, and in a format acceptable to the State.

E. #. Security Audit. The State may conduct audits of Grantee's compliance with the State's Enterprise Information Security Policy ("The Policy") or under this Grant Contract, including those obligations imposed by Federal or State law, regulation or policy. The Policy, as may be periodically revised, can be located at the following link: http://www.tn.gov/finance/oir/security/secpolicy.html. The State's right to conduct security audits is independent of any other audit or monitoring required by this Grant Contract. The timing and frequency of such audits shall be at the State's discretion and may, but not necessarily shall, be in response to a security incident.

a. A security audit may include the following: (i) review of access logs, screen shots and other paper or electronic documentation relating to Grantee's compliance with the Policy. This may include review of documentation relevant to subcontractors or suppliers of security equipment and services used with respect to State data; (ii) physical inspection of controls such as door locks, file storage, communications systems, and employee identification procedures; and (iii) interviews of responsible technical and management personnel regarding security procedures.

b. Grantee shall provide reports or additional information upon request of the state and access by the State or the State's designated staff to Grantee's facilities and/or any location involved with providing services to the State or involved with processing or storing State data, and Grantee shall cooperate with State staff and audit requests submitted under this Section. Any confidential information of either party accessed or disclosed during the course of the security audit shall be treated as set forth under this Grant Contract or federal or state law or regulations. Each party shall bear its own expenses incurred in the course of conducting this security audit. Grantee shall at its own expense promptly rectify any non-compliance with the Policy or other requirements identified by this security audit and provide proof to the State thereof.

Tennessee Department of Human Services

The Department of Human of Services may add the following Section(s) as appropriate:

E.#. Disaster Recovery/Continuity of Operations Plan. The Grantee acknowledges and represents to the State that it has implemented a disaster recovery/continuity of operations plan that may be executed in the event of a natural disaster or man-made disaster. Said plan shall be made available to the State upon request.

E. #. Confidentiality of Records. The Grantee agrees that strict standards of confidentiality of records shall be maintained in accordance with State and Federal law and regulations (Reference TCA Sections 71-1-131, 71-3-119, 45-10-101 et seq., 45-10-118,and 50-7-701, 45 Code of Federal Regulations Sections 205.50, 303.21, and 307.13; 26 U.S.C. Section 6103(*l*); 42 U.S.C. Sections 653, and 1320b-7), and all other applicable State and Federal laws regulations and any and all data-sharing agreements between the Tennessee Department of Human Services and the Federal Government, specifically including, but not limited to, the SDS-BENDEX-SVES for 1137 and/or Child Support Benefit Programs Data Matching Agreement between the Social Security Administration and the Tennessee Department of Human Services.

(a) All material and information provided to the Grantee by the State or acquired by the Grantee on behalf of the State from any non-public source whether verbal, written, electronic data, magnetic tape, cards or otherwise shall be regarded as confidential information in accordance with the provisions of State and Federal law and ethical standards and shall not be disclosed, except as otherwise permitted by law, regulation or court order, and all necessary steps shall be taken by

the Grantee to safeguard the confidentiality of such material or information in conformance with Federal and State law and ethical standards.

(b) The Grantee further agrees that any information provided by the State relative to applicants or recipients of public assistance is to be used only for the administration of this Grant Contract or in any investigation, prosecution, or criminal, administrative or civil proceeding conducted pursuant to this Grant Contract. The Grantee agrees to provide safeguards to restrict the use or disclosure of any information concerning such applicants or recipients to purposes stated in this section.

(c) The safeguards so provided shall also prohibit disclosure to any legislator, legislative or other committee or legislative body, investigator, attorney, or prosecutor of any information which identifies by name or address any such applicant or recipient, except as otherwise permitted by law.

(d) The Grantee agrees that any Federal or State tax related information will be treated as confidential as set forth in this section, and will be used solely for purposes of administering the child support program, unless otherwise required by law.

(e) It shall be the Grantee's responsibility to ensure that any destruction of confidential information, as described in this section, will be accomplished in a manner consistent with State policy and Federal regulations pertaining to the destruction of private or confidential data. Confidential information shall be destroyed completely by a method that assures complete obliteration, removal, or destruction to preclude recognition or reconstruction of the confidential information.

(f) 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 Contract; previously possessed by the Grantee without written obligations to the State 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 State's information; or, disclosed by the State to others without restrictions against disclosure.

(g) In performance of this Grant Contract, the Grantee agrees to comply with and assume responsibility for compliance by his or her employees with the following requirements regarding Federal Tax Information (FTI):

1) All work will be done under the supervision of the Grantee or the Grantee's employees.

2) Any return or return information made available in any format shall be used only for the purpose of carrying out the provisions of this Grant Contract. Information contained in such material will be treated as confidential and will not be divulged or made known in any manner to any person except as may be necessary in the performance of this Grant Contract. Disclosure to anyone other than an officer or employee of the Grantee is prohibited.

3) All returns and return information will be accounted for upon receipt and properly stored before, during, and after processing. In addition, all related output will be given the same level of protection as required for the source material.

4) The Grantee certifies that the data processed during the performance of this Grant Contract will be completely purged from all data storage components of his or her computer facility; no output will be retained by the Grantee at the time the work is completed. If immediate purging of all data storage components is not possible, the Grantee certifies that any IRS data remaining in any storage component will be safeguarded to prevent unauthorized disclosures.

5) Any spoilage or any intermediate hard copy printout that may result during the processing of IRS data will be given to the State or its designee. When this is not possible, the Grantee will be responsible for the destruction of the spoilage or any intermediate hard copy printouts, and

will provide the State or its designee with a statement containing the date of destruction, description of material destroyed, and the method used.

6) All computer systems processing, storing, or transmitting Federal tax information must meet the requirements defined in IRS Publication 1075. To meet functional and assurance requirements, the security features of the system must have the following minimum requirements: a security policy, accountability, assurance, and documentation. All security features must be available and activated to protect against unauthorized use of and access to Federal tax information.

7) No work involving Federal tax information furnished under this Grant Contract will be subGrant Contracted without prior written approval from the State.

8) The Grantee will maintain a list of employees having authorized access. Such list will be provided to the State upon request and, upon request, to the IRS reviewing office. The State will have the right to void the Grant Contract if the Grantee fails to provide the safeguards described above.

(h) Criminal /Civil Sanctions: Each officer or employee of any person to whom returns or return information is or may be disclosed will be notified in writing by such person that returns or return information disclosed to such officer or employee can be used only for a purpose and to the extent authorized herein, and that further disclosure of any such returns or return information for a purpose or to an extent unauthorized herein constitutes a felony punishable upon conviction by a fine of as much as five thousand dollars ($5,000.00) or imprisonment for as long as five (5) years, or both, together with the costs of prosecution. Such person shall also notify each such officer and employee that any such unauthorized further disclosure of returns or return information may also result in an award of civil damages against the officer or employee in an amount not less than one thousand dollars ($1,000.00) with respect to each instance of unauthorized disclosure. These penalties are prescribed by IRC sections 7213 and 7431 and set forth at 26 CFR 301.6103(n)-1.

Each officer or employee of any person to whom returns or return information is or may be disclosed shall be notified in writing by such person that any return or return information made available in any format shall be used only for the purpose of carrying out the provisions of this Grant Contract. Information contained in such material shall be treated as confidential and shall not be divulged or made known in any manner to any person except as may be necessary in the performance of the Grant Contract. Inspection by or disclosure to anyone without an official need to know constitutes a criminal misdemeanor punishable upon conviction by a fine of as much as one thousand dollars ($1,000.00) or imprisonment for as long as one (1) year, or both, together with the costs of prosecution. Such person shall also notify each officer and employee that any such unauthorized inspection or disclosure of returns or return information may also result in an award of civil damages against the officer or employee in an amount equal to the sum of the greater of one thousand dollars ($1,000.00) for each act of unauthorized inspection or disclosure with respect to which such defendant is found liable or the sum of the actual damages sustained by the plaintiff as a result of such unauthorized inspection or disclosure plus in the case of a willful inspection or disclosure which is the result of gross negligence, punitive damages, plus the costs of the action. These penalties are prescribed by IRC section 7213A and 7431.

Additionally, it is incumbent upon the Grantee to inform its officers and employees of the penalties for improper disclosure imposed by the Privacy Act of 1974, 5 U.S.C. 552a. Specifically, 5 U.S.C. 552a(I)(1), which is made applicable to Grantees by 5 U.S.C. 552a(m)(1), provides that any officer or employee of a Grantee, who by virtue of his/her employment or official position, has possession of or access to agency records which contain individually identifiable information, the disclosure of which is prohibited by the Privacy Act or regulations established thereunder, and who knowing that disclosure of the specific material is prohibited, willfully disclosed the material in

any manner to any person or agency not entitled to receive it, shall be guilty of a misdemeanor and fined not more than five thousand dollars ($5,000.00).

(i) Inspection: The IRS and the State shall have the right to send its officers and employees into the offices and plants of the Grantee for inspection of the facilities and operations provided for the performance of any work under this Grant Contract. On the basis of such inspection, specific measures may be required in cases where the Grantee is found to be non-compliant with Grant Contract safeguards.

(j) The Grantee agrees, and understands, that access to FTI must be preceded by certification that all personnel of the Grantee and its subgrantees understand security policy and procedures for safeguarding IRS information. Training provided prior to initial certification, and annually thereafter, must include, but not be limited to, Incident Response policy and procedures for reporting unauthorized disclosures and data breaches. Further, the Grantee agrees that all personnel of the Grantee, and all personnel of subgrantees performing services under this Grant Contract for the Grantee, authorized to handle Federal tax related information will sign, annually, an IRS Confidentiality Form, to be provided by the State, with the original signed forms to be maintained by the Grantee, along with a current list of its employees, and those of its subgrantees, performing services under this Grant Contract. These IRS Confidentiality Forms, and the list of Grantee's employees and those of its subgrantees performing services under this Grant Contract, shall be made available to the State and the IRS upon request.

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

Tennessee Department of Mental Health and Substance Abuse Services

The Tennessee Department of Mental Health and Substance Abuse Services may add the following Section(s) as appropriate:

E.#. Prohibitions on Use of Federal Mental Health Block Grant (MHBG) Funds. Pursuant to federal laws and regulations, the Grantee shall not use any federal Community Mental Health Services Block Grant (now MHBG, formerly CMHS BG) funds made available under this Grant Contract for any of the following purposes:

a. to provide inpatient services;
b. to make cash payments to intended recipients of health services;
c. to purchase or improve land, purchase, construct or permanently improve (other than minor remodeling) any building or other facility, or to purchase major medical equipment;
d. to satisfy any requirement for the expenditure of non-federal funds for the receipt of federal funds;
e. to provide financial assistance to any entity other than a public or non-profit private entity.

E.#. Prohibition on Supplantation of Federal Mental Health Block Grant (MHBG) Funds. Pursuant to federal laws and regulations, the Grantee shall not use any funds paid or services rendered under the federal Community Mental Health Services Block Grant (now MHBG, formerly CMHS BG) to supplant any other funds available for the services provided under this Grant Contract.

E.#. Prohibitions on Use of Federal Substance Abuse Block Grant (SABG) Funds. Pursuant to federal laws and regulations, the Grantee shall not use any federal Substance Abuse Prevention and Treatment Block Grant (now SABG, formerly SAPT BG) funds made available under this Grant Contract for any of the following purposes:

a. to provide inpatient hospital or inpatient community mental health services;
b. to make cash payments to intended recipients of health services;
c. to purchase or improve land, purchase, construct or permanently improve (other than minor remodeling) any building or facility, or purchase major medical equipment

d. to satisfy any requirement for the expenditure of non-federal funds for the receipt of federal funds;
e. to provide financial assistance to any entity other than a public or non-profit private entity;
f. to carry out any program of distributing sterile needles for the hypodermic injection of any illegal drug or distributing bleach for the purpose of cleansing needles for such hypodermic injection;
g. to carry out any testing for the etiologic agent for acquired immune deficiency syndrome unless such testing is accompanied by the appropriate pre-test counseling and appropriate post-test counseling.

E.#. Prohibition on Supplantation of Federal Substance Abuse Block Grant (SABG) Funds. Pursuant to federal laws and regulations, the Grantee shall not use any funds paid or services rendered under the federal Substance Abuse Prevention and Treatment Block Grant (now SABG, formerly SAPT BG) to supplant any other funds available for the services provided under this Grant Contract.

E.#. Permitted Uses of Federal Projects for Assistance in the Transition from Homelessness Act of 1990 (PATH) Funds. Pursuant to federal laws and regulations, the Grantee may use federal PATH funds made available under this Grant Contract as follows:

a. In accordance with Public Law 101-645 Section 528(b), funds may be used for housing services including:

(1) minor renovation, expansion, and repair;
(2) planning of housing;
(3) technical assistance in applying for housing assistance;
(4) improving the coordination of housing services;
(5) security deposits;
(6) costs associated with matching eligible homeless individuals with appropriate housing situations;
(7) one-time rental payments to prevent eviction.

b. In accordance with Public Law 101-645 Section 526(a)(6), funds may be used for administrative expenses.

E.#. Prohibitions on Use of Federal Projects for Assistance in the Transition from Homelessness Act of 1990 (PATH) Funds. Pursuant to federal laws and regulations, particularly Public Law 101-645 Section 528(c), the Grantee shall not use any federal PATH funds made available under this Grant Contract for any of the following purposes:

a. emergency shelter;
b. construction of housing facilities;
c. inpatient psychiatric or substance abuse treatment;
d. cash payments directly to intended recipient of PATH services

E.#. Federal Projects for Assistance in the Transition from Homelessness Act of 1990 (PATH) Funds Shall Supplement, Not Supplant. Pursuant to federal laws and regulations, particularly Public Law 101-645 Sections 523(e)(1), 523(e)(2), and 526(a)(3), the Grantee shall use federal PATH funds made available under this Grant Contract to supplement, not supplant, funds currently utilized to provide existing services to service recipients.

E.#. Rule 2 Compliance. The State and the Grantee shall comply with obligations under Rule 2 of the Confidentiality of Alcohol and Drug Abuse Patient Records, and its accompanying regulations as codified at 42 C.F.R. §§ 2.1 *et seq*.

a. The Grantee warrants to the State that it is familiar with the requirements of Rule 2 of the Confidentiality of Alcohol and Drug Abuse Patient Records, and its accompanying

regulations, and will comply with all applicable requirements in the course of this Grant Contract.

b. The Grantee warrants that it will cooperate with the State, including cooperation and coordination with State privacy officials and other compliance officers required by Rule 2 of the Confidentiality of Alcohol and Drug Abuse Patient Records, and its regulations, in the course of performance of the Grant Contract so that both parties will be in compliance with Rule 2 of the Confidentiality of Alcohol and Drug Abuse Patient Records.

c. The State and the Grantee will sign documents, including but not limited to business associate agreements, as required by Rule 2 of the Confidentiality of Alcohol and Drug Abuse Patient Records, and that are reasonably necessary to keep the State and the Grantee in compliance with Rule 2 of the Confidentiality of Alcohol and Drug Abuse Patient Records. This provision shall not apply if information received by the State under this Grant Contract is NOT "protected health information" as defined by Rule 2 of the Confidentiality of Alcohol and Drug Abuse Patient Records, or if Rule 2 of the Confidentiality of Alcohol and Drug Abuse Patient Records permits the State to receive such information without entering into a business associate agreement or signing another such document.

d. The Grantee will indemnify the State and hold it harmless for any violation by the Grantee or its subcontractors of Rule 2 of the Confidentiality of Alcohol and Drug Abuse Patient Records. This includes the costs of responding to a breach of protected information, the costs of responding to a government enforcement action related to the breach, and any fines, penalties, or damages paid by the State because of the violation. [not used in GG Grant Contracts]

E.#. Professional Practice. The Grantee shall assure that there is a code of conduct in place and applicable to all employees that covers, at minimum, business practices, clinical practices, and service recipient/staff interaction/fraternization. Further, Grantee's personnel shall conduct their practice in conformity with all applicable statutes, rules and regulations, and recognized ethical standards of their profession. Procedures for reporting violations of the ethical standards shall be developed and communicated to staff upon hire and annually thereafter, which shall include a non-reprisal approach for persons reporting suspected violations, as well as a description of possible sanctions for violating the standards. Failure to implement a code of conduct in accordance with this section and to adequately address suspected violations of the code of conduct may be cause for termination of this Grant Contract.

E.#. Additional Subcontracting Requirements. If subcontracts are approved by the State, they shall contain, in addition to those sections identified in D.5., sections on "Licensure", "Environmental Tobacco Smoke", "Confidentiality of Records", "HIPAA Compliance", and "Rule 2 Compliance" (as identified by the section headings). Notwithstanding any use of approved subcontractors, the Grantee shall be the prime contractor and shall be responsible for all work performed.

Tennessee Military Department

The Tennessee Military Department may add the following Section(s) as appropriate:

E. #. Compliance with Title VI of the Civil Rights Act of 1964. The Grantee agrees to comply with the provisions contained in Title IV of 1964 Civil Rights Act (42 U.S.C. 2000d), and any federal regulations specific to the funding of this grant. The Grantee further agrees to complete and return a self-compliance report as provided by the Grantor.

E.#. The Grantee agrees to seek recovery of all funds that are expended in alleviating the damages and suffering caused by this major disaster against any party or parties whose negligence or other tortious conduct may have caused or contributed to the damage or hardship for which Federal assistance is provided pursuant to the Presidential declaration of this major disaster.

FEMA will treat such amounts as duplicated benefits available to the Grantee in accordance with 42 U.S.C. § 5155 and 44 CFR 206.

E. #. Compliance with National Incident Management System (NIMS). The Grantee will be in compliance with NIMS Standards established by the U.S. Department of Homeland Security and the Federal Emergency Management Agency authorized by Homeland Security Presidential Directive 08 (HSPD-08). The Grantee agrees that it has met NIMS compliance standards. The Grantee further agrees to complete within the announced suspense date the NIMS Implementation yearly survey.

Tennessee Department of Transportation

The Department of Transportation may add the following Section(s) as appropriate:

E. #. Additional Federal Highway Administration Requirements. In addition to the requirements found in other sections of this Grant Contract, the Grantee shall become familiar with, and shall at all times comply with and observe, when appropriate, the provisions of 23 CFR Part 420.121.

E.#. Work Products. The State shall have ownership, right, title, and interest, including ownership of copyright, in all deliverables described in or developed from Section A. above (the "Work Products") , including but not limited to, documents, computer source code, computer software, methodologies, models, templates, processes, testing assessment tools and scenarios, created, designed, developed, derived, documented, installed, or delivered under this Grant Contract subject to the terms and conditions of this Section and full and final payment for each "Work Product." The State and Federal Highway Administration shall have royalty-free and unlimited rights and license to use, disclose, reproduce, publish, distribute, modify, maintain, or create derivative works from, for any purpose whatsoever, all said Work Products.

To the extent that the Grantee uses any of its pre-existing tools, materials or information in the performance of the Scope of Services described in Section A above of this Grant Contract ("Grantee Materials"), the Grantee shall retain all right, title and interest in and to such Grantee Materials, and the State shall acquire no right, title or interest in or to such Grantee Materials EXCEPT the Grantee grants to the State an unlimited, non-exclusive, non-transferable license to use, copy, and distribute internally, solely for the State's internal purposes, any Grantee Materials reasonably necessary for the State to exercise its rights in any Work Product provided under the Grant Contract.

The Grantee shall furnish such information and data as the State may request, including but not limited to, computer code that is applicable, essential, fundamental, or intrinsic to any Work Product and Grantee Materials reasonably necessary for the State to exercise its rights in any Work Product, in accordance with this Grant Contract and applicable state law.

Nothing in this Grant Contract shall prohibit the Grantee's use for any purposes of the Grantee Materials, the data, results and other information resulting from the Scope of Services, as well as any general knowledge, skills, experience, ideas, concepts, know-how, and techniques created, obtained or used during the course of providing the services requested under this Grant Contract. Additionally, the State agrees that it is the intent of the parties that Grantee and its research personnel (including without limitation, students) publish their work conducted pursuant to this Grant Contract. Therefore, the State agrees that Grantee and its research personnel (including without limitation, students) shall be free to publish the results and data generated or otherwise arising from the conduct of the Scope of Services contained in Section A above and that such research personnel shall hold all right, title and interest (including without limitation, copyright) in any manuscripts created by such research personnel for purposes of publication in scholarly journals.

Nothing in the Grant Contract shall prohibit the Grantee from developing for itself, or for others, materials which are similar to and/or competitive with those that are produced under this Grant Contract.

The State and Grantee are subject to the provisions of 37 CFR Part 401 governing patents and inventions, and the standard patent rights clause at 37 CFR Part 401.14 is hereby incorporated into this Grant Contract by reference. In addition, the Grantee will retain all rights provided for the State in this clause, and the State will not, as part of the consideration for making the award and entering into this Grant Contract, obtain rights in the Grantee's subject inventions. The State and the Federal Highway Administration (FHWA) shall have a royalty-free, non-exclusive, and irrevocable right to unlimited use of any and all aforesaid material developed or created as a result of the work or services specified in this Grant Contract. The State's or FHWA's use may be for commercial or non-commercial purposes and shall be free from any and all claims for royalties or other compensation that might otherwise be asserted by the Grantee.

E.#. FTA Compliance. All applicable terms of FTA Master Agreement, dated [insert date] are incorporated herein by reference.

E.#. T.C.A. Section 13-10-107 Compliance.

1) Grantee agrees to proceed expeditiously with and complete the project in accordance with plans approved by the Commissioner of TDOT ("Commissioner");

2) Grantee agrees to commence and continue operation of the project on completion of the project and not to discontinue operations or dispose of all or part of the project without Commissioner's prior written approval;

3) Grantee agrees to apply for and make reasonable efforts to secure federal assistance for the project, subject to any conditions the Commissioner may require in order to maximize the amounts of such assistance received or to be received for all projects in the State; and

4) Grantee agrees to provide Grantee's share of the cost of the project and comply with T.C.A. § 13-10-107(c)(4).

E.#. Match/Share Requirement. A Grantee Match/Share Requirement is detailed in the Grant Budget, and the maximum total amount reimbursable by the State pursuant to this Grant Contract, as detailed by the "Grant Contract" column in the Grant Budget, shall be reduced by the amount of any Grantee failure to meet the Match/Share Requirement.

E.#. Reimbursements to Reflect Match/Share. Reimbursements to Grantee shall reflect the percentage of Grantee Match/Share detailed in the Grant Budget. Reimbursements are subject to the other provisions of this Grant Contract, including but not limited to, the maximum liability amount in Section C.1.

E.#. The Grantee agrees:

(a) To use the equipment acquired under this Grant only for the purposes and the manner set forth in their application.

(b) At the beginning of each calendar year, the Grantee shall certify that the equipment received under this Grant is still being used in accordance with the terms and provisions of this agreement.

(c) To pay all fees on the equipment acquired through this Grant, including but not limited to, title and registration fees.

(d) To be responsible for all costs and expenses related to the operation, maintenance, and repair of the equipment acquired through this Grant Agreement.

(e) To provide licensed drivers, as required by the Tennessee Department of Safety, for operation of all equipment received under this Grant.

(f) To provide insurance of all vehicles acquired under this Grant for the following minimum amounts:

1. Personal Injury Liability – minimum of $300,000.00 per person and $1,000,000.00 per incident.
2. Property Damage Liability – minimum of $300,000.00 per incident.
3. Comprehensive – maximum deductible of $500.00.
4. Collision – maximum deductible of $500.00.
5. Uninsured Motorist – minimum of $50,000.00 per person and $100,000.00 per incident.

This insurance shall be in effect at all times while the vehicle is used for public transportation services or service vehicle purposes in operations. The Grantee shall furnish the State with evidence of such insurance at the time the equipment is delivered to the Grantee and annually on the anniversary date of the delivery of the equipment. Upon demand by the State, the Grantee shall provide proof of insurance at any time during the term of useful life of equipment.

(g) That any vehicles received under this Grant will comply with the Motor Vehicle Safety Standards as established by the United States Department of Transportation.

(h) That any vehicles received under this Grant shall be used for not less than the useful life. The useful life of all vehicles purchased under the grant is as listed in the grant document filed with the Federal Transit Administration (FTA). Upon reaching the expiration of the useful life of the equipment, the state may ask the Grantee to provide written notice to the State.

E.#. Possession of Vehicle Titles. While the Grantee shall take legal title to all vehicles purchased under the contract, the State shall hold possession of all titles. Upon issuance of the title to the Grantee, the Grantee shall turn over possession of the title to the State. The State shall maintain physical possession of the title until the State approves the Grantee to initiate the disposal process for the vehicle.

E.#. Vehicle Disposal Process. The Grantee shall adhere to disposal process as described in the State Management Plan for FTA Programs of the Tennessee Department of Transportation on file with the Federal Transit Administration (FTA)

E.#. Vehicle Disposal Proceeds. All proceeds from the disposal of the vehicle as described in the vehicle disposal process shall be accounted for and used for transportation program activity expenses.

E.#. Human Service Contract Proceeds. All funds generated from Human Service Contracts using state or FTA funded vehicles or supported by state or federal operating funds shall be accounted for and used for transportation program activity expenses.

E.#. Funding for Special Transportation Services (STS). The funds provided in this grant shall be utilized as described in Section A. Scope of Service and shall apply only to the Special Transportation Services in Chattanooga, Hamilton County, Tennessee.

E.#. Funding for Morristown. The funds provided in this grant shall be utilized as described in Section A. Scope of Service and shall apply only to Morristown/Lakeway Metropolitan Transportation Planning Organization in Morristown, Jefferson County, White Pine, Hamblen, and Jefferson County, Tennessee.

E.#. Funding for Cleveland. The funds provided in this grant shall be utilized as described in Section A. Scope of Service and shall apply only to the Cleveland Urban Area Transit System in Cleveland, Bradley County, Tennessee.

E.#. Funding for Department of Regional Services. The funds provided in this grant shall be utilized as described in Section A. Scope of Service and shall apply only to the Department of Regional Services in Shelby County, Tennessee.

E.#. Grantee Match. Upon execution of this grant contract, the Grantee will be required to deposit its share of the estimated total project cost to the State.

Additional deposits will be required if actual costs exceed the estimated costs. Any excess in the amount deposited above actual costs will be refunded.

If the cost of this project increases by more than fifteen percent (15%) of the estimated grant contract amount during the progress of the work, the parties agree to enter into a supplemental agreement setting out the respective financial obligations of the State, Grantee, and the Federal Airport Improvement Program.

E.#. Participation in Real Property Acquisition. The State and/or Federal participation in the acquisition of real property is outlined in Attachment #, attached and incorporated herein to this Grant Contract.

E.#. Airport Assurances from Sale or Disposal of Land, Properties, Structures or Materials Related to Airport. The airport owner shall not sell or otherwise dispose of the property identified herein without the express prior written consent of the State, which consent will not be unreasonably withheld. In the event that the State grants permission to sell or otherwise dispose of all or a portion of the forgoing property in perpetuity, the airport owner shall be liable to pay the State a portion of the proceeds at fair market value as determined herein, resulting from the agreed upon sale price or fair market value. The funds collected from the sale of the property or fair market value will be divided in the same proportion as defined in this Grant Contract with said State funds reinvested into airport property in accordance with State funding policies and procedures.

Nothing herein shall prohibit the parties hereto from agreeing to the reinvestment of said proportion of the proceeds or fair market value for rehabilitation or improvements in any remaining airport properties or structures or at a new airport site.

All properties purchased with assistance of this Grant must include in the property deed a clause that states that "**This property was purchased with the assistance of State and/or Federal funds, and may not be sold or otherwise disposed of without all agencies express written consent.**"

E.#. Airport Operations. For all grants that total fifty thousand dollars ($50,000.00) or more, as consideration for receiving this Grant from the State, the Grantee agrees to operate and maintain the Airport for a period of twenty (20) years from the effective date of this Grant Contract.

E.#. Compliance with FAA Regulations. For all grants involving federal funds, the Grantee agrees to accomplish the project in compliance with the terms and conditions contained in the U. S. Department of Transportation Federal Aviation Administration *Terms and Conditions of Accepting Airport Improvement Program Grants* hereby incorporated into this document by reference. Said document is on file in the Tennessee Department of Transportation, Aeronautics Division Office. These assurances can also be located on the FAA Website at www.faa.gov/airports/aip/grant_assurances

E.#. No Retainage Allowed. The Grantee may not withhold retainage on progress payments from the prime contractor and the prime contractor may not withhold retainage from their subcontractors.

E.#. Printing Authorization. The Grantee agrees that no printing/publication shall be printed pursuant to this Grant Agreement without the prior authorization of the State even if printing costs are included in the budget line items, and shall be contingent upon and limited by the Grant Budget funding for said reimbursement. The Grantee and its employees may publish the results of the

research in whole or in part as they deem appropriate without authorization by the State if it is at no cost to the Grantor State Agency.

E.#. Grantor State Agency Furnished Property. The Grantee shall be responsible for the correct use, maintenance, and protection of all articles of nonexpendable, tangible, personal property furnished by the Grantor State Agency for the Grantee's temporary use under this Grant Agreement. Upon termination of this Grant Agreement, all property furnished shall be returned to the Grantor State Agency in good order and condition as when received, reasonable use and wear thereof excepted. Should the property be destroyed, lost, or stolen, the Grantee shall be responsible to the Grantor State Agency for the residual value of the property at the time of loss.

E.#. Travel Requirements. Travel must be project related and ALL conference and/or out-of-state travel must be preapproved by the Grantor State Agency even if included in the budget line items, and shall be contingent upon and limited by the Grant Budget funding for said reimbursement.

The Grantee, upon request, must include (in addition to other invoice requirements of this Grant Agreement) a complete itemization of travel compensation requested in accordance with and attaching to the invoice appropriate documentation and receipts as required by the above-referenced "State Comprehensive Travel Regulations."

E.#. Additional Compensation Terms. The Grantee is not entitled to be paid the maximum liability for any period under the Grant Agreement or any extensions of the Grant Agreement for work not requested by the Grantor State Agency. The maximum liability represents available funds for payment to the Grantee and does not guarantee payment of any such funds to the Grantee under this Grant Agreement unless the Grantor State Agency requests work and the Grantee performs said work. In which case, the Grantee shall be paid in accordance with the payment rates detailed in section C.3. The Grantor State Agency is under no obligation to request work from the Grantee in any specific dollar amounts or to request any work at all from the Grantee during any period of this Grant Agreement.

The payment rate in Section C.3 shall constitute the entire compensation due the Grantee for associated deliverables, as outlined in Section A.2, and all of the Grantee's obligations hereunder regardless of the difficulty, materials or equipment required. 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.

E.#. Competitive Procurements. Should this Grant Agreement provide for the reimbursement of the cost of goods, materials, supplies, equipment, or contracted services; such procurements shall be made on a competitive basis, where practicable. The Grantee shall maintain documentation for the basis of e ach procurement for which reimbursement is paid pursuant to this Grant Agreement. In each instance where it is determined that use of a competitive procurement method was not practical, said documentation shall include a written justification for such decision and non-competitive procurement.

SIGNATURES

By signature, the Grantor State Agency head or authorized designee assures that:

1. there is a balance in the appropriation from which obligations under the Grant Contract are required to be paid that is not already encumbered to pay other obligations;

2. the Grantor State Agency maintains documentation of the Grantee process indicated on the summary cover sheet; and,
3. the proposed Scope is clear and correct, adequate for all legal and enforcement purposes, and sufficiently detailed to ensure Grantee accountability and results.

Draft the Grant Contract 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 Contract column total must equal the Maximum Liability of the Grant Contract.

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 contracting 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 Grant 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 contract 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 grant budget pages, numbered consecutively, detailing funding information for consecutive period of applicability. If a grant budget attachment does include multiple pages respectively applicable 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 Contract's Maximum Liability and any other relevant provisions of this Grant Contract.

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 expenses incurred during the following applicable period:				
BEGIN: DATE		**END: DATE**		
POLICY 03 Object Line-item Reference	**EXPENSE OBJECT LINE-ITEM CATEGORY [1]**	**GRANT CONTRACT**	**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 not 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 Contract, as detailed by the "Grant Contract" column above, shall be reduced by the amount of any Grantee failure to meet the Match Requirement.

ENDOWMENT GRANT (GE) MODEL

REDLINE VERSION

GE MODEL

This model prescribes the format and content for an endowment grant to: an individual, business, or non-profit, or a government entity of another state or country; a Tennessee state, local, or quasi-governmental entity; the University of Tennessee; or a Board of Regents college or university. (or a governmental entity of another state or country. An endowment grant contract effects an award and conveyance of funds or property to a grantee when the stateState intends to make the award free of conditions beyond a cited purpose that will benefit the general public or some population of the general public.)

Documents of this type must adhere to this model with revisions only as instructions permit. Insignificant deviations from this model, 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 selected rule exception(s) as may be necessary.

> NOTICE: Endowment grants seem to have increasingly diverged from original intents for the condition-free, award method. Hence, oversight reviews of proposed endowment grants will become increasingly stringent and latitude in "customizing" endowment grant award documents will not be freely afforded. Please heed these model instructions and take special note of highlighted text.
>
> In an endowment grant, the award of funds as a lump sum advanced payment or property conveyed upon approval of the contract, either of which is to be substantially free of conditions beyond the cited purpose, is contrary to post-approval revision. Therefore, approval will NOT, typically, be recommended for any endowment grant amendment.

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.

Complete summary cover fields as indicated within the template and the following field directions.

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 Contract Amount column (the grand total amount for all fiscal years & all sources of funding) MUST equal the contract maximum liability
Ownership/Control	African American if the contractor is ≥ 51% owned or controlled by descendants of the black peoples of Africa
	Asian if the contractor is ≥ 51% owned or controlled by descendants of the original peoples of the Far East, Asia, Southeast Asia, the subcontinent, or the Pacific Islands
	Government if the contractor is any governmental entity
	Hispanic if the contractor is ≥ 51% owned or controlled by persons of Cuban, Mexican, Puerto Rican, Central or South American, or other Spanish or Portuguese origin, culture, or descent, regardless of race, or having a Spanish surname
	Native American if the contractor is ≥ 51% owned or controlled by descendants of the peoples of the first nations of North America
	NOT Minority/Disadvantaged if the contractor is not ≥ 51% owned or controlled by minority or disadvantaged persons & is not a small business
	Other if the contractor is ≥ 51% owned or controlled by persons of a minority or disadvantaged ethnic background, national origin, etc. other than previously described
	Person w/Disability if the contractor is ≥ 51% owned or controlled by persons with a physical or mental impairment that substantially limits one or more major life activities (i.e., caring for oneself, writing, walking, seeing, hearing, speaking and breathing)
	Small Business if the contractor is independently owned and operated, has total gross receipts of ≤ $2 million for the last federal tax year, and has ≤ 30 full-time employees

> A summary cover properly completed and in accordance the model is required for every copy of the contracting document.

PREAMBLE

> **NOTICE: The procuring agency must have explicit statutory authority to make the subject award. Oversight examiners will not deem enabling statutes or other broad program statutes adequate for this purpose unless said statutes include clear authority to make the subject award.**

Add additional information only if necessary.

In a contract with an individual, the University of Tennessee, a Tennessee Board of Regents college or university, or a Tennessee government entity, delete the model preamble phrase, "Place of Incorporation or Organization: Location."

A. SCOPE OF SERVICES

> **It is the responsibility of the contracting agency to adequately draft a scope of services, and oversight examiners will rely on the contracting agency head's signature on the contract 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 contractor accountability and results.**

Do NOT include payment terms in the scope of services.

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

B. TERM OF GRANT CONTRACT

> **Do NOT route a contract for approval after the contract period begin date.**

Draft the contract with an appropriate, definitive, and complete contract period not to exceed the five (5) year maximum permitted by service contracting rules.

Option: Term Renewal or Extension

To reserve the right to extend the Grant Contract's Term beyond the original period, change the designation of the paragraph under B. to B.1. and add one or both of the following sections, revising the length of the extension period(s) as appropriate.

B.#. Renewal Options. This Grant Contract may be renewed upon satisfactory completion of the Term. The State reserves the right to execute up to number (#) renewal options under the same terms and conditions for a period not to exceed twelve (12) months each by the State, at the State's sole option. In no event, however, shall the maximum Term, including all renewals or extensions, exceed a total of sixty (60) months.

B.#. Term Extension. It is understood and agreed that the State may extend the Term an additional period of time, not to exceed one hundred-eighty (180) days beyond the expiration date of this Grant Contract, under the same terms and conditions. In no event, however, shall the maximum Term, including all extensions or renewals, exceed a total of sixty (60) months.

C. PAYMENT TERMS AND CONDITIONS

> **A lump sum paid in advance upon approval of the agreement is the only payment methodology reasonably consistent with the purpose of an award of the subject type (*i.e.*, to award and convey funds or property to a grantee essentially free of conditions beyond a cited purpose benefitting the general public or some broad population).**

Deductions

Replace this section with the following in a grant to a UT or Board of Regents college or university.

C.7. Deductions. Pursuant to *Tennessee Code Annotated*, Section 9-4-604, the State shall not issue warrants for payments to persons who are in default to the State until such arrearages are paid. If

applicable to the Grantee, the Grantee agrees that, should such an arrearage exist during the term of this Grant, the State shall have the right to deduct from payments due and owing to the Grantee any and all amounts as are necessary to satisfy the arrearage. Should a dispute arise concerning payments due and owing to the Grantee under this Grant, the State reserves the right to withhold said disputed amounts pending final resolution of the dispute.

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).

Subcontracting

Delete the words, "Conflicts of Interest," from the section in a grant to a UT or Board of Regents college or university.

Conflict of Interest

Delete the section in a grant to a UT or Board of Regents college or university or to a Tennessee state agency (renumbering subsequent sections respectively).

Prevailing Wage Rates

This section is drafted permissively and may remain in each contract even if it is not applicable. It may be omitted, EXCEPT in a contract involving construction and where the maximum liability is in excess of $50,000.

Annual Report and Audit

Add the following text just prior to the final sentence of the section as appropriate.

The Grantee may be reimbursed by the State for audit fees made in accordance with OMB provisions and as provided in OMB Circular A-133, Section 230.

Nondiscrimination

Replace the section with the following ONLY if contracting with a religious organization.

D.8. Nondiscrimination. The Grantee hereby agrees, warrants, and assures that no person shall be excluded from participation in, be denied benefits of, or be otherwise subjected to discrimination in the performance of this Grant Contract or in the employment practices of the Grantee on the basis of any classification protected by Federal, Tennessee State constitutional, or statutory law. The Grantee shall, upon request, show proof of such nondiscrimination and shall post in conspicuous places, available to all employees and applicants, notices of nondiscrimination.

Independent Contractor

UT or Board of Regents – Replace the section with the following in a grant to a UT or Board of Regents college or university.

D.#. Independent Contractor. The parties hereto, in the performance of this Grant Contract, shall not act as employees, partners, joint venturers, or associates of one another. It is expressly acknowledged by the parties hereto that such parties are independent contracting entities and that nothing in this Grant Contract shall be construed to create a principal/agent relationship or to allow either to exercise control or direction over the manner or method by which the other transacts its business affairs or provides its usual services.

Tennessee Local or Quasi-Governmental – Replace the section with the following in a grant to Tennessee local or quasi-governmental entity.

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

The Grantee, being a political subdivision of the State, is governed by the provisions of the Tennessee Government Tort Liability Act, *Tennessee Code Annotated*, Sections 29-20-101 *et seq.*, for causes of action sounding in tort. Further, no contract provision requiring a Tennessee political entity to indemnify or hold harmless the State beyond the liability imposed by law is enforceable because it appropriates public money and nullifies governmental immunity without the authorization of the General Assembly.

E. SPECIAL TERMS AND CONDITIONS

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

Hold Harmless

Delete the section in grants to Tennessee government entities including a UT or Board of Regents college or university.

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 contract provisions.

Copyrights and Patents

Add the following as appropriate if recommended by the contracting agency legal counsel (compliance with the legal counsel recommendation requirement is presumed).

E.#. Copyrights and Patents. The Grantee agrees to indemnify and hold harmless the State of Tennessee as well as its officers, agents, and employees from and against any and all claims or suits which may be brought against the State for infringement of any laws regarding patents or copyrights which may arise from the Grantee's performance of this Grant Contract. In any such action brought against the State, the Grantee shall satisfy and indemnify the State for the amount of any final judgment for infringement. The Grantee further agrees it shall be liable for the reasonable fees of attorneys for the State in the event such service is necessitated to enforce the terms of this Grant Contract or otherwise enforce the obligations of the Grantee to the State. The State shall give the Grantee written notice of any such claim or suit and full right and opportunity to conduct the Grantee's own defense thereof.

Federal Economic Stimulus Funding

The requirements associated with American Recovery and Reinvestment Act (ARRA) funding are not consistent with the purpose of an award of the subject type (again, to award and convey funds or property to a grantee essentially free of conditions beyond a cited purpose).

ARRA funding places extensive conditions and requirements on a grantee, therefore, an endowment grant is likely not an appropriate means to award ARRA funding. Nevertheless, if the contract is funded in whole or part by ARRA, add the following section.

E.#. Federal Economic Stimulus Funding. This Grant Contract 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 State 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 Contract 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 Contract. 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 Contract).

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 Contract 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 Contract, 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 Contract; 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 Contract 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 Contract, 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 Contract 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 Contract, each subcontract shall contain provisions specifically imposing on the

subcontractor all requirements set forth in this contract section E.#., "Federal Economic Stimulus Funding."

Federal Funding Accountability and Transparency Act

> **Because federal funding may encumber the grantee with substantive conditions and requirements (contrary to the nature of an endowment grant), an award of this type is likely not the appropriate means to effect a federally funded award agreement.**

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

Federal Educational Rights and Privacy Act & Tennessee Data Accessibility, Transparency and Accountability Act

Add the following section only if the Grantee will have access to personally identifiable student information or student information that is confidential pursuant to federal or state law.

E. #. Federal Educational Rights and Privacy Act & Tennessee Data Accessibility, Transparency and Accountability Act. The Grantee shall comply with the Federal Educational Rights and Privacy Act of 1974 (20 U.S.C. 1232(g)) and its accompanying regulations (34 C.F.R. § 99) ("FERPA"). The Grantee warrants that the Grantee is familiar with FERPA requirements and that it will comply with these requirements in the performance of its duties under this Grant Contract. The Grantee agrees to cooperate with the State, as required by FERPA, in the performance of its duties under this Grant Contract. The Grantee agrees to maintain the confidentiality of all education records and student information. The Grantee shall only use such records and information for the exclusive purpose of performing its duties under this Grant Contract.

The Grantee shall also comply with Tenn. Code Ann. § 49-1-701, *et seq.*, known as the "Data Accessibility, Transparency and Accountability Act," and any accompanying administrative rules or regulations (collectively "DATAA"). The Grantee agrees to maintain the confidentiality of all records containing student and de-identified data, as this term is defined in DATAA, in any databases, to which the State has granted the Grantee access, and to only use such data for the exclusive purpose of performing its duties under this Grant Contract.

Any instances of unauthorized disclosure of data containing personally identifiable information in violation of FERPA or DATAA that come to the attention of the Grantee shall be reported to the State within twenty-four (24) hours. Grantee shall indemnify and hold harmless State, its employees, agents and representatives, from and against any and all claims, liabilities, losses, or causes of action that may arise, accrue, or result to any person or entity that is injured or damaged as a result of Grantee's failure to comply with this section.

Transfer of Contractor's Obligations

Add the following section as appropriate.

E.xx. TRANSFER OF CONTRACTOR'S OBLIGATIONS

E.xx.a. The Contractor shall immediately notify the State in writing of a proposed merger, acquisition or sale of its business operation, or the part of its business operation that provides services under this Contract, or that this Contract will be sold to or assumed by another entity. The entity that is proposed to assume the Contractor's duties under this Contract, whether through merger, acquisition, sale or other transaction, will be hereinafter described as the New Entity.

E.xx.b. The Contractor (or, if the Contractor no longer exists as a legal entity, the New Entity) will provide to the State within a reasonable time, information that the State may require about the merger, acquisition or sale, which may include

i. the date and terms of the merger, acquisition or sale, including specifically, but not limited to, adequate documentation of the financial solvency and adequate capitalization of the proposed New Entity

ii. evidence of financial solvency and adequate capitalization of the proposed New Entity which may consist of,

(1) Debt;
(2) Assets;
(3) Liabilities;
(4) Cash flow
(5) Percentage of the total revenues of the company that are represented by this Contract;
(6) The most recent annual financial reports;
(7) The most recent annual financial reports filed with government agencies, if applicable.

iii. a complete description of the relationship of any New Entity to any parent company or subsidiary or division resulting from the merger, acquisition or sale of the original Contractor's business or the part of the original Contractor's business that provides services under this Contract or from assumption by, or sale to, another entity of the contract itself, including:

(1) the names and positions of corporate or company officers, project managers, other Contractor management staff with responsibilities under the Contract, and numbers and the type of technical or other personnel who will be responsible for fulfilling the obligations of the Contract, and any subcontracts that will be used to provide any personal or other services under the Contract by the New Entity and,

(2) an organizational chart clearly describing the organizational structure of the New Entity, parent company, subsidiary, division or other unit of the entity or parent company with which it has merged or by which it, or the Contract, has been acquired.

iv. such additional evidence of financial solvency, adequate capitalization and information regarding corporate organizational and personnel assigned to the Contract as the State determines is necessary to evaluate the status of the proposed or consummated merger, acquisition or sale.

E.xx.c. The original Contractor shall immediately notify the State in writing in the event of a change in its legal name and/or Federal Employer Identification Number (FEIN). The Contractor shall comply with State requests for copies of any documents that have been filed with state corporate records officials or other officials in the state of its incorporation that verify the name change and a narrative description of the reasons for the name change. If a New Entity has succeeded to the interest of the original Contractor, it shall immediately provide the State written notification of its Federal Employer Identification Number (FEIN), its complete corporate name, State of incorporation, and other documentation required to effectuate the transfer.

E.xx.d. Notwithstanding any other provisions of this Contract to the contrary, the State may immediately terminate this Contract in whole or in stages in the event that it determines that the New Entity

i. has been debarred from State or Federal contracting in the past five years

ii. has had a contract terminated for cause by the State of Tennessee within the past five years.

The Contractor shall be entitled to compensation for satisfactory, authorized service completed as of the termination date, but in no event shall the State be liable to the Contractor or New Entity for compensation for any service which has not been rendered. Upon such termination, the Contractor or New Entity shall have no right to any actual general, special, incidental, consequential, or any other damages whatsoever of any description or amount.

E.xx.e. The New Entity shall provide to the State within ten (10) business days of the State's request, a notarized statement signed by an individual authorized to bind the New Entity certifying that all liabilities and obligations incurred by the former Contractor are assumed by the New Entity.

E.xx.f. If the New Entity owes money to the State of Tennessee, it acknowledges that Tennessee Code Annotated Section 9-4-604 requires repayment of these funds and will enter into a legally binding agreement for repayment.

SIGNATURES

By contract signature, the contracting 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.**

Draft the contract 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.

NOTICE: Approval will NOT, typically, be recommended for endowment grant amendments.

X

ENDOWMENT GRANT CONTRACT

Begin Date	End Date	Agency Tracking #	Edison Record ID

Grantee Legal Entity Name	Edison Vendor ID

CFDA #

Service Caption (one line only)

Service Caption (one line only)

Funding —

FY	State	Federal	Interdepartmental	Other	TOTAL Contract Amount
TOTAL:					

Ownership/Control

☐ African American	☐ Asian	☐ Hispanic	☐ Native American ☐ Female ☐ NOT Minority/Disadvantaged
☐ Person w/Disability	☐ Small Business	☐ Government	
☐ Other:			

Grantee Selection Process Summary

☐ Competitive selection	Describe the competitive selection process used.
☐ Non-competitive selection	Describe the reasons for a non-competitive grantee selection.

Budget Officer Confirmation: There is a balance in the appropriation from which obligations hereunder are required to be paid that is not already encumbered to pay other obligations.

CPO USE - EG

Speed Chart (optional)	**Account Code** (optional)

GRANT CONTRACT
BETWEEN THE STATE OF TENNESSEE,
STATE AGENCY NAME
AND
GRANTEE NAME

~~Whereas, Detail the state's explicit statutory authority to make the award.~~

This Grant Contract, by and between the State of Tennessee, State Agency Name, hereinafter referred to as the 'State" ~~and Contractor~~or the "Grantor State Agency" and Grantee Legal Entity Name, hereinafter referred to as the "Grantee," is for the provision of Scope of Service Caption, as further defined in the "SCOPE OF SERVICES AND DELIVERABLES."

The following red text is for instructional purposes only and should be deleted from the Grant Contract.

The Grantor State Agency must justify why an endowment grant with an advance payment is needed over a cost-reimbursement grant. The Grantor State Agency should concurrently submit an approved rule exception request for advance payment. The rule exception request should cite the statutory authority to make the award by stating, "This Grant Contract is being awarded pursuant to Tenn. Code Ann. §(cite applicable title, chapter, section)."

By using this Endowment Model, the Grantor State Agency understands that the Grant Contract may only establish a contractor relationship with the Grantee as defined by Central Procurement Office Policy 2013-007.

The default terms of this Endowment Model are to be used when granting an award to a Tennessee local governmental entity. The Grantor State Agency should consult the "Considerations, Instructions, and Options" section of the Endowment Model to replace certain terms when contracting with an individual, business, non-profit, or a government entity of another state or county.

The Grantee is a/an/the Individual, For-Profit Corporation, Non-Profit Corporation, Special Purpose Corporation Or Association, Partnership, Joint Venture, Limited Liability Company, ~~University of Tennessee, Tennessee Board of Regents college or university~~, or Tennessee Government Entity.
Grantee Place of Incorporation or Organization: Location
Grantee Edison Vendor ID # Number

A. SCOPE OF SERVICES AND DELIVERABLES:

A.1. The Grantee shall provide the scope of services and deliverables ("Scope") as required, described, and detailed in this Grant Contract.

A.#. Specify the ~~services & deliverables that the contractor must provide as well as the technical specifications & delivery requirements that must be met (include sufficient detail to ensure accountability & definitive results). Do NOT~~Scope that the Grantee must provide under this Grant Contract. Do not include payment terms in the Scope ~~of Service~~.

B. TERM OF ~~GRANT~~ CONTRACT:

This Grant Contract shall be effective on DATE ("Effective Date") and extend for a period of number (#) months after the Effective Date ("Term"). The State shall have no obligation ~~for goods or services provided by~~ to the Grantee ~~prior to the Effective Date~~ for fulfillment of the Scope outside the Term.

C. PAYMENT TERMS AND CONDITIONS:

C.1. Maximum Liability. In no event shall the maximum liability of the State under this Grant Contract exceed Written Dollar Amount ($Amount) ("Maximum Liability"). The Grant amount shall constitute the maximum amount due the Grantee for the service and all of the Grantee's obligations hereunder. The Grant amount includes, but is 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 liabilityMaximum Liability of the State under this Grant Contract is firm for the duration of the Grant Contract and is not subject to escalation for any reason unless amended.

C.3. Payment Methodology – Total Advance Payment. The Grantee shall be reimbursed for actual, reasonable, and necessary costs incurred in the performance of the Scope of Service detailed in section A, 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 Contract.

C.4. Expenditures and Accounting. The expenditure of funds made available through this Grant Contract shall adhere to the Scope of Services. Said expenditures shall be made during the Grant Contract period and shall not be carried forward. The Grantee shall submit an Expenditures and Accounting report within thirty (30) days following the end of the Grant Contract. Said report shall demonstrate compliance with the Scope of Services and shall be in form and substance acceptable to the State.

C.5. Payment of Invoice. A payment by the State shall not prejudice the State's right to object to or question any reimbursement, invoice, or matter in relation thereto. A payment by the State shall not be construed as acceptance of any part of the work or service provided, compliance with the Grant Scope of Services, or as approval of any amount as an allowable cost.

C.6. Unallowable Expenditures. The Grantee shall be subject to repayment of Grant amounts which are determined by the State, on the basis of audits or monitoring conducted in accordance with the terms of this Grant Contract, not to constitute allowable expenditures.C.7. DeductionsState's Right to Set Off. The State reserves the right to set off or deduct from amounts, which that are or shall become due and payable to the Grantee under this orGrant Contract or under any contractother agreement between the Grantee and the State of Tennessee any amounts, which are or shall become due and payable to the State of Tennessee by the Granteeunder which the Grantee has a right to receive payment from the State.

C.6. Prerequisite Documentation. The Grantee shall not receive the funds under the endowment grant until the State has received the following:

a. A Grantee completed and signed State provided "Authorization Agreement for Automatic Deposit (ACH Credits) Form" provided by the State. By doing so, the Grantee acknowledges and agrees that, once this form is received by the State, all payments to the Grantee under this or any other grant contract will be made by automated clearing house ("ACH").

b. A Grantee completed and signed State provided W-9 form. The taxpayer identification number on the W-9 form must be the same as the Grantee's Federal Employer Identification Number or Social Security Number referenced in the Grantee's Edison registration information.

D. STANDARD TERMS AND CONDITIONS:

D.1. Required Approvals. The State is not bound by this Grant Contract 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, saidthe 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~~This Grant Contract may be modified only by a written amendment signed by all parties ~~hereto~~ and approved by ~~both~~ the officials who approved the ~~base contract~~Grant Contract and, depending upon the specifics of the ~~contract~~Grant Contract as amended, any additional officials required by Tennessee laws and regulations (~~said~~the 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 State may terminate this Grant Contract without cause for any reason. ~~Said~~A termination for convenience shall not be ~~deemed~~ a breach of ~~contract~~this Grant Contract by the State. The State shall give the Grantee at least thirty (30) days written notice before the effective termination date. The Grantee shall be entitled to compensation for authorized expenditures and satisfactory services completed as of the termination date, but in no event shall the State be liable to the Grantee for compensation for any service ~~which~~that has not been rendered. The final decision as to the amount~~,~~ for which the State is liable~~,~~ shall be determined by the State. ~~Should the State exercise this provision, the~~ The Grantee shall not have any right to any actual general, special, incidental, consequential, or any other damages whatsoever of any description or amount for the State's exercise of its right to terminate for convenience.

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

D.5. Subcontracting. The Grantee shall not assign this Grant Contract or enter into a subcontract for any of the services performed under this Grant Contract without obtaining the prior written approval of the State. If such subcontracts are approved by the State, each shall contain, at a minimum, sections of this contract pertaining to "Conflicts of Interest," "Lobbying," "Nondiscrimination," "Public Accountability," "Public Notice," and "Records" (as identified by the section headings). Notwithstanding any use of approved subcontractors, the Grantee shall ~~be the prime contractor and shall be~~remain responsible for all work performed.

D.6. Conflicts of Interest. The Grantee warrants that no part of the total Grant Contract 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 Grantee in connection with any work contemplated or performed relative to this Grant Contract.

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

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

b. If any funds other than federally appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this contract, grant, loan, or cooperative agreement, the

Grantee shall complete and submit Standard Form-LLL, ``Disclosure Form to Report Lobbying,'' in accordance with its instructions.

c. The Grantee shall require that the language of this certification be included in the award documents for all sub-awards at all tiers (including subcontracts, sub-grants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into and is a prerequisite for making or entering into this transaction imposed by ~~section 1352, title 31,~~31 U.S. ~~Code~~ C. § 1352

D.8. Communications and Contacts. All instructions, notices, consents, demands, or other communications required or contemplated by this Grant Contract shall be in writing and shall be made by certified, first class mail, return receipt requested and postage prepaid, by overnight courier service with an asset tracking system, or by email or facsimile transmission with recipient confirmation. All communications, regardless of method of transmission, shall be addressed to the respective party as set out below:
The State:

State Contact Name & Title
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

A change to the above contact information requires written notice to the person designated by the other party to receive notice.

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

D.9. Subject to Funds Availability. This Grant Contract is subject to the appropriation and availability of State or Federal funds. In the event that the funds are not appropriated or are otherwise unavailable, the State reserves the right to terminate this Grant Contract upon written notice to the Grantee. The State's right to terminate this Grant Contract due to lack of funds is not a breach of this Grant Contract by the State. Upon receipt of the written notice, the Grantee shall cease all work associated with the Grant Contract. Should such an event occur, the Grantee shall be entitled to compensation for all satisfactory and authorized services completed as of the termination date. Upon such termination, the Grantee shall have no right to recover from the State any actual, general, special, incidental, consequential, or any other damages whatsoever of any description or amount.

D.10. Nondiscrimination. The Grantee hereby agrees, warrants, and assures that no person shall be excluded from participation in, be denied benefits of, or be otherwise subjected to discrimination in the performance of this Grant Contract or in the employment practices of the Grantee on the

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

D.~~9.~~11. HIPAA Compliance. The State and the Grantee shall comply with obligations under the Health Insurance Portability and Accountability Act of 1996 (HIPAA), Health Information Technology for Economic and Clinical Health Act (HITECH) and any other relevant laws and regulations regarding privacy (collectively the "Privacy Rules"). The obligations set forth in this Section shall survive the termination of this Grant Contract.

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

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

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

D.12. Public Accountability. If the Grantee is subject to ~~*Tennessee*~~Tenn. Code ~~*Annotated*, Title 8, Chapter 4, Part 4,~~Ann. § 8-4-401 *et seq.*, or if this Grant Contract involves the provision of services to citizens by the Grantee on behalf of the State, the Grantee agrees to establish a system through which recipients of services may present grievances about the operation of the service program, and the Grantee shall display in a prominent place, located near the passageway through which the public enters in order to receive Grant supported services, a sign at least twelve inches (12") in height and eighteen inches (18") in width stating:

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

The sign shall be on the form prescribed by the Comptroller of the Treasury. The Grantor State Agency shall obtain copies of the sign from the Comptroller of the Treasury, and upon request from the Grantee, provide Grantee with any necessary signs.

D.~~10.~~13. Public Notice. All notices, informational pamphlets, press releases, research reports, signs, and similar public notices prepared and released by the Grantee shall include the statement, "This project is funded under an agreement with the State of Tennessee." ~~Any such~~

All notices by the Grantee in relation to this Grant Contract shall be approved by the State.

D.~~11.~~14. Licensure. The Grantee ~~and~~ , its employees, and ~~all sub-grantees~~any approved subcontractor shall be licensed pursuant to all applicable federal, state, and local laws, ordinances, rules, and regulations and shall upon request provide proof of all licenses.

D.12.15. Records. The Grantee (and any approved subcontractor) shall maintain documentation for all charges under this Grant Contract. The books, records, and documents of the Grantee (and any approved subcontractor), insofar as they relate to work performed or money received under this Grant Contract, shall be maintained in accordance with applicable Tennessee law. In no case shall the records be maintained for a period of three (3less than five (5) full years from the date of the final payment and. The Grantee's records shall be subject to audit at any reasonable time and upon reasonable notice by the state agencyGrantor State Agency, the Comptroller of the Treasury, or their duly appointed representatives. The records of not-for-profit entities shall be maintained in accordance with the *Accounting and Financial Reporting for Not-for-Profit Recipients of Grant Funds in Tennessee*, published by the Tennessee Comptroller of the Treasury and found at http://www.comptroller1.state.tn.us/ma/finreptmanual.asp. The records for local governments shall be maintained in accordance with the *Internal Control and Compliance Manual for Tennessee Municipalities*, published by the Tennessee Comptroller of the Treasury and found at http://www.comptroller1.state.tn.us/ma/citymanual.asp and in accordance with GFOA's publication, *Governmental Accounting, Auditing and Financial Reporting*.

The records shall be maintained in accordance with Governmental Accounting Standards Board (GASB) Accounting Standards or the Financial Accounting Standards Board (FASB) Accounting Standards Codification, as applicable, and any related AICPA Industry Audit and Accounting guides.

In addition, documentation of grant applications, budgets, reports, awards, and expenditures will be maintained in accordance with U.S. Office of Management and Budget's *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*.

Grant expenditures shall be made in accordance with local government purchasing policies and procedures and purchasing procedures for local governments authorized under state law.

D.13. Prevailing Wage Rates. All grants and contracts for construction, erection, or demolition or to install goods or materials that involve the expenditure of any funds derived from the State require compliance with the prevailing wage laws as provided in *Tennessee Code Annotated*, Section 12-4-401 *et seq.*.

The Grantee shall also comply with any recordkeeping and reporting requirements prescribed by the Tennessee Comptroller of the Treasury.

The Grantee shall establish a system of internal controls that utilize the COSO Internal Control - Integrated Framework model as the basic foundation for the internal control system. The Grantee shall incorporate any additional Comptroller of the Treasury directives into its internal control system.

Any other required records or reports which are not contemplated in the above standards shall follow the format designated by the head of the Grantor State Agency, the Central Procurement Office, or the Commissioner of Finance and Administration of the State of Tennessee.

D.14.16. Monitoring. The Grantee''s activities conducted and records maintained pursuant to this Grant Contract shall be subject to monitoring and evaluation by the State, the Comptroller of the Treasury, or their duly appointed representatives.

D.15.17. Progress Reports. The Grantee shall submit brief, periodic, progress reports to the State as requested.

D.16. Annual Report and Audit. The Grantee shall prepare and submit, within nine (9) months after the close of the reporting period, an annual report of its activities funded under this Grant Contract to the commissioner or head of the Granting agency, the Tennessee Comptroller of the Treasury, and the Commissioner of Finance and Administration. The annual report for any Grantee that receives five hundred thousand dollars ($500,000) or more in aggregate federal and state funding for all its programs shall include audited financial statements. All books of account and financial records shall be subject to annual audit by the Tennessee Comptroller of the Treasury or the Comptroller's

duly appointed representative. When an audit is required, the Grantee may, with the prior approval of the Comptroller, engage a licensed independent public accountant to perform the audit. The audit contract between the Grantee and the licensed independent public accountant shall be on a contract form prescribed by the Tennessee Comptroller of the Treasury. Any such audit shall be performed in accordance with generally accepted government auditing standards, the provisions of OMB Circular A-133, if applicable, and the *Audit Manual for Governmental Units and Recipients of Grant Funds* published by the Tennessee Comptroller of the Treasury. The Grantee shall be responsible for reimbursement of the cost of the audit prepared by the Tennessee Comptroller of the Treasury, and payment of fees for the audit prepared by the licensed independent public accountant. Payment of the audit fees of the licensed independent public accountant by the Grantee shall be subject to the provisions relating to such fees contained in the prescribed contract form noted above. Copies of such audits shall be provided to the designated cognizant state agency, the State Granting Department, the Tennessee Comptroller of the Treasury, and the Department of Finance and Administration and shall be made available to the public.

D.17. Procurement. If the other terms of this Grant Contract allow reimbursement for the cost of goods, materials, supplies, equipment, and/or contracted services, such procurement shall be made on a competitive basis, including the use of competitive bidding procedures, where practical. Further, and notwithstanding the foregoing, 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.

D.18. Annual and Final Reports. The Grantee shall submit, within three (3) months of the conclusion of each year of the Term, an annual report. For grant contracts with a term of less than one (1) year, the Grantee shall submit a final report within three (3) months of the conclusion of the Term. For grant contracts with multiyear terms, the final report will take the place of the annual report for the final year of the Term. The Grantee shall submit annual and final reports to the Grantor State Agency and the Department of Finance and Administration ("F&A"). Send electronic copies of annual and final reports to F&A at fa.audit@tn.gov. At minimum, annual and final reports shall include: (a) the Grantee's name; (b) the Grant Contract's Edison identification number, Term, and total amount; (c) a narrative section that describes the program's goals, outcomes, successes and setbacks, whether the Grantee used benchmarks or indicators to determine progress, and whether any proposed activities were not completed; and (d) other relevant details requested by the Grantor State Agency. Annual and final report documents to be completed by the Grantee shall appear on the Grantor State Agency's website or as an attachment to the Grant Contract.

D.18.D.19. Strict Performance. Failure by any party to this Grant Contract to insist in any one or more cases upon the strict performance of any of the terms, covenants, conditions, or provisions of this agreement shall not be construed as a waiver or relinquishment of any such term, covenant, condition, or provision. No term or condition of this Grant Contract shall be held to be waived, modified, or deleted except by a written amendment signed by the parties hereto.

D.19.20. Independent Contractor. The parties hereto, in the performance of this Grant Contract, shall not act as employees, partners, joint venturers, or associates of one another. It is expressly acknowledged by the parties hereto in the performance of this Grant Contract. The parties acknowledge that such partiesthey are independent contracting entities and that nothing in this Grant Contract shall be construed to create an employer/employeea principal/agent relationship or to allow either to exercise control or direction over the manner or method by which the other transacts its business affairs or provides its usual services. The employees or agents of one party shall not be deemed or construed to be the employees or agents of the other party for any purpose whatsoever.

The Grantee, being an independent contractor and not an employee of the State, agrees to carry adequate public liability and other appropriate forms of insurance, including adequate public liability and other appropriate forms of insurance on the Grantee's employees, and to pay all applicable taxes incident to this Grant Contract.

D.20.21. State Liability. The State shall have no liability except as specifically provided in this Grant Contract.

D.21. Force Majeure. The obligations of the parties to this Grant Contract are subject to prevention by causes beyond the parties' control that could not be avoided by the exercise of due care including, but not limited to, natural disasters, riots, wars, epidemics, or any other similar cause.22. Force Majeure. "Force Majeure Event" means fire, flood, earthquake, elements of nature or acts of God, wars, riots, civil disorders, rebellions or revolutions, acts of terrorism or any other similar cause beyond the reasonable control of the party except to the extent that the non-performing party is at fault in failing to prevent or causing the default or delay, and provided that the default or delay cannot reasonably be circumvented by the non-performing party through the use of alternate sources, workaround plans or other means. A strike, lockout or labor dispute shall not excuse either party from its obligations under this Grant Contract. Except as set forth in this Section, any failure or delay by a party in the performance of its obligations under this Grant Contract arising from a Force Majeure Event is not a default under this Grant Contract or grounds for termination. The non-performing party will be excused from performing those obligations directly affected by the Force Majeure Event, and only for as long as the Force Majeure Event continues, provided that the party continues to use diligent, good faith efforts to resume performance without delay. The occurrence of a Force Majeure Event affecting Grantee's representatives, suppliers, subcontractors, customers or business apart from this Grant Contract is not a Force Majeure Event under this Grant Contract. Grantee will promptly notify the State of any delay caused by a Force Majeure Event (to be confirmed in a written notice to the State within one (1) day of the inception of the delay) that a Force Majeure Event has occurred, and will describe in reasonable detail the nature of the Force Majeure Event. If any Force Majeure Event results in a delay in Grantee's performance longer than forty-eight (48) hours, the State may, upon notice to Grantee: (a) cease payment of the fees until Grantee resumes performance of the affected obligations; or (b) immediately terminate this Grant Contract or any purchase order, in whole or in part, without further payment except for fees then due and payable. Grantee will not increase its charges under this Grant Contract or charge the State any fees other than those provided for in this Grant Contract as the result of a Force Majeure Event.

D.22. 23. State and Federal Compliance. The Grantee shall comply with all applicable state and federal laws and regulations in the performance of this Grant Contract. The U.S. Office of Management and Budget's Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards is available here: http://www.ecfr.gov/cgi-bin/text-idx?SID=c6b2f053952359ba94470ad3a7c1a975&tpl=/ecfrbrowse/Title02/2cfr200_main_02.tpl

D.23.24. Governing Law. This Grant Contract shall be governed by and construed in accordance with the laws of the State of Tennessee exclusive of choice of law provisions. The Grantee agrees that it will be subject to the exclusive jurisdiction of the courts of the State of Tennessee in actions that may arise under this Grant Contract. The Grantee acknowledges and agrees that any rights or claims against the State of Tennessee or its employees hereunder, and any remedies arising there from, shall be subject to and limited to those rights and remedies, if any, available under ~~Tennessee~~Tenn. Code ~~Annotated, Sections~~Ann. §§ 9-8-101 through 9-8-407.

D.24.25. Completeness. This Grant Contract is complete and contains the entire understanding between the parties relating to the subject matter contained herein, including all the terms and conditions of the parties'' agreement. This Grant Contract supersedes any and all prior understandings, representations, negotiations, and agreements between the parties relating hereto, whether written or oral.

D.25.26. Severability. If any terms and conditions of this Grant Contract are held to be invalid or unenforceable as a matter of law, the other terms and conditions hereof shall not be affected thereby and shall remain in full force and effect. To this end, the terms and conditions of this Grant Contract are declared severable.

D.26.27. Headings. Section headings are for reference purposes only and shall not be construed as part of this Grant Contract.

E. SPECIAL TERMS AND CONDITIONS:

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

E.2. Communications and Contacts. All instructions, notices, consents, demands, or other communications required or contemplated by this Grant Contract shall be in writing and shall be made by certified, first class mail, return receipt requested and postage prepaid, by overnight courier service with an asset tracking system, or by EMAIL or facsimile transmission with recipient confirmation. 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 State:

State Contact Name & Title
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. Hold Harmless. The Grantee agrees to indemnify and hold harmless the State of Tennessee as well as its officers, agents, and employees from and against any and all claims, liabilities, losses, and causes of action which may arise, accrue, or result to any person, firm, corporation, or other entity which may be injured or damaged as a result of acts, omissions, or negligence on the part of the Grantee, its employees, or any person acting for or on its or their behalf relating to this Grant Contract. The Grantee further agrees it shall be liable for the reasonable cost of attorneys for the State in the event such service is necessitated to enforce the terms of this Grant Contract or otherwise enforce the obligations of the Grantee to the State.

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

E.4 Tennessee Department of Revenue Registration. The Grantee shall comply with all applicable registration requirements contained in Tenn. Code Ann. §§ 67-6-601 – 608. Compliance with applicable registration requirements is a material requirement of this Grant Contract.

E.5. Debarment and Suspension. The Grantee certifies, to the best of its knowledge and belief, that it, its current and future principals, its current and future subcontractors and their principals:

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

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

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

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

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

Add AnyAdd ALL Necessary or Contingently Required Special Terms & Conditions

IN WITNESS WHEREOF,

GRANTEE LEGAL ENTITY NAME:

GRANTEE SIGNATURE **DATE**

PRINTED NAME AND TITLE OF GRANTEE SIGNATORY (above)

GRANTOR STATE AGENCY NAME:

NAME & TITLE **DATE**

GE INSTRUCTIONS, CONSIDERATIONS, and OPTIONS

The following pages contain additional GE instructions, considerations, and options. Replace or modify the standard GE Model by including the following content as appropriate. Content included with a box around it is intended to be inserted into the standard GE Model as appropriate.

Complete the 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.

COVER SHEET

A summary cover sheet properly completed and in accordance with the model is required. Complete summary 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

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 authorized signature of the Grantor State Agency on the Grant Contract 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 Grantee accountability and results.

Do NOT include payment terms in the scope of services.

Draft the scope of services to clearly, specifically, and definitively detail Grantee duties, responsibilities, and the associated performance requirements. 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 Contract in lieu of a properly drafted scope of services. Proposals for funding are NOT adequately definitive to stand alone as the description of Grantee duties and responsibilities or performance requirements.

To attach an associated grant proposal to the Grant Contract 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 Contract 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 Contract 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. GRANT CONTRACT TERM

Procurement professionals should obtain the Grantee's signature first before submitting the Grant Contract for State signatures or approvals. Procurement professionals shall obtain all required approvals prior to the Effective Date written in the Grant Contract and submit it for Central Procurement Office approval no less than thirty (30) days before the Effective Date.

If a signed Grant Contract is not submitted to the Central Procurement Office at least thirty (30) days prior to the Effective Date, then the CPO may require that the Grant Contract be resubmitted with a new Effective Date or require a Rule Exception Request that explains why the Grant Contract was submitted less than thirty (30) days before the Effective Date. In no event shall the Grantee deliver goods or perform services prior to the Effective Date.

Draft the Grant Contract with an appropriate, definitive, and complete Term. Note that no Grant Contract with a Term exceeding sixty (60) months shall be awarded unless approved by the Central Procurement Officer as being in the best interests of the State. (Tenn. Comp. R. & Regs. 0690-03-01-.14(2)(c)). Comptroller of the Treasury approval will also be required.

Option: Term Extension

To reserve the right to extend the Grant Contract's term beyond the original period, change the designation of the paragraph under B. to B.1. and the following section revising the length of the extension period(s) as appropriate.

B.#. Term Extension. It is understood and agreed that the State may extend the Term an additional period of time, not to exceed one hundred-eighty (180) days beyond the expiration date of this Grant Contract, under the same terms and conditions. In no event, however, shall the maximum Term, including all extensions or renewals, exceed a total of sixty (60) months.

D. **STANDARD TERMS AND CONDITIONS**

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

Termination for Convenience

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

Conflicts of Interest

If the Grantee is an individual, business, non-profit, or a government entity of another state or country, insert the following:

D.6. Conflicts of Interest. The Grantee warrants that no part of the total Grant Contract 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 Grantee in connection with any work contemplated or performed relative to this Grant Contract.

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

Nondiscrimination

Replace the Section with the following ONLY if the Grantee is a religious organization.

D.10. Nondiscrimination. The Grantee agrees, warrants, and assures that no person shall be excluded from participation in, be denied benefits of, or be otherwise subjected to discrimination in the performance of this Grant Contract or in the employment practices of the Grantee on the basis of any classification protected by Federal, Tennessee State constitutional, or statutory law. The Grantee shall, upon request, show proof of such nondiscrimination and shall post in conspicuous places, available to all employees and applicants, notices of nondiscrimination.

HIPPA Compliance

If the Grantee is a an individual, business, non-profit, or a government entity of another state or country, replace D.11 with the following:

D.11. HIPAA Compliance. The State and the Grantee shall comply with obligations under the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"), Health Information Technology for Economic and Clinical Health ("HITECH") Act and any other relevant laws and regulations regarding privacy (collectively the "Privacy Rules"). The obligations set forth in this Section shall survive the termination of this Grant Contract.

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

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

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

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

Independent Contractor

Replace this provision with the following if the Grantee is an individual, business, non-profit, or a government entity of another state or country, insert the following:

D.20. Independent Contractor. The parties shall not act as employees, partners, joint venturers, or associates of one another in the performance of this Grant Contract. The parties acknowledge that they are independent contracting entities and that nothing in this Grant Contract shall be construed to create a principal/agent relationship or to allow either to exercise control or direction over the manner or method by which the other transacts its business affairs or provides its usual services. The employees or agents of one party shall not be deemed or construed to be the employees or agents of the other party for any purpose whatsoever.

The Grantee, being an independent contractor and not an employee of the State, agrees to carry adequate public liability and other appropriate forms of insurance, including adequate public liability and other appropriate forms of insurance on the Grantee's employees, and to pay all applicable taxes incident to this Grant Contract.

E. SPECIAL TERMS AND CONDITIONS

Add the following sections as appropriate and in the order below. Should any of these special terms and conditions conflict with any other terms and condition of this Grant Contract, the special terms and conditions shall be subordinate to the Grant Contract's other terms and conditions.

Insurance

Add the following Section as appropriate. Revise minimum coverage amounts and deleting any unneeded subsections. If unsure whether the Section is applicable, consult the CPO legal team.

E.#. Insurance. The Grantee shall carry adequate liability and other appropriate forms of insurance.

a. The Grantee shall maintain, at minimum, the following insurance coverage:

(1) Workers' Compensation/ Employers' Liability (including all states coverage) with a limit not less than the relevant statutory amount or one million dollars ($1,000,000) per occurrence for employers' liability whichever is greater;

(2) 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 one million dollars ($1,000,000) per occurrence and two million dollars ($2,000,000) aggregate;

(3) Automobile Coverage (including owned, leased, hired, and non-owned vehicles) with a bodily injury/property damage combined single limit not less than one million dollars ($1,000,000) per occurrence; and

(4) Professional Malpractice Liability with a limit of not less than one million dollars ($1,000,000) per claim and two million dollars ($2,000,000) aggregate.

b. The Grantee shall provide a valid Certificate of Insurance naming the State as an additional insured and detailing Coverage Description; Insurance Company and Policy Number; Exceptions and Exclusions; Policy Effective Date; Policy Expiration Date; Limit(s) of Liability; and Name and Address of Insured. Grantee shall obtain from Grantee's insurance carrier(s) and will deliver to the State waivers of the subrogation rights under the respective policies. Failure to provide required evidence of insurance coverage shall be a material breach of this Grant Contract.

Debarment and Suspension

Add the following Section if required by federal law and the Grant Contract involves federal funds.

E.#. Debarment and Suspension. The Grantee certifies, to the best of its knowledge and belief, that it, its current and future principals, its current and future subcontractors and their principals:

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

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

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

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

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

Confidentiality of Records

Add the following Section as appropriate. If unsure whether the Section is applicable, consult the CPO legal team.

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 State or acquired by the Grantee on behalf of the State that is regarded as confidential under state or federal law shall be regarded as "Confidential Information." Nothing in this Section shall permit Grantee to disclose any Confidential Information, 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 State or third parties. Confidential Information shall not be disclosed except as required or permitted under state or federal law. Grantee shall take all necessary steps to safeguard the confidentiality of such material or information in conformance with applicable state and federal law.

The obligations set forth in this Section shall survive the termination of this Grant Contract.

Patient Protection and Affordable Care Act

Add the following Section as appropriate. If unsure whether the Section is applicable, contact the CPO legal team.

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

Printing Authorization

Add the following Section as appropriate.

E.#. Printing Authorization. The Grantee agrees that no publication coming within the jurisdiction of Tenn. Code Ann. § 12-7-101, *et seq.*, shall be printed pursuant to this Grant Contract unless a printing authorization number has been obtained and affixed as required by Tenn. Code Ann. § 12-7-103(d).

State Furnished Property

Add the following Section as appropriate.

E.#. State Furnished Property. The Grantee shall be responsible for the correct use, maintenance, and protection of all articles of nonexpendable, tangible, personal property furnished by the State for the Grantee's temporary use under this Grant Contract. Upon termination of this Grant Contract, all property furnished shall be returned to the State in good order and condition as when received, reasonable use and wear thereof excepted. Should the property be destroyed, lost, or stolen, the Grantee shall be responsible to the State for the residual value of the property at the time of loss.

Work Papers Subject To Review

Add the following Section only if the Grant Contract requires the performance of audit, accounting or financial analysis services.

E.#. Work Papers Subject to Review. The Grantee shall make all audit, accounting, or financial analysis work papers, notes, and other documents available for review by the Comptroller of the Treasury or his representatives, upon request, during normal working hours either while the analysis is in progress or subsequent to the completion of this Grant Contract.

Prohibited Advertising

Add the following Section as appropriate.

E.#. Prohibited Advertising. The Grantee shall not refer to this Grant Contract or the Grantee's relationship with the State under this Grant Contract in commercial advertising in such a manner as to state or imply that the Grantee or the Grantee's goods or services are endorsed. The obligations set forth in this Section shall survive the termination of this Grant Contract.

Intellectual Property

Add the following Section as appropriate. If unsure whether the Section is applicable, consult the CPO legal team.

E.#. Intellectual Property. The Contractor agrees to indemnify and hold harmless the State of Tennessee as well as its officers, agents, and employees from and against any and all claims or suits which may be brought against the State concerning or arising out of any claim of an alleged patent, copyright, trade secret or other intellectual property infringement. In any such claim or action brought against the State, the Contractor shall satisfy and indemnify the State for the amount of any settlement or final judgment, and the Contractor shall be responsible for all legal or other fees or expenses incurred by the State arising from any such claim. The State shall give the Contractor notice of any such claim or suit, however, the failure of the State to give such notice shall only relieve Contractor of its obligations under this Section to the extent Contractor can demonstrate actual prejudice arising from the State's failure to give notice. This Section shall not grant the Contractor, through its attorneys, the right to represent the State of Tennessee in any legal matter, as provided in Tenn. Code Ann. § 8-6-106.

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 "Children's Act for Clean Indoor Air of 1995," Tenn. Code Ann. §§ 39-17-1601 through 1606, 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 Contract.

Drug Free Workplace

Add the following Section as appropriate.

E.#. The Grantee shall provide a drug-free workplace pursuant to the "Drug-Free Workplace Act," 41 U.S.C. §§ 8101 through 8106, and its accompanying regulations.

Disclosure of Personally Identifiable Information

Add the following Section as appropriate.

E.#. Disclosure of Personally Identifiable Information. The Grantee shall report to the State any instances of unauthorized disclosure of personally identifiable 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 State, 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 personally identifiable information involved in a potential disclosure event, including individual letters or public notice. The remedies set forth in this section are not exclusive

and are in addition to any claims or remedies available to the State under this Grant Contract or otherwise available at law.

Transfer of Grantee's Obligations

Add the following Section as appropriate.

E.#. Transfer of Grantee's Obligations.

The Grantee shall not transfer or restructure its operations related to this Grant Contract without the prior written approval of the State. The Grantee shall immediately notify the State in writing of a proposed transfer or restructuring of its operations related to this Grant Contract. The State reserves the right to request additional information or impose additional terms and conditions before approving a proposed transfer or restructuring.

Performance Bond

This Section is optional unless the Grant Contract involves construction in excess of one hundred thousand dollars ($100,000). In which case, the Grantee must execute a performance bond for twenty-five percent (25%) of the Maximum Liability. A performance bond requirement is generally not recommended for several reasons. A performance bond can be very expensive and difficult for any business to obtain, and the requirement makes it virtually impossible for small and minority businesses to serve as grantees. A performance bond is not a usual cost of doing business, and the cost associated with meeting the requirement will most certainly be passed directly to the State. Finally, the benefit purported to result from a performance bond is highly questionable. This type of bond can be difficult to enforce, and the State has little or no experience in enforcing such obligations. A performance bond is a poor insurance policy. There are much better methods for the State to ensure Grantee performance (e.g., the Scope is sufficiently detailed to ensure Grantee accountability and results; payment methodology involves contingent, incremental payments; a retention of final payment provision; a liquidated damages provision; and sound contract management).

Add the following Section only as appropriate, and provided that the Grantor State Agency legal counsel: (1) drafts the referenced, state-prescribed, bond form; and (2) makes a determination that the bond requirement will be reasonably and legally enforceable under the Grant Contract.

E.#. Performance Bond. The Grantee shall provide to the State a performance bond guaranteeing full and faithful performance of all undertakings and obligations under this Grant Contract and in the amount equal to Written Dollar Amount ($Number). The Grantee shall submit the bond no later than the day immediately preceding the contract start date and in the manner and form prescribed by the State (at Attachment Reference hereto), and the bond shall be issued through a company licensed to issue such a bond in the state of Tennessee. The performance bond shall guarantee full and faithful performance of all undertakings and obligations under this Grant Contract for:

a. the initial contract term and all extensions thereof; or

b. the first, annual period of the Grant Contract (ending December 31st following the Grant Contract start date) in the amount of Written Dollar Amount ($Number) and, thereafter, a new performance bond in the amount of Written Dollar Amount ($Number) covering each subsequent annual period of the Grant Contract. In which case, the Grantee shall provide annual performance bonds to the State no later than each December 10th preceding the annual covered period beginning on January 1st of each year.

Failure to provide the performance bond(s) as required herein prior to the Grant Contract start date and, as applicable in the case of an annual performance bond, no later than December 10th preceding each annual covered period beginning on January 1st of each year, shall result in

contract termination. The Grantee understands and agrees that the stated amount of the performance bond required hereunder shall not be reduced during the contract period for any reason.

Hold Harmless

Inclusion of this requirement should be carefully considered. The requirement is likely to chill interest in seeking the contract award, and so, it may reduce competition and increase cost (for a contractor to take on the additional risk).

Add the following Section if recommended by the Grantor State Agency's legal counsel.

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

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

SIGNATURES

By signature, the Grantor State Agency head or authorized designee shall assure and affirm that:

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

Draft the Grant Contract 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.

Document comparison by Workshare Compare on Monday, October 19, 2015 9:47:12 AM

Input:	
Document 1 ID	file://C:\Users\ba10301\Desktop\GE Model_approved 9.14.15.docx
Description	GE Model_approved 9.14.15
Document 2 ID	file://C:\Users\ba10301\Desktop\GE Model Clean.doc
Description	GE Model Clean
Rendering set	Standard

Legend:	
Insertion	
~~Deletion~~	
~~Moved from~~	
Moved to	
Style change	
Format change	
~~Moved deletion~~	
Inserted cell	
Deleted cell	
Moved cell	
Split/Merged cell	
Padding cell	

Statistics:	
	Count
Insertions	243
Deletions	280
Moved from	62
Moved to	62
Style change	0
Format changed	0
Total changes	647

ENDOWMENT GRANT (GE) MODEL

CLEAN VERSION

GE MODEL

This model prescribes the format and content for an endowment grant to: an individual, business, or non-profit; a Tennessee state, local, or quasi-governmental entity; or a governmental entity of another state or country. An endowment grant contract effects an award of funds or property to a grantee when the State intends to make the award free of conditions beyond a cited purpose that will benefit the general public or some population of the general public.

ENDOWMENT GRANT CONTRACT

Begin Date	End Date	Agency Tracking #	Edison ID
		–	

Grantee Legal Entity Name	Edison Vendor ID

Service Caption (one line only)

Funding —

FY	State	Federal	Interdepartmental	Other	TOTAL Contract Amount
TOTAL:					

Ownership/Control

☐ African American ☐ Asian ☐ Hispanic ☐ Native American ☐ Female

☐ Person w/Disability ☐ Small Business ☐ Government ☐ NOT Minority/Disadvantaged

☐ Other:

Grantee Selection Process Summary

☐ Competitive selection	Describe the competitive selection process used.
☐ Non-competitive selection	Describe the reasons for a non-competitive grantee selection.

Budget Officer Confirmation: There is a balance in the appropriation from which obligations hereunder are required to be paid that is not already encumbered to pay other obligations.

CPO USE - EG

Speed Chart (optional)	Account Code (optional)

GRANT CONTRACT
BETWEEN THE STATE OF TENNESSEE,
STATE AGENCY NAME
AND
GRANTEE NAME

This Grant Contract, by and between the State of Tennessee, State Agency Name, hereinafter referred to as the 'State" or the "Grantor State Agency" and Grantee Legal Entity Name, hereinafter referred to as the "Grantee," is for the provision of Scope of Service Caption, as further defined in the "SCOPE OF SERVICES AND DELIVERABLES."

The following red text is for instructional purposes only and should be deleted from the Grant Contract.

The Grantor State Agency must justify why an endowment grant with an advance payment is needed over a cost-reimbursement grant. The Grantor State Agency should concurrently submit an approved rule exception request for advance payment. The rule exception request should cite the statutory authority to make the award by stating, "This Grant Contract is being awarded pursuant to Tenn. Code Ann. §(cite applicable title, chapter, section)."

By using this Endowment Model, the Grantor State Agency understands that the Grant Contract may only establish a contractor relationship with the Grantee as defined by Central Procurement Office Policy 2013-007.

The default terms of this Endowment Model are to be used when granting an award to a Tennessee local governmental entity. The Grantor State Agency should consult the "Considerations, Instructions, and Options" section of the Endowment Model to replace certain terms when contracting with an individual, business, non-profit, or a government entity of another state or county.

The Grantee is a/an/the Individual, For-Profit Corporation, Non-Profit Corporation, Special Purpose Corporation Or Association, Partnership, Joint Venture, Limited Liability Company, , or Tennessee Government Entity.
Grantee Place of Incorporation or Organization: Location
Grantee Edison Vendor ID # Number

A. SCOPE OF SERVICES AND DELIVERABLES:

A.1. The Grantee shall provide the scope of services and deliverables ("Scope") as required, described, and detailed in this Grant Contract.

A.#. Specify the Scope that the Grantee must provide under this Grant Contract. Do not include payment terms in the Scope.

B. TERM OF CONTRACT:

This Grant Contract shall be effective on DATE ("Effective Date") and extend for a period of number (#) months after the Effective Date ("Term"). The State shall have no obligation to the Grantee for fulfillment of the Scope outside the Term.

C. PAYMENT TERMS AND CONDITIONS:

C.1. Maximum Liability. In no event shall the maximum liability of the State under this Grant Contract exceed Written Dollar Amount ($Amount) ("Maximum Liability").

C.2. Compensation Firm. The Maximum Liability of the State is not subject to escalation for any reason unless amended.

C.3. Payment Methodology – Total Advance Payment. The Grantee shall be reimbursed for actual, reasonable, and necessary costs, 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 Contract.

C.4. Expenditures and Accounting. The expenditure of funds made available through this Grant Contract shall adhere to the Scope of Services. Said expenditures shall be made during the Grant Contract period and shall not be carried forward. The Grantee shall submit an Expenditures and Accounting report within thirty (30) days following the end of the Grant Contract. Said report shall demonstrate compliance with the Scope of Services and shall be in form and substance acceptable to the State.

C.5. State's Right to Set Off. The State reserves the right to set off or deduct from amounts that are or shall become due and payable to the Grantee under this Grant Contract or under any other agreement between the Grantee and the State of Tennessee under which the Grantee has a right to receive payment from the State.

C.6. Prerequisite Documentation. The Grantee shall not receive the funds under the endowment grant until the State has received the following:

a. A Grantee completed and signed State provided "Authorization Agreement for Automatic Deposit (ACH Credits) Form" provided by the State. By doing so, the Grantee acknowledges and agrees that, once this form is received by the State, all payments to the Grantee under this or any other grant contract will be made by automated clearing house ("ACH").

b. A Grantee completed and signed State provided W-9 form. The taxpayer identification number on the W-9 form must be the same as the Grantee's Federal Employer Identification Number or Social Security Number referenced in the Grantee's Edison registration information.

D. STANDARD TERMS AND CONDITIONS:

D.1. Required Approvals. The State is not bound by this Grant Contract until it is signed by the parties and approved by appropriate officials in accordance with applicable Tennessee laws and regulations (depending upon the specifics of this contract, the 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. This Grant Contract may be modified only by a written amendment signed by all parties and approved by the officials who approved the Grant Contract and, depending upon the specifics of the Grant Contract as amended, any additional officials required by Tennessee laws and regulations (the 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 State may terminate this Grant Contract without cause for any reason. A termination for convenience shall not be a breach of this Grant Contract by the State. The State shall give the Grantee at least thirty (30) days written notice before the effective termination date. The Grantee shall be entitled to compensation for authorized expenditures and satisfactory services completed as of the termination date, but in no event shall the State be liable to the Grantee for compensation for any service that has not been rendered. The final decision as to the amount for which the State is liable shall be determined by the State. The Grantee shall not have any right to any actual general, special, incidental, consequential, or any other

damages whatsoever of any description or amount for the State's exercise of its right to terminate for convenience.

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

D.5. Subcontracting. The Grantee shall not assign this Grant Contract or enter into a subcontract for any of the services performed under this Grant Contract without obtaining the prior written approval of the State. If such subcontracts are approved by the State, each shall contain, at a minimum, sections of this contract pertaining to "Conflicts of Interest," "Lobbying," "Nondiscrimination," "Public Accountability," "Public Notice," and "Records" (as identified by the section headings). Notwithstanding any use of approved subcontractors, the Grantee shall remain responsible for all work performed.

D.6. Conflicts of Interest. The Grantee warrants that no part of the total Grant Contract 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 Grantee in connection with any work contemplated or performed relative to this Grant Contract.

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

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

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

c. The Grantee shall require that the language of this certification be included in the award documents for all sub-awards at all tiers (including subcontracts, sub-grants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into and is a prerequisite for making or entering into this transaction imposed by 31 U.S.C. § 1352

D.8. Communications and Contacts. All instructions, notices, consents, demands, or other communications required or contemplated by this Grant Contract shall be in writing and shall be made by certified, first class mail, return receipt requested and postage prepaid, by overnight courier service with an asset tracking system, or by email or facsimile transmission with recipient

confirmation. All communications, regardless of method of transmission, shall be addressed to the respective party as set out below:
The State:

State Contact Name & Title
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

A change to the above contact information requires written notice to the person designated by the other party to receive notice.

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

D.9. Subject to Funds Availability. This Grant Contract is subject to the appropriation and availability of State or Federal funds. In the event that the funds are not appropriated or are otherwise unavailable, the State reserves the right to terminate this Grant Contract upon written notice to the Grantee. The State's right to terminate this Grant Contract due to lack of funds is not a breach of this Grant Contract by the State. Upon receipt of the written notice, the Grantee shall cease all work associated with the Grant Contract. Should such an event occur, the Grantee shall be entitled to compensation for all satisfactory and authorized services completed as of the termination date. Upon such termination, the Grantee shall have no right to recover from the State any actual, general, special, incidental, consequential, or any other damages whatsoever of any description or amount.

D.10. Nondiscrimination. The Grantee hereby agrees, warrants, and assures that no person shall be excluded from participation in, be denied benefits of, or be otherwise subjected to discrimination in the performance of this Grant Contract or in the employment practices of the Grantee on the grounds of handicap or disability, age, race, color, religion, sex, national origin, or any other classification protected by Federal, Tennessee State constitutional, or statutory law. The Grantee shall, upon request, show proof of such nondiscrimination and shall post in conspicuous places, available to all employees and applicants, notices of nondiscrimination.

D.11. HIPAA Compliance. The State and the Grantee shall comply with obligations under the Health Insurance Portability and Accountability Act of 1996 (HIPAA), Health Information Technology for Economic and Clinical Health Act (HITECH) and any other relevant laws and regulations regarding privacy (collectively the "Privacy Rules"). The obligations set forth in this Section shall survive the termination of this Grant Contract.

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

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

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

D.12. Public Accountability. If the Grantee is subject to Tenn. Code Ann. § 8-4-401 *et seq.*, or if this Grant Contract involves the provision of services to citizens by the Grantee on behalf of the State, the Grantee agrees to establish a system through which recipients of services may present grievances about the operation of the service program, and the Grantee shall display in a prominent place, located near the passageway through which the public enters in order to receive Grant supported services, a sign at least twelve inches (12") in height and eighteen inches (18") in width stating:

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

The sign shall be on the form prescribed by the Comptroller of the Treasury. The Grantor State Agency shall obtain copies of the sign from the Comptroller of the Treasury, and upon request from the Grantee, provide Grantee with any necessary signs.

D.13. Public Notice. All notices, informational pamphlets, press releases, research reports, signs, and similar public notices prepared and released by the Grantee shall include the statement, "This project is funded under an agreement with the State of Tennessee."

All notices by the Grantee in relation to this Grant Contract shall be approved by the State.

D.14. Licensure. The Grantee, its employees, and any approved subcontractor shall be licensed pursuant to all applicable federal, state, and local laws, ordinances, rules, and regulations and shall upon request provide proof of all licenses.

D.15. Records. The Grantee and any approved subcontractor shall maintain documentation for all charges under this Grant Contract. The books, records, and documents of the Grantee and any approved subcontractor, insofar as they relate to work performed or money received under this Grant Contract, shall be maintained in accordance with applicable Tennessee law. In no case shall the records be maintained for a period of less than five (5) full years from the date of the final payment. The Grantee's records shall be subject to audit at any reasonable time and upon reasonable notice by the Grantor State Agency, the Comptroller of the Treasury, or their duly appointed representatives.

The records shall be maintained in accordance with Governmental Accounting Standards Board (GASB) Accounting Standards or the Financial Accounting Standards Board (FASB) Accounting Standards Codification, as applicable, and any related AICPA Industry Audit and Accounting guides.

In addition, documentation of grant applications, budgets, reports, awards, and expenditures will be maintained in accordance with U.S. Office of Management and Budget's *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.*

Grant expenditures shall be made in accordance with local government purchasing policies and procedures and purchasing procedures for local governments authorized under state law.

The Grantee shall also comply with any recordkeeping and reporting requirements prescribed by the Tennessee Comptroller of the Treasury.

The Grantee shall establish a system of internal controls that utilize the COSO Internal Control - Integrated Framework model as the basic foundation for the internal control system. The Grantee shall incorporate any additional Comptroller of the Treasury directives into its internal control system.

Any other required records or reports which are not contemplated in the above standards shall follow the format designated by the head of the Grantor State Agency, the Central Procurement Office, or the Commissioner of Finance and Administration of the State of Tennessee.

D.16. Monitoring. The Grantee's activities conducted and records maintained pursuant to this Grant Contract shall be subject to monitoring and evaluation by the State, the Comptroller of the Treasury, or their duly appointed representatives.

D.17. Progress Reports. The Grantee shall submit brief, periodic, progress reports to the State as requested.

D.18. Annual and Final Reports. The Grantee shall submit, within three (3) months of the conclusion of each year of the Term, an annual report. For grant contracts with a term of less than one (1) year, the Grantee shall submit a final report within three (3) months of the conclusion of the Term. For grant contracts with multiyear terms, the final report will take the place of the annual report for the final year of the Term. The Grantee shall submit annual and final reports to the Grantor State Agency and the Department of Finance and Administration ("F&A"). Send electronic copies of annual and final reports to F&A at fa.audit@tn.gov. At minimum, annual and final reports shall include: (a) the Grantee's name; (b) the Grant Contract's Edison identification number, Term, and total amount; (c) a narrative section that describes the program's goals, outcomes, successes and setbacks, whether the Grantee used benchmarks or indicators to determine progress, and whether any proposed activities were not completed; and (d) other relevant details requested by the Grantor State Agency. Annual and final report documents to be completed by the Grantee shall appear on the Grantor State Agency's website or as an attachment to the Grant Contract.

D.19. Strict Performance. Failure by any party to this Grant Contract to insist in any one or more cases upon the strict performance of any of the terms, covenants, conditions, or provisions of this agreement shall not be construed as a waiver or relinquishment of any such term, covenant, condition, or provision. No term or condition of this Grant Contract shall be held to be waived, modified, or deleted except by a written amendment signed by the parties.

D.20. Independent Contractor. The parties shall not act as employees, partners, joint venturers, or associates of one another in the performance of this Grant Contract. The parties acknowledge that they are independent contracting entities and that nothing in this Grant Contract shall be construed to create a principal/agent relationship or to allow either to exercise control or direction over the manner or method by which the other transacts its business affairs or provides its usual services. The employees or agents of one party shall not be deemed or construed to be the employees or agents of the other party for any purpose whatsoever.

D.21. State Liability. The State shall have no liability except as specifically provided in this Grant Contract.

D.22. Force Majeure. "Force Majeure Event" means fire, flood, earthquake, elements of nature or acts of God, wars, riots, civil disorders, rebellions or revolutions, acts of terrorism or any other similar cause beyond the reasonable control of the party except to the extent that the non-performing party is at fault in failing to prevent or causing the default or delay, and provided that the default or delay cannot reasonably be circumvented by the non-performing party through the use of

alternate sources, workaround plans or other means. A strike, lockout or labor dispute shall not excuse either party from its obligations under this Grant Contract. Except as set forth in this Section, any failure or delay by a party in the performance of its obligations under this Grant Contract arising from a Force Majeure Event is not a default under this Grant Contract or grounds for termination. The non-performing party will be excused from performing those obligations directly affected by the Force Majeure Event, and only for as long as the Force Majeure Event continues, provided that the party continues to use diligent, good faith efforts to resume performance without delay. The occurrence of a Force Majeure Event affecting Grantee's representatives, suppliers, subcontractors, customers or business apart from this Grant Contract is not a Force Majeure Event under this Grant Contract. Grantee will promptly notify the State of any delay caused by a Force Majeure Event (to be confirmed in a written notice to the State within one (1) day of the inception of the delay) that a Force Majeure Event has occurred, and will describe in reasonable detail the nature of the Force Majeure Event. If any Force Majeure Event results in a delay in Grantee's performance longer than forty-eight (48) hours, the State may, upon notice to Grantee: (a) cease payment of the fees until Grantee resumes performance of the affected obligations; or (b) immediately terminate this Grant Contract or any purchase order, in whole or in part, without further payment except for fees then due and payable. Grantee will not increase its charges under this Grant Contract or charge the State any fees other than those provided for in this Grant Contract as the result of a Force Majeure Event.

D. 23. State and Federal Compliance. The Grantee shall comply with all applicable state and federal laws and regulations in the performance of this Grant Contract. The U.S. Office of Management and Budget's Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards is available here: http://www.ecfr.gov/cgi-bin/text-idx?SID=c6b2f053952359ba94470ad3a7c1a975&tpl=/ecfrbrowse/Title02/2cfr200_main_02.tpl

D.24. Governing Law. This Grant Contract shall be governed by and construed in accordance with the laws of the State of Tennessee exclusive of choice of law provisions. The Grantee agrees that it will be subject to the exclusive jurisdiction of the courts of the State of Tennessee in actions that may arise under this Grant Contract. The Grantee acknowledges and agrees that any rights or claims against the State of Tennessee or its employees hereunder, and any remedies arising there from, shall be subject to and limited to those rights and remedies, if any, available under Tenn. Code Ann. §§ 9-8-101 through 9-8-407.

D.25. Completeness. This Grant Contract is complete and contains the entire understanding between the parties relating to the subject matter contained herein, including all the terms and conditions of the parties' agreement. This Grant Contract supersedes any and all prior understandings, representations, negotiations, and agreements between the parties relating hereto, whether written or oral.

D.26. Severability. If any terms and conditions of this Grant Contract are held to be invalid or unenforceable as a matter of law, the other terms and conditions hereof shall not be affected thereby and shall remain in full force and effect. To this end, the terms and conditions of this Grant Contract are declared severable.

D.27. Headings. Section headings are for reference purposes only and shall not be construed as part of this Grant Contract.

E. SPECIAL TERMS AND CONDITIONS:

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

Add ALL Necessary or Contingently Required Special Terms & Conditions

IN WITNESS WHEREOF,

GRANTEE LEGAL ENTITY NAME:

GRANTEE SIGNATURE **DATE**

PRINTED NAME AND TITLE OF GRANTEE SIGNATORY (above)

GRANTOR STATE AGENCY NAME:

NAME & TITLE **DATE**

GE INSTRUCTIONS, CONSIDERATIONS, and OPTIONS

The following pages contain additional GE instructions, considerations, and options. Replace or modify the standard GE Model by including the following content as appropriate. Content included with a box around it is intended to be inserted into the standard GE Model as appropriate.

Complete the 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.

COVER SHEET

A summary cover sheet properly completed and in accordance with the model is required. Complete summary 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

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 authorized signature of the Grantor State Agency on the Grant Contract 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 Grantee accountability and results.

Do NOT include payment terms in the scope of services.

Draft the scope of services to clearly, specifically, and definitively detail Grantee duties, responsibilities, and the associated performance requirements. 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 Contract in lieu of a properly drafted scope of services. Proposals for funding are NOT adequately definitive to stand alone as the description of Grantee duties and responsibilities or performance requirements.

To attach an associated grant proposal to the Grant Contract 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 Contract 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 Contract 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. GRANT CONTRACT TERM

Procurement professionals should obtain the Grantee's signature first before submitting the Grant Contract for State signatures or approvals. Procurement professionals shall obtain all required approvals prior to the Effective Date written in the Grant Contract and submit it for Central Procurement Office approval no less than thirty (30) days before the Effective Date.

If a signed Grant Contract is not submitted to the Central Procurement Office at least thirty (30) days prior to the Effective Date, then the CPO may require that the Grant Contract be resubmitted with a new Effective Date or require a Rule Exception Request that explains why the Grant Contract was submitted less than thirty (30) days before the Effective Date. In no event shall the Grantee deliver goods or perform services prior to the Effective Date.

Draft the Grant Contract with an appropriate, definitive, and complete Term. Note that no Grant Contract with a Term exceeding sixty (60) months shall be awarded unless approved by the Central Procurement Officer as being in the best interests of the State. (Tenn. Comp. R. & Regs. 0690-03-01-.14(2)(c)). Comptroller of the Treasury approval will also be required.

Option: Term Extension

To reserve the right to extend the Grant Contract's term beyond the original period, change the designation of the paragraph under B. to B.1. and the following section revising the length of the extension period(s) as appropriate.

B.#.	Term Extension. It is understood and agreed that the State may extend the Term an additional period of time, not to exceed one hundred-eighty (180) days beyond the expiration date of this Grant Contract, under the same terms and conditions. In no event, however, shall the maximum Term, including all extensions or renewals, exceed a total of sixty (60) months.

D. STANDARD TERMS AND CONDITIONS

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

Termination for Convenience

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

Conflicts of Interest

If the Grantee is an individual, business, non-profit, or a government entity of another state or country, insert the following:

D.6. Conflicts of Interest. The Grantee warrants that no part of the total Grant Contract 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 Grantee in connection with any work contemplated or performed relative to this Grant Contract.

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

Nondiscrimination

Replace the Section with the following ONLY if the Grantee is a religious organization.

D.10. Nondiscrimination. The Grantee agrees, warrants, and assures that no person shall be excluded from participation in, be denied benefits of, or be otherwise subjected to discrimination in the performance of this Grant Contract or in the employment practices of the Grantee on the basis of any classification protected by Federal, Tennessee State constitutional, or statutory law. The Grantee shall, upon request, show proof of such nondiscrimination and shall post in conspicuous places, available to all employees and applicants, notices of nondiscrimination.

HIPPA Compliance

If the Grantee is a an individual, business, non-profit, or a government entity of another state or country, replace D.11 with the following:

D.11. HIPAA Compliance. The State and the Grantee shall comply with obligations under the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"), Health Information Technology for Economic and Clinical Health ("HITECH") Act and any other relevant laws and regulations regarding privacy (collectively the "Privacy Rules"). The obligations set forth in this Section shall survive the termination of this Grant Contract.

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

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

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

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

Independent Contractor

Replace this provision with the following if the Grantee is an individual, business, non-profit, or a government entity of another state or country, insert the following:

D.20. Independent Contractor. The parties shall not act as employees, partners, joint venturers, or associates of one another in the performance of this Grant Contract. The parties acknowledge that they are independent contracting entities and that nothing in this Grant Contract shall be construed to create a principal/agent relationship or to allow either to exercise control or direction over the manner or method by which the other transacts its business affairs or provides its usual services. The employees or agents of one party shall not be deemed or construed to be the employees or agents of the other party for any purpose whatsoever.

The Grantee, being an independent contractor and not an employee of the State, agrees to carry adequate public liability and other appropriate forms of insurance, including adequate public liability and other appropriate forms of insurance on the Grantee's employees, and to pay all applicable taxes incident to this Grant Contract.

E. SPECIAL TERMS AND CONDITIONS

Add the following sections as appropriate and in the order below. Should any of these special terms and conditions conflict with any other terms and condition of this Grant Contract, the special terms and conditions shall be subordinate to the Grant Contract's other terms and conditions.

Insurance

Add the following Section as appropriate. Revise minimum coverage amounts and deleting any unneeded subsections. If unsure whether the Section is applicable, consult the CPO legal team.

E.#. Insurance. The Grantee shall carry adequate liability and other appropriate forms of insurance.

a. The Grantee shall maintain, at minimum, the following insurance coverage:

(1) Workers' Compensation/ Employers' Liability (including all states coverage) with a limit not less than the relevant statutory amount or one million dollars ($1,000,000) per occurrence for employers' liability whichever is greater;

(2) 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 one million dollars ($1,000,000) per occurrence and two million dollars ($2,000,000) aggregate;

(3) Automobile Coverage (including owned, leased, hired, and non-owned vehicles) with a bodily injury/property damage combined single limit not less than one million dollars ($1,000,000) per occurrence; and

(4) Professional Malpractice Liability with a limit of not less than one million dollars ($1,000,000) per claim and two million dollars ($2,000,000) aggregate.

b. The Grantee shall provide a valid Certificate of Insurance naming the State as an additional insured and detailing Coverage Description; Insurance Company and Policy Number; Exceptions and Exclusions; Policy Effective Date; Policy Expiration Date; Limit(s) of Liability; and Name and Address of Insured. Grantee shall obtain from Grantee's insurance carrier(s) and will deliver to the State waivers of the subrogation rights under the respective policies. Failure to provide required evidence of insurance coverage shall be a material breach of this Grant Contract.

Debarment and Suspension

Add the following Section if required by federal law and the Grant Contract involves federal funds.

E.#. Debarment and Suspension. The Grantee certifies, to the best of its knowledge and belief, that it, its current and future principals, its current and future subcontractors and their principals:

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

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

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

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

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

Confidentiality of Records

Add the following Section as appropriate. If unsure whether the Section is applicable, consult the CPO legal team.

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 State or acquired by the Grantee on behalf of the State that is regarded as confidential under state or federal law shall be regarded as "Confidential Information." Nothing in this Section shall permit Grantee to disclose any Confidential Information, 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 State or third parties. Confidential Information shall not be disclosed except as required or permitted under state or federal law. Grantee shall take all necessary steps to safeguard the confidentiality of such material or information in conformance with applicable state and federal law.

The obligations set forth in this Section shall survive the termination of this Grant Contract.

Patient Protection and Affordable Care Act

Add the following Section as appropriate. If unsure whether the Section is applicable, contact the CPO legal team.

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

Printing Authorization

Add the following Section as appropriate.

E.#. Printing Authorization. The Grantee agrees that no publication coming within the jurisdiction of Tenn. Code Ann. § 12-7-101, *et seq.*, shall be printed pursuant to this Grant Contract unless a printing authorization number has been obtained and affixed as required by Tenn. Code Ann. §

12-7-103(d).

State Furnished Property

Add the following Section as appropriate.

E.#. State Furnished Property. The Grantee shall be responsible for the correct use, maintenance, and protection of all articles of nonexpendable, tangible, personal property furnished by the State for the Grantee's temporary use under this Grant Contract. Upon termination of this Grant Contract, all property furnished shall be returned to the State in good order and condition as when received, reasonable use and wear thereof excepted. Should the property be destroyed, lost, or stolen, the Grantee shall be responsible to the State for the residual value of the property at the time of loss.

Work Papers Subject To Review

Add the following Section only if the Grant Contract requires the performance of audit, accounting or financial analysis services.

E.#. Work Papers Subject to Review. The Grantee shall make all audit, accounting, or financial analysis work papers, notes, and other documents available for review by the Comptroller of the Treasury or his representatives, upon request, during normal working hours either while the analysis is in progress or subsequent to the completion of this Grant Contract.

Prohibited Advertising

Add the following Section as appropriate.

E.#. Prohibited Advertising. The Grantee shall not refer to this Grant Contract or the Grantee's relationship with the State under this Grant Contract in commercial advertising in such a manner as to state or imply that the Grantee or the Grantee's goods or services are endorsed. The obligations set forth in this Section shall survive the termination of this Grant Contract.

Intellectual Property

Add the following Section as appropriate. If unsure whether the Section is applicable, consult the CPO legal team.

E.#. Intellectual Property. The Contractor agrees to indemnify and hold harmless the State of Tennessee as well as its officers, agents, and employees from and against any and all claims or suits which may be brought against the State concerning or arising out of any claim of an alleged patent, copyright, trade secret or other intellectual property infringement. In any such claim or action brought against the State, the Contractor shall satisfy and indemnify the State for the amount of any settlement or final judgment, and the Contractor shall be responsible for all legal or other fees or expenses incurred by the State arising from any such claim. The State shall give the Contractor notice of any such claim or suit, however, the failure of the State to give such notice shall only relieve Contractor of its obligations under this Section to the extent Contractor can demonstrate actual prejudice arising from the State's failure to give notice. This Section shall not grant the Contractor, through its attorneys, the right to represent the State of Tennessee in any legal matter, as provided in Tenn. Code Ann. § 8-6-106.

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 "Children's Act for Clean Indoor Air of 1995," Tenn. Code Ann. §§ 39-17-1601

through 1606, 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 Contract.

Drug Free Workplace

Add the following Section as appropriate.

E.#. The Grantee shall provide a drug-free workplace pursuant to the "Drug-Free Workplace Act," 41 U.S.C. §§ 8101 through 8106, and its accompanying regulations.

Disclosure of Personally Identifiable Information

Add the following Section as appropriate.

E.#. Disclosure of Personally Identifiable Information. The Grantee shall report to the State any instances of unauthorized disclosure of personally identifiable 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 State, 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 personally identifiable information involved in a potential disclosure event, including individual letters or public notice. The remedies set forth in this section are not exclusive and are in addition to any claims or remedies available to the State under this Grant Contract or otherwise available at law.

Transfer of Grantee's Obligations

Add the following Section as appropriate.

E.#. Transfer of Grantee's Obligations.
The Grantee shall not transfer or restructure its operations related to this Grant Contract without the prior written approval of the State. The Grantee shall immediately notify the State in writing of a proposed transfer or restructuring of its operations related to this Grant Contract. The State reserves the right to request additional information or impose additional terms and conditions before approving a proposed transfer or restructuring.

Performance Bond

This Section is optional unless the Grant Contract involves construction in excess of one hundred thousand dollars ($100,000). In which case, the Grantee must execute a performance bond for twenty-five percent (25%) of the Maximum Liability. A performance bond requirement is generally not recommended for several reasons. A performance bond can be very expensive and difficult for any business to obtain, and the requirement makes it virtually impossible for small and minority businesses to serve as grantees. A performance bond is not a usual cost of doing business, and the cost associated with meeting the requirement will most certainly be passed directly to the State. Finally, the benefit purported to result from a performance bond is highly questionable. This type of bond can be difficult to enforce, and the State has little or no experience in enforcing such obligations. A performance bond is a poor insurance policy. There are much better methods for the State to ensure Grantee performance (e.g., the Scope is sufficiently detailed to ensure Grantee

accountability and results; payment methodology involves contingent, incremental payments; a retention of final payment provision; a liquidated damages provision; and sound contract management).

Add the following Section only as appropriate, and provided that the Grantor State Agency legal counsel: (1) drafts the referenced, state-prescribed, bond form; and (2) makes a determination that the bond requirement will be reasonably and legally enforceable under the Grant Contract.

E.#. Performance Bond. The Grantee shall provide to the State a performance bond guaranteeing full and faithful performance of all undertakings and obligations under this Grant Contract and in the amount equal to Written Dollar Amount ($Number). The Grantee shall submit the bond no later than the day immediately preceding the contract start date and in the manner and form prescribed by the State (at Attachment Reference hereto), and the bond shall be issued through a company licensed to issue such a bond in the state of Tennessee. The performance bond shall guarantee full and faithful performance of all undertakings and obligations under this Grant Contract for:

a. the initial contract term and all extensions thereof; or

b. the first, annual period of the Grant Contract (ending December 31st following the Grant Contract start date) in the amount of Written Dollar Amount ($Number) and, thereafter, a new performance bond in the amount of Written Dollar Amount ($Number) covering each subsequent annual period of the Grant Contract. In which case, the Grantee shall provide annual performance bonds to the State no later than each December 10th preceding the annual covered period beginning on January 1st of each year.

Failure to provide the performance bond(s) as required herein prior to the Grant Contract start date and, as applicable in the case of an annual performance bond, no later than December 10th preceding each annual covered period beginning on January 1st of each year, shall result in contract termination. The Grantee understands and agrees that the stated amount of the performance bond required hereunder shall not be reduced during the contract period for any reason.

Hold Harmless

Inclusion of this requirement should be carefully considered. The requirement is likely to chill interest in seeking the contract award, and so, it may reduce competition and increase cost (for a contractor to take on the additional risk).

Add the following Section if recommended by the Grantor State Agency's legal counsel.

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

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

SIGNATURES

By signature, the Grantor State Agency head or authorized designee shall assure and affirm that:

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

Draft the Grant Contract 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.

SECTION 4.1 – DEFINITION OF "SUBRECIPIENT"

PROCUREMENT PROCEDURES MANUAL OF THE CENTRAL PROCUREMENT OFFICE

REDLINE VERSION

"Subrecipient" ~~is as defined in Office of Management and Budget (OMB) Circular A-133.~~means a non-federal entity that receives an award from a pass-through entity to carry out part of a federal program; but does not include an individual that is a beneficiary of such program. A Subrecipient may also be a recipient of other federal awards directly from a federal awarding agency. Additionally, a Subrecipient means a non-federal entity that receives an award from the State to carry out part of a State program; but does not include an individual that is a beneficiary of such program.

Document comparison by Workshare Compare on Friday, October 09, 2015 3:27:48 PM

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Document 2 ID	file://C:\Users\BA10408\Desktop\subrecipient 2.docx
Description	subrecipient 2
Rendering set	Standard

Legend:	
Insertion	
~~Deletion~~	
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Moved to	
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Format change	
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Padding cell	

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Moved from	0
Moved to	0
Style change	0
Format changed	0
Total changes	2

SECTION 4.1 – DEFINITION OF "SUBRECIPIENT"

PROCUREMENT PROCEDURES MANUAL OF THE CENTRAL PROCUREMENT OFFICE

CLEAN VERSION

REQUEST: Replace the existing definition of "Subrecipient" in Section 4.1 of the *Procurement Procedures Manual of the Central Procurement Office* with the following.

"Subrecipient" means a non-federal entity that receives an award from a pass-through entity to carry out part of a federal program; but does not include an individual that is a beneficiary of such program. A Subrecipient may also be a recipient of other federal awards directly from a federal awarding agency. Additionally, a Subrecipient means a non-federal entity that receives an award from the State to carry out part of a State program; but does not include an individual that is a beneficiary of such program.

SECTION 11 – TEMPLATES AND MODELS

PROCUREMENT PROCEDURES MANUAL OF THE CENTRAL PROCUREMENT OFFICE

REDLINE VERSION

REQUEST: Make the following changes to section 11.2. of the *Procurement Procedures Manual of the Central Procurement Office.*

11. Templates and Models.

11.2. *General Information.*

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 the templates shall~~Deviations from a template other than those identified in the instructions require ~~an approved~~a Rule Exception Request ~~by oversight examiners.~~as set forth in Tenn. Comp. R. & Regs. 0690-03-01-.17. When a Rule Exception Request is not ~~applicable,~~required, the Agency shall provide a written explanation for the deviation ~~shall be provided~~signed by the agency head. ~~The models~~ or a signed Agency Legal Certification document. 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://intranet.state.tn.us/generalserv/cpo/model.html. ~~http://tn.gov/generalserv/cpo/sourcing//model.html~~Any changes to these documents are subject to review and recommendation by the Advisory Council and approval by the Procurement Commission. Procurement professionals should refer to the intranet site frequently to ensure that the most up-to-date ~~template~~document is being ~~utilized~~used and submitted for ~~requisite approvals.~~approval.

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~~list of procurement documents below is for informational purposes only. ~~Links to these templates and models are set forth below.~~ Each of these ~~templates and models~~documents is self-explanatory. All questions regarding use of these ~~templates and models~~documents 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.~~

- ~~APPROVAL REQUESTS~~
  - ~~Amendment Request~~
  - ~~Contract Termination Request~~
  - ~~eHealth Pre-Approval Endorsement Request (for service involving Medical/Mental Health-Related Professional, Pharmaceutical, Laboratory or Imaging)~~

- ~~HR Pre-Approval Endorsement Request (for service involving State Employee Training, except that pursuant to an IT system contract, service relating to the employment of current or prospective State employees)~~
- ~~Limitation of Liability Request~~
- ~~OIR Pre-Approval Endorsement Request (for service involving Information Technology)~~
- ~~Rule Exception Request (Deviations from model language that are not specifically permitted by relevant regulations or instructions may require an approved written exception. The properly completed request must be signed and dated by the contracting agency head (or authorized signatory) and submitted to the CPO. If approved, the CPO will return the documentation that contracting staff must later submit along with procurement documents for approval)~~
- ~~Solicitation Cancellation Request~~
- ~~Special Contract Request~~

- **SOLICITATION TEMPLATES, MODELS & RELATED DOCUMENTS**
  - Conflict of Interest – Annual Attestations
  - Small Purchases Model
  - Informal Purchases Model
  - Request for Information (RFI) Model
  - Request for Qualifications (RFQ) Template
  - RFP & Related Documents:
    - Request for Proposals (RFP) Standard Template
    - RFP Amendment Template
    - RFP Evaluation Notice ~~Model~~Example
    - RFP Process Protest Bond ~~Model~~Example
    - RFP Release Notice ~~Model~~Example
  - Performance Bond Template
  - Solicitation Development Conflict of Interest Disclosure Model
  - Solicitation Evaluation Confidentiality and Conflict of Interest Disclosure Model
  - Pre-approval Endorsement Requests
    - eHealth Support Request
    - HR Support Request
    - OIR Pre-approval Endorsement Request

- **CONTRACT TEMPLATES**
  - Contract Amendment Template (requiring State expenditures, no-cost, or revenue)
  - Contract Templates Requiring State Expenditures (by contractor type):
    - All Contractors (except a TN or federal government) (FA)
    - Tennessee Local or Federal Government (GU)

        - U.S. Geological Survey (GU-USGS)
    - No Cost Contract Templates (by contractor type):
        - All Contractors (except a TN or federal government) (NC)
        - Tennessee Local or Federal Government (GU-NC)
    - Revenue Contract Templates (by contractor type):
        - All Contractors (except a TN or federal government) (RV)
        - Tennessee Local or Federal Government (GU-RV)

- **GRANT TEMPLATES**
    - Grant Amendment Template (Cost-Reimbursement or Endowment Grant)
    - Cost-Reimbursement Grant Templates (by grantee type):
        - All Grantees (except a TN or federal government) (GR)
        - Tennessee Local or Federal Government (GG)
    - Endowment Grant (GE) Template

- **INTERAGENCY MODELS**
    - Interagency Agreement (IA) Model
    - Interagency Grant Agreement (IG) Model

- **DELEGATED AUTHORITY TEMPLATES**
    - Delegated Authority Amendment Template
    - ~~Authorization to Vendor~~ Delegated Authority (DA) Template
    - Terms and Conditions for Purchase Orders Issued Under a Delegated Authority ~~(DPAV)~~ Template
    - Delegated Grant Authority (DG) Template
    - Delegated Loan Authority (DL) Template
    - ~~Delegated No Cost Contract Authority (DN) Template~~
    - ~~Delegated Purchase Authority (DP) Template~~
    - ~~Delegated Purchase Authority for Court Reporting Service (DPCR) Template~~
    - ~~Delegated Revenue Contract Authority (DR) Template~~
    - ~~Special Delegated Authority for Funding Award (DA) Template~~
    - Special Delegated Authority for Declared Disaster (TEMA use only) Template

- **FORMAL REQUEST DOCUMENTS**
    - Amendment Request
    - Click-wrap Approval Request
    - Contract Termination Request
    - Limitation of Liability Request
    - Renewal or Extension Request

- Rule Exception Request (Deviations from template language other than those identified in the instructions require a Rule Exception Request. The properly completed request must be signed and dated by the contracting agency head or authorized signatory and submitted to the Central Procurement Office.)
- Rule Exception Request for the DA and DG Templates
- Solicitation Cancellation Request
- Special Contract Request

- **OTHER GENERAL MODELS & ADMINISTRATIVE DOCUMENTS**
  - ~~Conflict of Interest – Annual Attestations~~Terms and Conditions for Purchase Orders Issued Under an Agency's Local Purchase Authority
  - Contract Approval – Agency Legal Certification Model
  - Contract Approval – Small Agency Certification
  - Edison Record Status Reset Request
  - Employer/Employee Analysis Guidelines
  - HIPAA Business Associate Agreement Example
  - "Notwithstanding" Language
  - Service Contracts Coordinator Designation
  - Signature Certification & Authorization

Document comparison by Workshare Compare on Friday, October 09, 2015 1:38:05 PM

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Rendering set	Standard

Legend:	
Insertion	
~~Deletion~~	
~~Moved from~~	
Moved to	
Style change	
Format change	
~~Moved deletion~~	
Inserted cell	
Deleted cell	
Moved cell	
Split/Merged cell	
Padding cell	

Statistics:	
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Insertions	52
Deletions	39
Moved from	8
Moved to	8
Style change	0
Format changed	0
Total changes	107

SECTION 11 – TEMPLATES AND MODELS

PROCUREMENT PROCEDURES MANUAL OF THE CENTRAL PROCUREMENT OFFICE

CLEAN VERSION

REQUEST: Replace the existing section 11.2. of the *Procurement Procedures Manual of the Central Procurement Office* with the following.

11. Templates and Models.

11.2. *General Information.*

Procurement professionals should utilize applicable templates and models when drafting procurement documents generated outside of the *Edison* system. Deviations from a template other than those identified in the instructions require a Rule Exception Request as set forth in Tenn. Comp. R. & Regs. 0690-03-01-.17. When a Rule Exception Request is not required, the Agency shall provide a written explanation for the deviation signed by the agency head or a signed Agency Legal Certification document. 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://intranet.state.tn.us/generalserv/cpo/model.html. Any changes to these documents are subject to review and recommendation by the Advisory Council and approval by the Procurement Commission. Procurement professionals should refer to the intranet site frequently to ensure that the most up-to-date document is being used and submitted for approval.

The Intranet website, models, and templates are incorporated by reference into this Procurement Procedures Manual as though set forth verbatim herein, and the list of procurement documents below is for informational purposes only. Each of these documents is self-explanatory. All questions regarding use of these documents should be directed to Central Procurement Office staff.

- **SOLICITATION TEMPLATES, MODELS & RELATED DOCUMENTS**
  - Conflict of Interest – Annual Attestations
  - Small Purchases Model
  - Informal Purchases Model
  - Request for Information (RFI) Model
  - Request for Qualifications (RFQ) Template
  - RFP & Related Documents:
    - Request for Proposals (RFP) Standard Template
    - RFP Amendment Template
    - RFP Evaluation Notice Example
    - RFP Process Protest Bond Example
    - RFP Release Notice Example
  - Performance Bond Template
  - Solicitation Development Conflict of Interest Disclosure Model

- Solicitation Evaluation Confidentiality and Conflict of Interest Disclosure Model
- Pre-approval Endorsement Requests
  - eHealth Support Request
  - HR Support Request
  - OIR Pre-approval Endorsement Request

- **CONTRACT TEMPLATES**
  - Contract Amendment Template (requiring State expenditures, no-cost, or revenue)
  - Contract Templates Requiring State Expenditures (by contractor type):
    - All Contractors (except a TN or federal government) (FA)
    - Tennessee Local or Federal Government (GU)
    - U.S. Geological Survey (GU-USGS)
  - No Cost Contract Templates (by contractor type):
    - All Contractors (except a TN or federal government) (NC)
    - Tennessee Local or Federal Government (GU-NC)
  - Revenue Contract Templates (by contractor type):
    - All Contractors (except a TN or federal government) (RV)
    - Tennessee Local or Federal Government (GU-RV)

- **GRANT TEMPLATES**
  - Grant Amendment Template (Cost-Reimbursement or Endowment Grant)
  - Cost-Reimbursement Grant Templates (by grantee type):
    - All Grantees (except a TN or federal government) (GR)
    - Tennessee Local or Federal Government (GG)
  - Endowment Grant (GE) Template

- **INTERAGENCY MODELS**
  - Interagency Agreement (IA) Model
  - Interagency Grant Agreement (IG) Model

- **DELEGATED AUTHORITY TEMPLATES**
  - Delegated Authority Amendment Template
  - Delegated Authority (DA) Template
  - Terms and Conditions for Purchase Orders Issued Under a Delegated Authority Template
  - Delegated Grant Authority (DG) Template
  - Delegated Loan Authority (DL) Template
  - Special Delegated Authority for Declared Disaster (TEMA use only) Template

- **FORMAL REQUEST DOCUMENTS**
  - Amendment Request
  - Click-wrap Approval Request
  - Contract Termination Request
  - Limitation of Liability Request
  - Renewal or Extension Request
  - Rule Exception Request (Deviations from template language other than those identified in the instructions require a Rule Exception Request. The properly completed request must be signed and dated by the contracting agency head or authorized signatory and submitted to the Central Procurement Office.)
  - Rule Exception Request for the DA and DG Templates
  - Solicitation Cancellation Request
  - Special Contract Request

- **OTHER GENERAL MODELS & ADMINISTRATIVE DOCUMENTS**
  - Terms and Conditions for Purchase Orders Issued Under an Agency's Local Purchase Authority
  - Contract Approval – Agency Legal Certification Model
  - Contract Approval – Small Agency Certification
  - Edison Record Status Reset Request
  - Employer/Employee Analysis Guidelines
  - HIPAA Business Associate Agreement Example
  - "Notwithstanding" Language
  - Service Contracts Coordinator Designation
  - Signature Certification & Authorization