STATE OF TENNESSEE
PROCUREMENT COMMISSION
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- AGENDA -

PROCUREMENT COMMISSION MEETING #026
TUESDAY, JUNE 27, 2017 – 11:00 A.M.
TN TOWER, 3RD FLOOR, NASHVILLE ROOM

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I.	Call to Order	--
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LARRY B. MARTIN, Chairman
Commissioner of Finance & Administration

JUSTIN P. WILSON
Comptroller of the Treasury

ROBERT E. OGLESBY
Commissioner of General Services

MICHAEL F. PERRY
Chief Procurement Officer

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VI.	Status Update on Glossary of CPO Terms Project	--
VII.	Reports: (see attached documentation) (1) Certification Related Items ..... (2) Limitation of Liability..... (3) Correction of Errors ..... (4) Memorandum of Understanding (MOU).....	 **151** **155** **157** **159**
VIII.	Other Business Consent to Cancel July Procurement Commission Meeting (July 20, 2017) - next meeting would be August 17, 2017	--
IX.	Adjournment	--

MINUTES OF APRIL 27, 2017 MEETING

MINUTES
PROCUREMENT COMMISSION MEETING #025
THURSDAY, APRIL 27, 2017 – 2:30 P.M.
TN TOWER, 3RD FLOOR, NASHVILLE ROOM

Members in Attendance:

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

Others in Attendance:

Shannon Howell, Stroud Vaughn, Chris Ivey, Jenny Young, Don Ivancic, Tim Drown, Laura Kinard, Brian Hawkins, Paul Krivacka, Chris Salita, Kyle Hunter, Buddy Lea, Shelia Simpson, Meryl McVicker, Thad Watkins, Charlotte McKinney

I. Call to Order.

Commissioner Martin called the meeting to order and recognized that a quorum of Procurement Commission ("Commission") members was present.

II. Minutes from the February 16, 2017 Procurement Commission Meeting.

Commissioner Martin presented the February 16, 2017, minutes for approval and asked if there were any corrections or additions. Comptroller Wilson stated that the minutes had been reviewed by his office and appeared to be in order. Comptroller Wilson made a motion to approve the minutes from the February 16, 2017, Procurement Commission ("Commission") meeting as presented. The motion was seconded by Commissioner Oglesby; whereupon the minutes were approved.

New Business:

III. Proposed Changes to the following Central Procurement Office documents.

Commissioner Martin asked Paul Krivacka, Lead Attorney/Director of Category Management, Central Procurement Office, to present the New Business agenda items.

(1) Revenue (RV) and No Cost (NC) Models

Mr. Krivacka summarized the following points with regard to Revenue (RV) and No Cost (NC)

Models:

- This proposal was requested by the Comptroller's Office and will extend the requirement to maintain documentation for audit from three years to five years to allow time for a Sunset Audit in the event there is one.

Comptroller Wilson made a motion to approve Revenue (RV) and No Cost (NC) Models as presented. The motion was seconded by Commissioner Oglesby.

Commissioner Martin asked Mr. Krivacka if there was a glossary of CPO terms that he could use for reference. Mr. Krivacka responded that there was a "Definitions" section in the Central Procurement Office Policies and in the Procedures Manual. Commissioner Martin indicated that he would appreciate getting a copy of those definitions as he is not always certain what a No Cost Contract Model is versus a Revenue Contract Model. Mr. Krivacka indicated that he would be happy to put something together that would show definitions of CPO terms for each of the Procurement Commission members. Commissioner Martin stated that would be very helpful and would be appreciated.

Commissioner Martin restated that there was a motion and second for approval of agenda item (1). Seeing no further discussion, all members voted in favor; whereupon the item was approved.

(2) Click-Wrap Agreement Approval Request

Mr. Krivacka summarized the following points with regard to the Click-Wrap Agreement Approval Request:

- This proposal will extend the Click Wrap Agreement Approval Request process to extensions and renewals of Click Wrap Agreements.

Comptroller Wilson made a motion to approve the Click-Wrap Agreement Approval Request as presented. The motion was seconded by Commissioner Oglesby. Commissioner Oglesby added that he would like to thank CPO, and Mark Naftel in particular, for their hard work on this process. Commissioner Oglesby continued that the State of Tennessee is a leader in the nation on Click Wrap Agreements and he appreciates the effort dedicated to this process.

Commissioner Martin restated that there was a motion and a second for approval of agenda item (2). Seeing no further discussion, all members voted in favor; whereupon the item was approved.

(3) *Procurement Procedures Manual of the Central Procurement Office*, Section 5.1.1., Electronic Signatures and Approvals

Mr. Krivacka summarized the following points with regard to *Procurement Procedures Manual of the Central Procurement Office*, Section 5.1.1., Electronic Signatures and Approvals:

- This proposal will amend the *Procurement Procedures Manual of the Central Procurement Office* to prescribe dollar amounts with approval levels.

Commissioner Martin asked if there was any discussion in regard to agenda item (3). Comptroller Wilson stated that the item was acceptable and made a motion to approve *Procurement Procedures Manual of the Central Procurement Office*, Section 5.1.1., Electronic Signatures and Approvals as presented. Commissioner Oglesby stated that he agreed and seconded the motion; whereupon the item was approved.

(4) *Procurement Procedures Manual of the Central Procurement Office*, Section 6.4.2.1., Description of Informal Purchase

Mr. Krivacka summarized the following points with regard to the *Procurement Procedures Manual of the Central Procurement Office* (the "*Procedures Manual*"), Section 6.4.2.1., Description of Informal Purchase:

- This proposal will add the following instructions to the Procedures Manual:

  "A Special Contract Request is not required if the procurement professional undertakes reasonable efforts to obtain the requisite three (3) quotes and these efforts have been sufficiently documented to the procurement file."

- Under current practice if an agency wishes to utilize its informal Local Purchase Authority ("LPA") for a purchase from $10,000.01 up to $50,000.00 the agency is required to obtain three quotes. This proposal would relieve the agency from the burden of obtaining three quotes when three quotes are available through market research or otherwise. The CPO is requiring that the efforts to obtain three quotes be sufficiently documented in the procurement file. This will avoid the necessity of seeking a Special Contract Request and allows the agency to comply with the spirit and intent of the informal purchase rules.

Commissioner Oglesby asked what procedures were in place to "spot audit" or verify that agencies are following these procedures going forward. Mr. Krivacka responded that the CPO has a Compliance Team that routinely reviews contracts and procurements of agencies and the CPO will also utilize resources within Edison to query this type of information to see if there are compliance issues. Commissioner Oglesby asked if the procedures are found to be abused or not followed by an agency what actions could be taken to ensure compliance. Mr. Krivacka responded that the CPO would meet with the agency that was non-compliant with the spirit and intent of this section of the *Procedures Manual* and would counsel them as to how to become compliant. If there is continued non-compliance with the *Procedures Manual*, Mr. Krivacka stated that there are other steps that could be taken by the CPO such as closely guarding delegated authorities and requiring the agency to submit more items to the CPO for more review and approval. Commissioner Oglesby stated that it seems that good behavior should be rewarded and likewise taken away if not. Comptroller Wilson stated that it is his understanding that this puts a greater audit function on the CPO and given the circumstances that is appropriate.

Seeing no additional discussion, Comptroller Wilson made a motion to approve *Procurement Procedures Manual of the Central Procurement Office*, Section 6.4.2.1., Description of Informal

Purchase as presented. The motion was seconded by Commissioner Oglesby; whereupon the item was approved.

(5) *Procurement Procedures Manual of the Central Procurement Office*, Section 6.9. Meeting Expenses

Mr. Krivacka presented the following points with regard to the *Procedures Manual*, Section 6.9. Meeting Expenses:

- The CPO has received feedback that this provision of the *Procedures Manual*, which was adopted by the Procurement Commission in February 2017, needed additional clarification to clarify that while a Special Contract Request ("SCR") will not be required if a procurement professional is exercising Local Purchase Authority, a SCR is required if the amount exceeds the Local Purchase Authority limit of $50,000. This was an ambiguity in the version of Section 6.9 that was approved in February. The intent was that the CPO was going to apply a special rule with respect to SCRs for those contracts below $50,000. The CPO is not currently seeing those contracts as the agencies enter those contacts and submit them through the workflow in Edison. It did not make sense for the CPO to review the SCR when it would ordinarily not review the underlying contract.

Commissioner Martin asked if there was any discussion in regard to agenda item (5). Seeing none, Comptroller Wilson made a motion to approve *Procurement Procedures Manual of the Central Procurement Office*, Section 6.9. Meeting Expenses as presented. Commissioner Oglesby seconded the motion; whereupon the item was approved.

(6) FA Template –Transfer of Ownership of Custom Software Developed for the State

Mr. Krivacka presented the following points with regard to FA Template –Transfer of Ownership of Custom Software Developed for the State:

- The CPO has found that there are instances where agencies and procurement professionals are utilizing the software provisions that in some cases convey ownership, while at the same time conveying the license rights. This proposal will add instructions so that procurement professionals will know that if the State intends to own the software and source code and be responsible for maintenance, upgrades, and so forth, there is a specific provision that should be used. If the State only desires to acquire a license to the software, there is a different provision that should be used.

Comptroller Wilson stated this appears to basically be a perpetual license and in preparation for this meeting he had a difficult time determining when the State would want to use this provision. Mr. Krivacka agreed and stated for example that if the State were doing system development and wanted to own the software and source code and be responsible for maintenance and upgrades, etc., there would be a specific provision for that case. Mr. Krivacka continued that the ownership bundle of rights would cost more money than the bundle of rights that would be limited to the perpetual license and there would a standard provision for that case. Mr. Krivacka stated that there has been some confusion about which provision would apply and some procurement professionals have been assuming that they

should include the ownership provision versus the license provision. Comptroller Wilson stated that Mr. Krivacka's statements helped to explain the issue.

Mr. Perry stated that there has also been some confusion between licensing a piece of software and actually owning the data that might be entered into a software system. Some procurement professionals were incorrectly using the software ownership provisions as opposed to provisions related to data ownership. Mr. Krivacka agreed and added that those two are entirely different contract issues. In almost every State contract, the State owns the data and the contract prescribes security standards. The issue of software ownership is a wholly distinct issue.

Seeing no additional discussion, Comptroller Wilson made a motion to approve FA Template – Transfer of Ownership of Custom Software Developed for the State as presented. The motion was seconded by Commissioner Oglesby; whereupon the item was approved.

(7) FA Template – Intellectual Property Indemnity

Mr. Krivacka summarized the following points with regard to the FA Template – Intellectual Property Indemnity:

- This proposal would retitle this section of the FA Template to reflect that it is "Intellectual Property Indemnity" instead of just "Intellectual Property".

Seeing no discussion, Comptroller Wilson made a motion to approve FA Template – Intellectual Property Indemnity as presented. Commissioner Oglesby seconded the motion; whereupon the item was approved.

(8) FA Template – Limitation of Liability

Mr. Krivacka summarized the following points with regard to FA Template – Limitation of Liability:

- This proposal would add an optional Limitation of Liability clause that is symmetrical with the State's limitation of liability clause. Many times when in terms and conditions negotiations, vendors have requested to be prohibited from being responsible for consequential damages, loss of business opportunity, and other similar damages. The State already disclaims those damages in its Limitation of Liability clause so in an effort to make a reciprocal Limitation of Liability that could be offered to a vendor when a change is requested in the redline process, the CPO is proposing this standard language as an optional term. The State's default limitation of liability term is two times the contract amount.

Seeing no discussion, Commissioner Martin made a motion to approve FA Template – Limitation of Liability as presented. Commissioner Oglesby seconded the motion.

Comptroller Wilson asked who would make the decision as to when this optional provision would be used. Comptroller Wilson added that he understood about the solicitation redline process and negotiation of terms but asked who would actually approve the contract. Mr.

Krivacka responded that the CPO would approve as the agencies have no authority to negotiate. Comptroller Wilson stated that is what he wanted to know as this provision should only be used by someone knowledgeable of the process.

Commissioner Martin restated that there was a motion and a second for approval of agenda item (8). Seeing no further discussion, all members voted in favor; whereupon the item was approved.

(9) FA Template – Insurance

Mr. Krivacka summarized the following points with regard to the FA Template – Insurance:

- This proposal would make the insurance term mandatory. There are three types of insurance that should be mandatory in every contract: Commercial General Liability, Automobile Liability, and Workers' Compensation. The Workers' Compensation would only apply to the extent the contractor is not otherwise exempt from Workers' Compensation laws. Currently this term is listed as an optional term and there has been some inconsistency in requiring insurance.
- This proposal would also provide that automobile insurance could be waived through a Rule Exception Request. Technically, any of these insurance coverages could be waived through the Rule Exception process which would mean that the CPO would have to approve it as well as COT. As far as what additional insurance coverages should be required, that would involve a consultation between the agencies and the CPO Risk Manager.

Seeing no questions or comments, Comptroller Wilson made a motion to approve FA Template – Insurance as presented. Commissioner Oglesby seconded the motion; whereupon the item was approved.

(10)Request for Proposals (RFP) Template

Mr. Krivacka summarized the following points with regard to Request for Proposals (RFP) Template:

- This proposal would update the RFP Template to revise the language to be more consistent with CPO terminology and practices, and to add the following reminder notes to procurement professionals in the instructional text:

  Section 5.2.3. for negotiations (as a reminder that only CPO has authority to negotiate)
  Note: Negotiations shall not be utilized by a state agency unless such procurement is performed by the Central Procurement Office. (See Tenn. Code Ann. § 4-56-108(a)(8)).

  Section 6.3. for professional services
  The CPO has found some inconsistency in this area. The statue requires that professional services contracts be awarded based on qualifications and not in

consideration of cost. In some cases, an RFP has been issued with a technical requirement and a cost requirement. Both requirements are evaluated and scored. Under Tenn. Code Ann. § 12-3-103 and 12-4-107 these contracts must be awarded based on qualifications. The proposed instructional text will provide clarity for agency and CPO procurement professionals.

Comptroller Wilson added that this proposal makes a lot of sense and made a motion to approve Request for Proposals (RFP) Template as presented. Commissioner Oglesby seconded the motion; whereupon the item was approved.

(11) Central Procurement Office Policy No. 2015-010, *Statewide Purchasing Card Policy and Procedures*

Mr. Krivacka summarized the following points with regard to Central Procurement Office Policy No. 2015-010, *Statewide Purchasing Card Policy and Procedures*:

- As part of a recent Sunset Audit, an observation was raised that this policy did not require the reporting of theft, forgery, or credit card fraud to the Office of the Comptroller of the Treasury in accordance with Tenn. Code Ann. § 8-4-119.
- This proposal will revise the policy to require the State Agency P-Card Coordinator to report any theft, forgery, or credit card fraud to the Office of the Comptroller of the Treasury in accordance with Tenn. Code Ann. § 8-4-119 and to the Statewide P-Card Program Administration Team.

Seeing no discussion, Commissioner Martin made a motion to approve Central Procurement Office Policy No. 2015-010, *Statewide Purchasing Card Policy and Procedures*, as presented. Commissioner Oglesby seconded the motion; whereupon the item was approved.

(12) GU-USGS Template

Mr. Krivacka summarized the following points with regard to the GU-USGS Template:

- As recommended by the Comptroller's Office at the last Procurement Commission meeting, this proposal will change this document from a "Model" to a "Template". It took a lot of work between COT, TDEC, and USGS in refining the terms and conditions of this document and it makes sense to make the document a Template.

Seeing no questions or comments, Comptroller Wilson made a motion to approve the GU-USGS Template, as presented. Commissioner Oglesby seconded the motion; whereupon the item was approved.

(13) Grant Contract (GG) and Governmental Grant (GR) Templates – D.23. Limitation of State's Liability

Mr. Krivacka summarized the following points with regard to the Grant Contract (GG) and Governmental Grant (GR) Templates – D.23. Limitation of State's Liability:

- In all other CPO contract templates there is a limitation of the State's liability. This proposal would adopt the same limitation of State's liability for all Grant templates.

Seeing no discussion, Commissioner Martin made a motion to approve the Grant Contract (GG) and Governmental Grant (GR) Templates – D.23. Limitation of State's Liability, as presented. Comptroller Wilson seconded the motion; whereupon the item was approved.

(14) FA Template - Contractor Commitment to Diversity

Mr. Krivacka summarized the following points with regard to the FA Template - Contractor Commitment to Diversity:

- This proposal would revise the requested reporting requirement from quarterly to monthly. This change would give the Governor's Office of Diversity Business Enterprise Program ("Go-DBE") more "real-time" data to measure program participation.
- This proposal asks that Contractors enter their reports directly into the TN Diversity Software online instead of submitting paper reports. This is consistent with the Department-wide goal for the Department of General Services to go paperless.

Seeing no discussion, Commissioner Oglesby made a motion to approve the FA Template - Contractor Commitment to Diversity, as presented. Comptroller Wilson seconded the motion; whereupon the item was approved.

Commissioner Martin thanked Mr. Krivacka for presenting the New Business items and moved to the next agenda item.

IV. Reports:

Chief Procurement Officer Perry presented the following standard reports for informational purposes:

1) Certification Related Items – lists any recertifications, new certifications, and decertifications since last Procurement Commission meeting
2) Limitation of Liability –-one granted since last Procurement Commission meeting
3) Correction of Errors – no report this period
4) Memorandum of Understanding – the majority of MOUs processed were for adding job descriptions or position descriptions to the Knowledge Services contingent staffing contract.

Mr. Perry stated that these reports simply needed to be acknowledged by the Commission and that no action was needed. Commissioner Martin thanked Mr. Perry and noted that the reports had been acknowledged for the record.

V. Other Business.

Consent to Cancel the May Procurement Commission Meeting:

All members gave their verbal consent to cancel the May 18, 2017 Procurement Commission

meeting and noted that the next meeting would be in June 2017.

Commissioner Martin asked if there was any other business to be heard by the Procurement Commission and saw none.

VI. Adjournment.

Seeing no other business to be heard, a motion to adjourn was made by Comptroller Wilson and seconded by Commissioner Oglesby; whereupon the April 27, 2017 Procurement Commission meeting was adjourned.

LIMITATION OF LIABILITY REQUEST

Limitation of Liability Request

In accordance with T.C.A. §12-3-701, approval of the Chief Procurement Officer and the Comptroller of the Treasury is required if the proposed limitation of contractor liability is an amount less than two (2) times the value of the contract; and, approval of the Chief Procurement Officer, Comptroller of the Treasury, and the Commissioner of Finance and Administration is required if the proposed limitation of contractor liability is in excess of two (2) times the value of the contract.

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

APPROVED	APPROVED	APPROVED
CHIEF PROCUREMENT OFFICER **DATE**	**COMPTROLLER OF THE TREASURY** **DATE**	**COMMISSIONER OF FINANCE & ADMINISTRATION** (only for >2 times)

Request Tracking #	
1. Contracting Agency	
2. Solicitation or Contract #	
3. Requestor Contact Information – *name, e-mail address & telephone #*	
4. Proposed Contract Period –*with ALL options to extend exercised*	**months**
5. Anticipated Contract Maximum Liability, Estimated Liability or Maximum Revenue – *with ALL options to extend exercised*	**$**

6. Approval of this request will permit a limitation of contractor liability by means of the following contract provision.

D.#. Limitation of Contractor's Liability. In accordance with Tenn. Code Ann. § 12-3-701, the Contractor's liability for all claims arising under this Contract shall be limited to an amount equal to ( ) times the [Maximum Liability, Estimated Liability, or Maximum Revenue] amount detailed in Section C.1. and as may be amended, PROVIDED THAT in no event shall this Section limit the liability of the Contractor for: (i) intellectual property or any Contractor indemnity obligations for infringement for third-party intellectual property rights; (ii) any claims covered by any specific provision in the Contract providing for liquidated damages; or (iii) any claims for intentional torts, criminal acts, fraudulent conduct, or acts or omissions that result in personal injuries or death.

7. Goods or Services Description – *brief summary only– do NOT restate the proposed scope of service*

8. Potential Risks of Liability to the State Resulting from the Procurement

Request Tracking #	
9. Anticipated Impact of Proposed Limitation of Liability on the State	
10. Justification	
Signature of Agency head or authorized designee, title of signatory, and date (the authorized designee may sign his or her own name if indicated on the Signature Certification and Authorization document)	

RULE EXCEPTION REQUEST FOR THE DELEGATED AUTHORITY ("DA") OR DELEGATED GRANT AUTHORITY ("DG") TEMPLATES

Rule Exception Request for the DA or DG templates

Use this document to request changes to the Delegated Authority ("DA") Template or Delegated Grant Authority ("DG") Template or to request a delegation of authority that remains in force and effect for more than twelve (12) months. If requesting a delegation period in excess of twelve (12) months because of the term of a federal award, attach supporting documentation of the federal award, which may include a hyperlink to the federal award information. Complete section ten (10) below only if requesting a delegation period in excess of twelve (12) months and the delegation does NOT involve federal funds. Complete this document in conformity with Tenn. Comp. R. & Reg. 0690-03-01-.17 and send it in PDF format to: Agsprs.Agsprs@tn.gov. In accordance with Tenn. Comp. R. & Reg. 0690-03-01-.04, all proposed changes to the DA or DG templates must be reviewed and approved by the Chief Procurement Officer and Comptroller of the Treasury.

APPROVED CHIEF PROCUREMENT OFFICER	**APPROVED** COMPTROLLER OF THE TREASURY

Agency request tracking #	
1. **Procuring Agency**	
2. **Edison contract ID #:** **This Delegation:** **Prior Delegation** (if applicable)	
3. **Delegation's Effective Date**	
4. **Delegation's end date**	
5. **Delegation's Maximum Liability**	$
6. **Maximum Liability for a single procurement/ grant**	$
7. **Citation and explanation of the rule(s)** for which the exception is requested	
8. **Description of requested change(s) to the DA or DGA template**	
9. **Justification**	
10. **If requesting a delegation period in excess of twelve (12) months, respond to the following:** a. **Describe the funding source and how it impacts the delegation period;** b. **What are the benefits of a delegation period in excess of twelve (12) months; and** c. **What are the risks if this request is not approved?**	

11. If requesting a delegation period in excess of twelve (12) months and the delegation does NOT involve federal funds, address the following: **a. Provide a quarterly disbursement plan for the delegation period and attach it to this document; and** **b. Explain the internal controls and monitoring procedures that will be used to avoid exceeding or amending the Maximum Liability.**	
12. Requestor Contact Information *Please provide a point of contact for questions about this request.*	
Signature of Agency head or designee and date	

GOVERNMENTAL GRANT ("GG") AND GRANT CONTRACT ("GR") TEMPLATES – OPTION: WORK PRODUCTS (TDOT ONLY)

REQUEST: Revise the optional "Work Products" contract clause in the Governmental Grant (GG) and Grant Contract (GR) Templates as follows:

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

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 the 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 the Grantee and its research personnel (including without limitation, students) publish their work conducted pursuant to this Grant Contract. Therefore, the State agrees that the 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. The State hereby grants to Grantee a non-exclusive, royalty-free license to use the Work Product for Grantee's internal purposes only.

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 the 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. 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.

FA TEMPLATE AND EDISON CONFIGURATOR - STATEWIDE CONTRACT OPTIONAL TERM

Request: **Add the following to the Configurator and FA Templates as an optional term for use when establishing a Statewide Contract ("SWC").**

FA Template:

Statewide Contract. This Contract establishes a source or sources of supply for all Tennessee State Agencies. "Tennessee State Agency" refers to the various departments, institutions, boards, commissions, and agencies of the executive branch of government of the State of Tennessee with exceptions as addressed in Tenn. Comp. R. & Regs. 0690-03-01-.01. The Contractor shall provide all goods or services and deliverables as required by this Contract to all Tennessee State Agencies.

The Contractor shall make this Contract available to the following entities, who are authorized to and who may purchase off of this Statewide Contract ("Authorized Users"):

a. all Tennessee State governmental entities (this includes the legislative branch; judicial branch; and, commissions and boards of the State outside of the executive branch of government);
b. Tennessee local governmental agencies;
c. members of the University of Tennessee or Tennessee Board of Regents systems;
d. any private nonprofit institution of higher education chartered in Tennessee; and,
e. any corporation which is exempted from taxation under 26 U.S.C. Section 501(c) (3), as amended, and which contracts with the Department of Mental Health and Substance Abuse to provide services to the public (Tenn. Code Ann. § 33-2-1001).

These Authorized Users may utilize this Contract by purchasing directly from the Contractor according to their own procurement policies and procedures. The State is not responsible or liable for the transactions between the Contractor and Authorized Users.

FA TEMPLATE AND EDISON CONFIGURATOR - MAJOR PROCUREMENT CONTRACT SALES AND USE TAX

REQUEST: **Add the following contract clause to the FA Template, to the Edison Configurator as a Mandatory Term and Condition, and to the FA Template instructions, considerations and options.**

D.33. Major Procurement Contract Sales and Use Tax. Pursuant to Tenn. Code Ann. § 4-39-102 and to the extent applicable, the Contractor and the Contractor's subcontractors shall remit sales and use taxes on the sales of goods or services that are made by the Contractor or the Contractor's subcontractors and that are subject to tax.

FA template instructions, considerations, and options.

Major Procurement Contract Sales and Use Tax.

Remove the "Major Procurement Contract Sales and Use" contract clause if the total contract value is under seventy-five thousand dollars ($75,000.00).

REQUEST FOR PROPOSALS ("RFP") TEMPLATE – OPTION: RFP REDLINES

REQUEST: **Add the following to the Request for Proposals (RFP) Standard Template at the RFP Instructions, Considerations, and Options section.**

6.2. TECHNICAL RESPONSE & EVALUATION GUIDE ATTACHMENT – SECTION B

General Qualifications & Experience

Option: RFP Redlines

Inclusion of this provision requires prior review and approval by CPO Legal. Add the following section and number as appropriate.

	B.#.	The Respondents are permitted to submit, as part of their Response, a "redline" of RFP Attachment 6.6, *Pro Forma* Contract, that tracks the Respondents' request for alternative or supplemental contract language. The redline changes that are allowed by this provision shall not include any exceptions or changes that (1) contradict any applicable state or federal law; (2) a mandatory requirement identified in RFP Attachment 6.2.; or (3) alter any deadlines in the Schedule of Events.

REQUEST FOR PROPOSALS ("RFP") TEMPLATE – OPTION: DIGITAL SUBMITTAL OF RESPONSES

REQUEST: **Add language to the Request for Proposals (RFP) Template at the RFP Instructions, Considerations and Options section as follows:**

Option: Digital Submittal of Responses.

Delete section 3.1.2.4. and replace with the following if Responses should be submitted as digital documents.

3.1.2.4.	A Respondent must submit the Cost Proposal to the State on a separate CD or USB flash drive from the Technical Response (as detailed in RFP Sections 3.2.3., *et. seq)*..

Option: **Digital (instead of Paper) Submittal of Responses.**

Delete and replace section 3.2. with the following if following if Responses should be submitted as digital documents. Please note that all electronic records must be maintained in accordance with the Secretary of State's Record Management Division's and the Department of Finance & Administration's Strategic Technology Solution's policies.

3.2. **Response Delivery**

3.2.1. A Respondent must ensure that both the Technical Response and Cost Proposal files meet all form and content requirements, including all required signatures, as detailed within this RFP.

3.2.2. A Respondent must submit their response as specified below.

3.2.2.1. Technical Response

The Technical Response document should be in the form of one (1) digital document in "PDF" format properly recorded on its own otherwise blank, standard CD-R recordable disc or USB flash drive and should be clearly identified as the:

"RFP #NUMBER TECHNICAL RESPONSE ORIGINAL"

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

"RFP # NUMBER TECHNICAL RESPONSE COPY"

The sealed customer references should be the only paper documents included in the document.

3.2.2.2. Cost Proposal:

The Cost Proposal should be in the form of one (1) digital document in "PDF" or "XLS" format properly recorded on a separate, otherwise blank, standard CD-R recordable disc or USB flash drive clearly labeled:

"RFP #NUMBER COST PROPOSAL"

An electronic or facsimile signature, as applicable, on the Cost Proposal is acceptable.

3.2.3. A Respondent must separate, seal, package, and label the documents and copies for delivery as follows:

3.2.3.1. The Technical Response and copies must be placed in a sealed package that is clearly labeled:

"DO NOT OPEN... RFP # NUMBER TECHNICAL RESPONSE FROM [RESPONDENT LEGAL ENTITY NAME]"

3.2.3.2. The Cost Proposal must be placed in a separate, sealed package that is clearly labeled:

"DO NOT OPEN... RFP # NUMBER COST PROPOSAL FROM [RESPONDENT LEGAL ENTITY NAME]"

3.2.3.3. The separately, sealed Technical Response and Cost Proposal components may be enclosed in a larger package for mailing or delivery, provided that the outermost package is clearly labeled:

"RFP # NUMBER SEALED TECHNICAL RESPONSE & SEALED COST PROPOSAL FROM [RESPONDENT LEGAL ENTITY NAME]"

3.2.3.4. Any Respondent wishing to submit a Response in a format other than digital may do so by contacting the Solicitation Coordinator.

3.2.4. A Respondent must ensure that the State receives a response no later than the Response Deadline time and date detailed in the RFP Section 2, Schedule of Events at the following address:

SOLICITATION COORDINATOR NAME
STATE AGENCY NAME
STREET ADDRESS
OTHER APPROPRIATE INFORMTION IF ANY

CENTRAL PROCUREMENT OFFICE POLICY NUMBER 2013-002, *PROCUREMENT METHODS*

REQUEST: Revise Policy #2013-002 Procurement Methods at section 19.10 as follows:

19.10. *Request for Qualifications ("RFQ").*

A "Request for Qualifications" or "RFQ" may only be utilized by the Central Procurement Office. A RFQ is a written solicitation, requiring written responses from potential respondents, containing a list of qualifications that must be met before a respondent may respond to a Request for Proposals or, through an approved Rule Exception Request, another approved procurement method such as a Competitive Negotiation. A RFQ, through an approved Rule Exception Request, may also be used to select professional services providers based on recognized competence and integrity in accordance with Tenn. Code Ann. §§ 12-3-103 and 12-4-107. In such instances, cost shall not be considered in evaluating respondents. A RFQ may be used to gather information from potential respondents regarding qualifications of providers of goods and services within the market place.

REQUEST FOR QUALIFICATIONS ("RFQ") TEMPLATE

REQUEST FOR QUALIFICATIONS (RFQ) TEMPLATE

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

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

RFQ CONTENTS

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

1. INTRODUCTION

1.1. Statement of Procurement Purpose

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

1.1.1. RFQ Number

Assign an RFQ number consisting of:

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

Example: **RFQ # 31707-12345**

1.1.2. State Communications

Option: Additional Information.

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

1.1.3. Factual Data

Option: Additional Data Disclaimer.

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

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

1.2. Pre-Response Conference

Option: No Pre-Response Conference.

1.5. Collaborative Value Development
Option: Collaborative Value Development.
Add the following as appropriate. Note: CVDs should be reserved for more complex procurements.

1.5. **Collaborative Value Development**
After RFQ § 2, Schedule of Events, "State Notice of Qualified Respondents Released," each Qualified Respondent will be invited to attend a Collaborative Value Development (CVD) event. Each CVD event will be held at the time and date detailed in the RFQ Schedule of Events, RFQ § 2. Add additional CVD event details, such as whether or not attendance at the CVD event is mandatory to participate in the Solicitation event; how the Competitive Range will be determined (e.g., all Respondents with a minimum score, the top three highest scored Respondents, etc.); the number of representatives who will be invited to attend from each Qualified Respondent; the goals and objectives of the CVD; and, any other information that would be helpful to a potential Respondent.

2. RFQ SCHEDULE OF EVENTS

RFQ Schedule of Events (table)

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

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

Revise the "time zone" as appropriate.

Option: NO Pre-Response Conference Event.

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

Option: Oral Presentation Event.

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

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

Option: Collaborative Value Development (CVD)
Add the following after RFQ § 2, Schedule of Events, "State Notice of Qualified Respondents Released" if the State will hold a CVD event and added the optional language in section 1.5. for CVDs.

#. State schedules Collaborative Value Development event (ONLY for Qualified		**≥ 1 BUSINESS DAY LATER**

Respondents)		
#. Collaborative Value Development event		**To be determined after consultation with Qualified Respondents**

Option: Cost Proposals
Add the following after RFQ § 2, Schedule of Events "State Notice of Qualified Respondents Released and" if the State will solicit a Cost Proposal from Qualified Respondents.

#. RFQ Cost Proposal Deadline (ONLY for Qualified Respondents)	2:00 p.m.	**> 7 CALENDAR DAYS LATER**
#. State Notice of Intent to Award Released and RFQ Files Opened for Public Inspection		**1 – 3 BUSINESS DAYS LATER**
#. End of Open File Period		**7 CALENDAR DAYS LATER**
#. State sends contract to Contractor for signature		**1 BUSINESS DAY LATER**
#. Contractor Signature Deadline	2:00 p.m.	**1 – 5 BUSINESS DAYS LATER**

Option: Multiple Contract Award – Constant Compete
Add the following after RFQ § 2, Schedule of Events "RFQ Technical Response Deadline" if the State intends to award contracts directly from this RFQ. This option may be utilized in "constant compete" contracts where cost will be considered on a per project basis.

#. RFQ Negotiations (if applicable)		**≥ 3 BUSINESS DAYS LATER**
#. State Notice of Intent to Award Released and RFQ Files Opened for Public Inspection		**1 – 3 BUSINESS DAYS LATER**
#. End of Open File Period		**7 CALENDAR DAYS LATER**
#. State sends contract to Contractor for signature		**1 BUSINESS DAY LATER**
#. Contractor Signature Deadline	2:00 p.m.	**1 – 5 BUSINESS DAYS LATER**

Option: Single Contract Award – Professional Services (Cost not evaluated)
Add the following after RFQ § 2, Schedule of Events "RFQ Technical Response Deadline" if the State will award a single contract directly from this RFQ. This option may be utilized for certain categories of professional services (for example, attorneys, financial advisors, architects or engineers. Please see Tenn. Code Ann. § 12-3-103 and 12-4-107 for more information. State Building Commission (SBC) approval may be required to approve the procurement of architectural or engineering services. Please contact STREAM for more information.

#. RFQ Negotiations (if applicable)		**≥ 3 BUSINESS DAYS LATER**
#. State Notice of Intent to Award Released and RFQ Files Opened for Public Inspection		**1 – 3 BUSINESS DAYS LATER**
#. End of Open File Period		**7 CALENDAR DAYS LATER**
#. State sends contract to Contractor for signature		**1 BUSINESS DAY LATER**
#. Contractor Signature Deadline	2:00 p.m.	**1 – 5 BUSINESS DAYS LATER**

Option: RFQ Competitive Negotiations

Add the following after RFQ § 2, Schedule of Events "RFQ Technical Response Deadline" if a Special Contract Request for competitive negotiation has been approved. Please note that pursuant to Tenn. Code Ann. § 12-3-507, each use of competitive negotiation requires approval by the chief procurement officer and the comptroller of the treasury.

#. RFQ Competitive Negotiations		≥ 3 BUSINESS DAYS LATER
#. State Notice of Intent to Award Released and RFQ Files Opened for Public Inspection		1 – 3 BUSINESS DAYS LATER
#. End of Open File Period		7 CALENDAR DAYS LATER
#. State sends contract to Contractor for signature		1 BUSINESS DAY LATER
#. Contractor Signature Deadline	2:00 p.m.	1 – 5 BUSINESS DAYS LATER

Option: Performance Bond Event.

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

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

3. RESPONSE REQUIREMENTS

3.3. Response Format

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

Option: Digital Submittal of Responses.

Delete and replace RFQ § 3.3.2.1. Response Format with the following if Respondents should submit responses as a digital document. Please note that all electronic records must be maintained in accordance with the Secretary of State's Record Management Division's and the Department of Finance & Administration's Strategic Technology Solution's policies.

3.3.2.1. Technical Response

One (1) original Technical Response in the form of one (1) digital document in "PDF" format properly recorded on its own otherwise blank, standard CD-R recordable disc or USB flash drive clearly labeled:

"RFQ #NUMBER TECHNICAL RESPONSE ORIGINAL"

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

"RFQ #NUMBER TECHNICAL RESPONSE COPY"

The sealed customer references will be the only paper documents.

3.3.2.2. Cost Proposal: ***For Qualified Respondents only***

One (1) Cost Proposal in the form of one (1) digital document in "PDF" or "XLS" format properly recorded on a separate, otherwise blank, standard CD-R recordable disc or USB flash drive clearly labeled:

"RFQ #NUMBER COST PROPOSAL"

An electronic or facsimile signature, as applicable, on the Cost Proposal is acceptable.

3.2.3. A Respondent must separate, seal, package, and label the documents and copies for delivery as follows:

3.2.3.1. The Technical Response and copies must be placed in a sealed package that is clearly labeled:

"DO NOT OPEN... RFQ # NUMBER TECHNICAL RESPONSE FROM [RESPONDENT LEGAL ENTITY NAME]"

3.2.3.2. The Cost Proposal must be placed in a separate, sealed package that is clearly labeled:

"DO NOT OPEN... RFQ # NUMBER COST PROPOSAL FROM [RESPONDENT LEGAL ENTITY NAME]"

3.2.3.3. The separately, sealed Technical Response and Cost Proposal components may be enclosed in a larger package for mailing or delivery, provided that the outermost package is clearly labeled:

"RFQ # NUMBER SEALED RESPONSE FROM [RESPONDENT LEGAL ENTITY NAME]"

3.2.3.4. Any Respondent wishing to submit a Response in a format other than digital may do so by contacting the Solicitation Coordinator.

Option: Additional Delivery Instructions.

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

3.4. **Response Prohibitions**

Option: No Extraneous Terms and Conditions in Response – for RFQs involving IT only

If the RFQ involves information technology goods or services, insert the following as 3.4.6. and renumber the subsequent subsections **only after** consulting with the Central Procurement Office's Legal Team and obtaining Central Procurement Office approval.

3.4.6. Include any end-user license agreement, manufacturer's terms and conditions, service guide, clickwrap agreement, shrinkwrap agreement, online terms and conditions, or other terms and conditions that will supplement, modify, or contradict the terms set forth in the *pro forma* contract.

Option: Page Limitation

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

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

Option: Time Limitation

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

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

4. GENERAL INFORMATION & REQUIREMENTS

4.5. Disclosure of Response Contents

Option: Additional Disclosure Information.

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

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

5. PROCUREMENT PROCESS & CONTRACT AWARD

5.1. Option: Cost Proposals & RFQ Negotiations

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

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

5.2. Competitive Range of Technical Responses

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

Option: Ranking

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

Option: Percentile

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

Option: Respondent Oral Presentations

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

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

5.5. Option: Cost Proposals

Add the following to RFQ § 5.5., Evaluation Guide, if the State will solicit a Cost Proposal from Qualified Respondents and consider it as a factor in Contract Award.

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

5.6. Contract Award

The RFQ should specify how anticipated contract award will occur for the particular RFQ. Revise as appropriate, subject to approvals. Evaluation of cost shall not be permitted in any subsequent solicitation if the contract is for certain categories of professional services (for example, attorneys, financial advisors, architects or engineers). Please see Tenn. Code Ann. § 12-3-103 and 12-4-107 for more information. State Building Commission (SBC) approval may be required to approve the procurement of architectural or engineering services. Please contact STREAM for more information.

Option: Contract Award

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

5.6.1. The Solicitation Coordinator will submit the Evaluation Team determinations and response scores to the head of the contracting agency, or the agency head's designee, for consideration along with any other relevant information that might be available and pertinent to contract award.

5.6.2. The contracting agency head, or the agency head's designee, will determine the apparent best-evaluated response. (To effect a contract award to a Respondent other than the one receiving the highest evaluation score, the head of the contracting agency must provide written justification and obtain written approval of the Chief Procurement Officer and the Comptroller of the Treasury.)

5.6.3. The State reserves the right to make an award without further discussion of any response.

5.6.4. The State will issue an Evaluation Notice and make the RFQ files available for public inspection at the time and date specified in the RFQ §2, Schedule of Events.

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

5.6.5. The Respondent identified as offering the apparent best-evaluated must sign a contract drawn by the State pursuant to this RFQ. The contract shall be substantially the same as the RFQ Attachment G, *pro forma* contract. The Respondent must sign said contract no later than the Respondent Contract Signature Deadline detailed in RFQ § 2, Schedule of Events. If the Respondent fails to provide the signed contract by the deadline, the State may determine the Respondent is non-responsive to this RFQ and reject the response.

5.6.6. Notwithstanding the foregoing, the State may, at its sole discretion, entertain limited negotiation prior to contract signing and, as a result, revise the *pro forma* contract terms and conditions or performance requirements in the State's best interests, PROVIDED THAT such revision of terms and conditions or performance requirements shall NOT materially affect the basis of response evaluation or negatively impact the competitive nature of the RFQ and contractor selection process.

5.6.7. If the State determines that a response is nonresponsive and rejects it, the Solicitation Coordinator will re-calculate scores to determine (or re-determine) the apparent best-evaluated response.

ATTACHMENT A: TECHNICAL RESPONSE & EVALUATION GUIDE

Option: Page Limitation.

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

		The Technical Response must not exceed _____ pages in length;	

Option: Cash Flow Information.

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

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

Option: Certificate of Insurance.

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

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

	A.#	Provide a valid, Certificate of Insurance that is verified and dated within the last six (6) months and which details all of the following: (a) Insurance Company (b) Respondent's Name and Address as the Insured (c) Policy Number (d) The following minimum insurance coverage: (i) Workers' Compensation/ Employers' Liability (including all states coverage) with a limit not less than the relevant statutory amount or WRITTEN AMOUNT Dollars ($NUMBER AMOUNT) per occurrence for employers' liability; (ii) Comprehensive Commercial General Liability (including personal injury & property damage, premises/operations, independent contractor, contractual liability and completed operations/products) with a bodily injury/property damage combined single limit not less than WRITTEN AMOUNT Dollars ($NUMBER AMOUNT) per occurrence and WRITTEN AMOUNT Dollars ($NUMBER AMOUNT) aggregate; (iii) Automobile Coverage (including owned, leased, hired, and non-owned vehicles) with a bodily injury/property	

		damage combined single limit not less than WRITTEN AMOUNT Dollars ($NUMBER AMOUNT) per occurrence; and (iv) Professional Malpractice Liability with a limit of not less than WRITTEN AMOUNT Dollars ($NUMBER AMOUNT) per claim. (e) The following information applicable to each type of insurance coverage: (i) Coverage Description, (ii) Exceptions and Exclusions, (iii) Policy Effective Date, (iv) Policy Expiration Date, and (v) Limit(s) of Liability.	

Option: Audited Financial Statements.

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

	A.#	Provide the Respondent's most recent independent audited financial statements. Said independent audited financial statements must: (1) reflect an audit period for a fiscal year ended within the last 36 months (2) be prepared with all monetary amounts detailed in United States currency; (3) be prepared under United States Generally Accepted Accounting Principles (US GAAP); (4) include: the auditor's opinion letter; financial statements; and the notes to the financial statements; and (5) be deemed, in the sole discretion of the State to reflect sufficient financial stability to undertake the subject agreement with the State. NOTES: ▪ Reviewed or Compiled Financial Statements will not be deemed responsive to this requirement and will not be accepted. ▪ All persons, agencies, firms, or other entities that provide opinions regarding the Respondent's financial status must be properly licensed to render such opinions. The State may require the Respondent to submit proof of such licensure detailing the state of licensure and licensure number for each person or entity that renders the opinions.	

Option: Audited Financial Statements – Line of Credit Option.

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

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

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

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

Option: Audited Financial Statements – Additional Requirement.

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

Any attest or review of the financial status of a Tennessee corporation must be rendered by an accountant or accounting firm licensed or otherwise specifically permitted to provide an attest or review by the Tennessee Board of Accountancy.

Option: Proposal Bond Confirmation.

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

	A.#	Provide a proposal bond issued by a surety company licensed to do business in the State of Tennessee in the amount of $__.__.	

Contingent Requirement: Performance Bond Confirmation.

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

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

Option: Additional Mandatory Requirements.

> **Typically, each mandatory requirement item must be drafted such that an objective "yes/no" determination of whether the requirement was met is reasonable and adequate (clearly not necessitating a qualitative evaluation of the response).**
>
> **Contracting agency staff may be asked to provide evidence that a proposed mandatory requirement is not inappropriately arbitrary or capricious (*e.g.*, (1) information from an independent, authoritative source indicating that the proposed criteria is a reasonable standard; and (2) a recommendation signed by the contracting agency legal counsel explaining why the proposed requirement is not arbitrary or capricious).**

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

ATTACHMENT B: TECHNICAL RESPONSE & EVALUATION GUIDE

General Qualifications & Experience

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

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

B.17. References

Option: Revised Reference Requirements.

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

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

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

Add the following row to the RFQ Attachment B table ONLY if it would benefit the State to be amenable to making changes to the *pro forma* contract. Inclusion of this provision requires prior review and approval by CPO Legal. Add the following section and number as appropriate.

	B.#.	The Respondents are permitted to submit, as part of their Response, a "redline" of RFQ Attachment G, *Pro Forma* Contract, that tracks the Respondents' request for alternative or supplemental contract language. The redline changes that are allowed by this provision shall not include any exceptions or changes that (1) contradict any applicable state or federal law; (2) a mandatory requirement identified in RFQ Attachment A; or (3) alter any deadlines in the Schedule of Events.	

ATTACHMENT C: TECHNICAL RESPONSE & EVALUATION GUIDE

Technical Qualifications, Experience & Approach

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

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

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

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

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

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

Option: Cost Proposals

ATTACHMENT D: COST PROPOSAL & EVALUATION GUIDE ATTACHMENT

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

The Cost Proposal format should <u>not</u> require calculations by Respondents.

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

ATTACHMENT D

Cost Proposal & Evaluation Guide

For Qualified Respondents Only

NOTICE: THIS COST PROPOSAL MUST BE COMPLETED EXACTLY AS REQUIRED

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

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

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

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

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

RESPONDENT SIGNATURE:	
PRINTED NAME & TITLE:	
DATE:	
RESPONDENT LEGAL ENTITY NAME:	

Line item of cost Description	Proposed Cost	State Use Only	
		Evaluation Factor	**Evaluation Cost** (cost x factor)
DESCRIPTION	**$** / **UNIT**	NUMBER	
REPEAT AS NECESSARY	**$** / **UNIT**	NUMBER	
REPEAT AS NECESSARY	**$** / **UNIT**	NUMBER	
EVALUATION COST AMOUNT (sum of evaluation costs above): The RFQ Coordinator will use this sum and the formula below to calculate the Cost Proposal Score. Numbers rounded to two (2) places to the right of the decimal point will be standard for calculations.			

RESPONDENT LEGAL ENTITY NAME:			
Line item of cost Description	Proposed Cost	State Use Only	
		Evaluation Factor	Evaluation Cost (cost x factor)
lowest evaluation cost amount from all responses / evaluation cost amount being evaluated	x RFQ § 5.5. NUMBER (maximum section score)	= SCORE:	
State Use – RFQ Coordinator Signature, Printed Name & Date:			

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

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

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

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

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

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

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

ATTACHMENT D

Cost Proposal & Evaluation Guide

For Qualified Respondents Only

NOTICE: THIS COST PROPOSAL MUST BE COMPLETED EXACTLY AS REQUIRED

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

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

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

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

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

RESPONDENT SIGNATURE:	
PRINTED NAME & TITLE:	
DATE:	

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

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

Option: Cost Proposal Format – NO Evaluation Factors Column contract

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

Option: Cost Proposal & Evaluation Guide.

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

ATTACHMENT E: STATEMENT OF CERTIFICATIONS & ASSURANCES

Option: Alternate Language if Red-Line Allowed

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

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

Option: Awarded Respondent shall accept payment via the State's Purchasing Card

Add the following as Item 4 only after performing market research and determining that: (a) requiring vendors to accept payments via purchasing card is generally accepted in the marketplace; and (b) requiring prospective Respondents to accept the State's Purchasing Card at no cost to the State will not materially affect competition.

The Respondent awarded the Contract resulting from this RFQ shall accept the State Purchasing Card ("P-Card") as a form of payment at no cost to the State and provide level III data reporting information.

Option: Alternate Language if soliciting Cost Proposals

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

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

ATTACHMENT F: REFERENCE QUESTIONNAIRE

Option: Questionnaire Revision.

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

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

RFQ # NUMBER REFERENCE QUESTIONNAIRE

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

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

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

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

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

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

NAME:	
TITLE:	
TELEPHONE #	
E-MAIL ADDRESS:	

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

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

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

	1	2	3	4	5	
least satisfied						**most satisfied**

RFQ # NUMBER PROPOSAL REFERENCE QUESTIONNAIRE — PAGE 2

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

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

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

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

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

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

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

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

	1	2	3	4	5	
least satisfied						most satisfied

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

RFQ # NUMBER PROPOSAL REFERENCE QUESTIONNAIRE — PAGE 3

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

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

	1	2	3	4	5	
least satisfied						most satisfied

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

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

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

	1	2	3	4	5	
least satisfied						**most satisfied**

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

REFERENCE SIGNATURE:
(by the individual completing this request for reference information)

_____

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

DATE:

_____

REFERENCE QUESTIONNAIRE

RESPONDENT NAME:_____
RFQ # NUMBER

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

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

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

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

---

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

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

NAME:	
TITLE:	
TELEPHONE #	
E-MAIL ADDRESS:	

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

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

Satisfied ☐ **Not Satisfied** ☐

Please check one box

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

Yes ☐ **No** ☐ **Not Completed** ☐

Please check one box

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

Satisfied ☐ **Not Satisfied** ☐

Please check one box

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

Satisfied ☐ **Not Satisfied** ☐

Please check one box

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

Satisfied ☐ **Not Satisfied** ☐

Please check one box

SIGNATURE:
(by the individual completing this reference questionnaire)

_____

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

DATE:

_____

ATTACHMENT G: *PRO FORMA* CONTRACT ATTACHMENT

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

Option: Disclaimer for Government Entity Contracts.

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

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

APPROVAL INSTRUCTIONS

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

Complete the document as required by this Model.

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

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

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

Approval is also required for any amendment or cancellation.

PUBLICATION INSTRUCTIONS

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

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

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

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

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

STATE OF TENNESSEE
CENTRAL PROCUREMENT OFFICE

REQUEST FOR QUALIFICATIONS
FOR
BRIEF GOODS OR SERVICES CAPTION

RFQ # NUMBER

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E. **Statement of Certifications & Assurances**
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1. INTRODUCTION

The State of Tennessee, Central Procurement Office, hereinafter referred to as "the State," issues this Request for Qualifications ("RFQ") to define mandatory goods or services requirements; solicit responses; detail response requirements; and, outline the State's process for evaluating responses.

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

1.1. Statement of Procurement Purpose

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

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

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

1.2. Pre-Response Conference

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

ADDRESS/LOCATION
OTHER APPROPRIATE INFORMATION IF ANY

1.3. Notice of Intent to Respond

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

1.4. Definitions and Abbreviations

DEFINE ABBREVIATIONS OR TERMS USED THROUGHOUT THE RFQ.

TERM	DEFINITION

2. RFQ SCHEDULE OF EVENTS

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

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

3. RESPONSE REQUIREMENTS

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

3.1.1. Mandatory Requirements: This section details the mandatory technical, functional, and experience requirements that must be demonstrated in the response to this RFQ in order to be passed on to Phase II of the Technical Response evaluation. A Respondent must duplicate and use RFQ Attachment A as a guide to organize responses for the Mandatory Requirements of the RFQ response. The Respondent should reference the page location of the information within the response in the indicated column of the table. This section is included in the State's evaluation as to whether or not a Respondent meets mandatory qualifications (Phase I).

3.1.2. General Qualifications & Experience: This section is included in the State's evaluation of Phase II of the Technical Response Evaluation and details general information and qualifications that must be demonstrated in the response to this RFQ. A Respondent must duplicate and use RFQ Attachment B as a guide to organize responses for this portion of the RFQ response. The Respondent should reference the page location of the information within the response in the indicated column of the table.

3.1.3. Technical Qualifications, Experience & Approach: This section is also included in the State's evaluation of Phase II of the Technical Response Evaluation and details technical qualifications, experience, and approach items that must be demonstrated in the response to this RFQ. A Respondent must duplicate and use RFQ Attachment C as a guide to organize responses for this portion of the RFQ response. The Respondent should reference the page location of the information within the response in the indicated column of the table.

3.1.4. Cost Proposal: ***For Qualified Respondents only***

3.1.4.1. This section only applies to those respondents identified as being Qualified. See RFQ § 2, Schedule of Events, "State Notice of Qualified Respondents Released."

3.1.4.2. If included as part of this solicitation, then the Cost Proposal must be recorded on an exact duplicate of RFQ Attachment D, Cost Proposal & Evaluation Guide. Any response that does not follow the instructions included in RFQ Attachment D may be deemed nonresponsive.

3.1.4.3. A Respondent must only record the proposed cost exactly as required by the RFQ Attachment D, Cost Proposal & Evaluation Guide and must NOT record any other rates, amounts, or information.

3.1.4.4. The proposed cost shall incorporate ALL costs for services under the contract for the total contract period.

3.1.4.5. A Respondent must sign and date the Cost Proposal.

3.1.4.6. A Respondent must submit the Cost Proposal to the State in a sealed package separate from the Technical Response.

3.2. **Response Delivery Location**

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

SOLICITATION COORDINATOR NAME
ADDRESS/LOCATION (INCLUDE FLOOR NUMBER)
PHONE NUMBER

OTHER APPROPRIATE INFORMATION IF ANY

3.3. **Response Format**

3.3.1. A Respondent must ensure that the original response meets all form and content requirements detailed within this RFQ.

3.3.2. A Respondent must submit original response documents and copies as specified below.

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

"RFQ #NUMBER TECHNICAL RESPONSE ORIGINAL"

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

"RFQ #NUMBER TECHNICAL RESPONSE COPY"

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

3.3.2.2. Cost Proposal: ***For Qualified Respondents only***
One (1) original Cost Proposal paper document labeled:

"RFQ #NUMBER COST PROPOSAL ORIGINAL"

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

"RFQ #NUMBER COST PROPOSAL COPY"

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

3.4. **Response Prohibitions:** A response to this RFQ shall not:

3.4.1. Restrict the rights of the State or otherwise qualify the response to this RFQ;

3.4.2. Include, for consideration in this procurement process or subsequent contract negotiations, incorrect information that the Respondent knew or should have known was materially incorrect;

3.4.3. Include more than one response, per Respondent, to this RFQ;

3.4.4. Include any information concerning costs (in specific dollars or numbers) associated with the Technical Response;

3.4.5. Include the respondent's own contract terms and conditions (unless specifically requested by the RFQ); or

3.4.6. Include the respondent as a prime contractor while also permitting one or more other respondents to offer the respondent as a subcontractor in their own responses.

3.5. **Response Errors & Revisions**

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

3.6. Response Withdrawal

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

3.7. Response Preparation Costs

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

4. GENERAL INFORMATION & REQUIREMENTS

4.1. Communications

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

NAME, TITLE
ADDRESS
PHONE
EMAIL ADDRESS

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

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

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

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

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

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

NAME, TITLE
ADDRESS
PHONE
EMAIL ADDRESS

4.2. Nondiscrimination

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

4.3. Conflict of Interest

4.3.1. The State may not consider a proposal from an individual who is, or within the past six (6) months has been, a State employee. For these purposes,

4.3.1.1. An individual shall be deemed a State employee until such time as all compensation for salary, termination pay, and annual leave has been paid;

4.3.1.2. A contract with or a proposal from a company, corporation, or any other contracting entity in which a controlling interest is held by any State employee shall be considered to be a contract with or proposal from the employee; and

4.3.1.3. A contract with or a proposal from a company, corporation, or any other contracting entity that employs an individual who is, or within the past six months has been, a State employee shall not be considered a contract with or a proposal from the employee and shall not constitute a prohibited conflict of interest.

4.3.2. This RFQ is also subject to Tenn. Code Ann. § 12-4-101.

4.4. **Respondent Required Review & Waiver of Objections**

4.4.1. Each potential respondent must carefully review this RFQ, including but not limited to, attachments, the RFQ Attachment G, *pro forma* Contract, and any amendments for questions, comments, defects, objections, or any other matter requiring clarification or correction (collectively called "questions and comments").

4.4.2. Any potential respondent having questions and comments concerning this RFQ must provide such in writing to the State no later than the written "Questions & Comments Deadline" detailed in RFQ § 2, Schedule of Events.

4.4.3. Protests based on any objection shall be considered waived and invalid if the objection has not been brought to the attention of the State, in writing, by the written "Questions & Comments Deadline."

4.5. **Disclosure of Response Contents**

4.5.1. All materials submitted to the State in response to this solicitation become property of the State of Tennessee. Selection for award does not affect this right. By submitting a response, a Respondent acknowledges and accepts that the full contents and associated documents submitted in response to this request will become open to public inspection in accordance with the laws of the State of Tennessee. Refer to RFQ § 2, Schedule of Events.

4.5.2. The RFQ responses will be available for public inspection only after the completion of evaluation of the RFQ or any resulting solicitation which this RFQ becomes a part of, whichever is later.

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

4.6.1. All persons, agencies, firms or other entities that provide legal or financial opinions, which a Respondent provides for consideration and evaluation by the State as part of a response to this RFQ, shall be properly licensed to render such opinions.

4.6.2. Before the Contract resulting from this RFQ is signed, the apparent successful Respondent (and Respondent employees and subcontractors, as applicable) must hold all necessary, appropriate business and professional licenses to provide service as required. The State may require any Respondent to submit evidence of proper licensure.

4.6.3. Before the Contract resulting from this RFQ is signed, the apparent successful Respondent must provide a valid, Certificate of Insurance indicating current insurance coverage meeting minimum requirements as may be specified by the RFQ.

4.6.4. Before the Contract resulting from this RFQ is signed, the apparent successful Respondent must be registered with the Department of Revenue for the collection of Tennessee sales and use tax. The State shall not approve a contract unless the

Respondent provides proof of such registration. The foregoing is a mandatory requirement of an award of a contract pursuant to this solicitation.

4.7. **RFQ Amendments & Cancellation**

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

4.7.2. The State reserves the right, at its sole discretion, to cancel or to cancel and reissue this RFQ in accordance with applicable laws and regulations.

4.8. **State Right of Rejection**

4.8.1. Subject to applicable laws and regulations, the State reserves the right to reject, at its sole discretion, any and all proposals.

4.8.2. The State may deem as nonresponsive and reject any proposal that does not comply with all terms, conditions, and performance requirements of this RFQ. Notwithstanding the foregoing, the State reserves the right to seek clarifications or to waive, at its sole discretion, a response's minor variances from full compliance with this RFQ. If the State waives variances in a response, such waiver shall not modify the RFQ requirements or excuse the Respondent from full compliance with such, and the State may hold any resulting vendor to strict compliance with this RFQ.

4.8.3. The State will review the response evaluation record and any other available information pertinent to whether or not each respondent is responsive and responsible. If the evaluation team identifies any respondent that appears <u>not</u> to meet the responsive and responsible thresholds such that the team would not recommend the respondent for potential contract award, this determination will be fully documented for the record. ("Responsive" is defined as submitting a response that conforms in all material respects to the RFQ. "Responsible" is defined as having the capacity in all respects to perform fully the contract requirements, and the integrity and reliability which will assure good faith performance.)

4.9. **Assignment & Subcontracting**

4.9.1. The vendor may not subcontract, transfer, or assign any portion of the Contract awarded as a result of this RFQ without prior approval of the State. The State reserves the right to refuse approval, at its sole discretion, of any subcontract, transfer, or assignment.

4.9.2. If a Respondent intends to use subcontractors, the response to this RFQ must specifically identify the scope and portions of the work each subcontractor will perform (refer to RFQ Attachment B, Item B.14.).

4.9.3. Subcontractors identified within a response to this RFQ will be deemed as approved by the State unless the State expressly disapproves one or more of the proposed subcontractors prior to signing the Contract.

4.9.4. The Contractor resulting from this RFQ may only substitute another subcontractor for a proposed subcontractor at the discretion of the State and with the State's prior, written approval.

4.9.5. Notwithstanding any State approval relating to subcontracts, the Contractor resulting from this RFQ will be the prime contractor and will be responsible for all work under the Contract.

4.10. Next Ranked Respondent

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

5. PROCUREMENT PROCESS & CONTRACT AWARD

5.1. The complete vendor selection will be a two-part process: (1) Qualification of Technical Responses; and (2) Evaluation of Cost Proposals (or revise as appropriate to explain selection process). Any contract award is subject to successful contract negotiation.

5.2. Qualification of Technical Responses: Technical Responses will be short-listed for further evaluation, analysis or negotiation if they are apparently responsive, responsible, and within the competitive range. A Technical Response will be deemed within the competitive range based on the following criterion:

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

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

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

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

5.3. Cost Proposals: If included as part of this solicitation then only Qualified Respondents, that are responsive and responsible and in the competitive range, will continue onto Part Two, Cost Proposal evaluation. The Cost Proposal containing the lowest cost will receive the maximum number of points per each section. See RFQ Attachment D, Cost Proposal & Evaluation Guide.

5.4. Clarifications and Negotiations: The State reserves the right to award a contract on the basis of initial responses received; therefore, each response should contain the respondent's best terms from a technical and cost standpoint. However, the State reserves the right to conduct clarifications or negotiations with respondents. All communications, clarifications, and negotiations shall be conducted in a manner that supports fairness in response improvement.

5.4.1. Clarifications: The State may identify areas of a response that may require further clarification or areas in which it is apparent that there may have been miscommunications or misunderstandings as to the State's specifications or requirements. The State may seek to clarify those issues identified during one or multiple clarification round(s). Each clarification sought by the State may be unique to an individual respondent.

5.4.2. Negotiations: The State may elect to negotiate with Qualified Respondents, within the competitive range, by requesting revised responses, negotiating costs, or finalizing contract terms and conditions. The State reserves the right to conduct multiple negotiation rounds.

5.4.2.1. Cost Negotiations: All responsive respondents within the competitive range will be given equivalent information with respect to cost negotiations. All cost negotiations will be documented for the procurement file. Additionally, the State may conduct target pricing and other goods or services level negotiations. Target pricing may be based on

considerations such as current pricing, market considerations, benchmarks, budget availability, or other methods that do not reveal individual respondent pricing. During target price negotiations, respondents are not obligated to meet or beat target prices, but will not be allowed to increase prices.

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

5.5. Evaluation Guide

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

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

ATTACHMENT A

TECHNICAL RESPONSE & EVALUATION GUIDE

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

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

RESPONDENT LEGAL ENTITY NAME:			
Response Page # (Respondent completes)	**Item Ref.**	**Section A— Mandatory Requirement Items**	**Pass/Fail**
		The Technical Response must be delivered to the State no later than the Technical Response Deadline specified in the RFQ § 2, Schedule of Events.	
		The Technical Response must not contain cost or pricing information of any type.	
		The Technical Response must not contain any restrictions of the rights of the State or other qualification of the response.	
		A Respondent must not submit alternate responses.	
		A Respondent must not submit multiple responses in different forms (as a prime and a subcontractor).	
	A.1.	Provide the Statement of Certifications and Assurances (RFQ Attachment E) completed and signed by an individual empowered to bind the Respondent to the provisions of this RFQ and any resulting contract. The document must be signed without exception or qualification.	
	A.2.	Provide a statement, based upon reasonable inquiry, of whether the Respondent or any individual who shall perform work under the contract has a possible conflict of interest (*e.g.*, employment by the State of Tennessee) and, if so, the nature of that conflict. NOTE: Any questions of conflict of interest shall be solely within the discretion of the State, and the State reserves the right to cancel any award.	
	A.3.	INSERT APPROPRIATE MANDATORY REQUIREMENT OPTIONS AS NEEDED. (FOLLOWING A.2., YOU MUST INCLUDE AT LEAST ONE OPTION TO DETERMINE FINANCIAL RESPONSIBILITY).	
	A.4.	IF NEEDED, INSERT ADDITIONAL MANDATORY REQUIREMENT OPTIONS. IF MORE THAN ONE ADDITIONAL OPTION IS NEEDED, CREATE A NEW, ADDITIONAL ROW BELOW AND ADD THE OPTION LANGUAGE.	

RESPONDENT LEGAL ENTITY NAME:			
Response Page # (Respondent completes)	**Item Ref.**	**Section A— Mandatory Requirement Items**	**Pass/Fail**
	A. #.	REPEAT MANDATORY REQUIREMENT ITEMS & ASSOCIATED ITEM REFERENCES AS NECESSARY	
State Use – RFQ Coordinator Signature, Printed Name & Date:			

ATTACHMENT B

TECHNICAL RESPONSE & EVALUATION GUIDE

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

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

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

RESPONDENT LEGAL ENTITY NAME:		
Response Page # (Respondent completes)	**Item Ref.**	**Section B— General Qualifications & Experience Items**
		(c) Estimated Participation. Provide an estimated level of participation by business enterprises owned by minorities, women, Tennessee service-disabled veterans, and small business enterprises if a contract is awarded to the Respondent pursuant to this RFQ. Please include the following information: (i) a percentage (%) indicating the participation estimate. (Express the estimated participation number as a percentage of the total estimated contract value that will be dedicated to business with subcontractors and supply contractors having such ownership characteristics only and **DO NOT INCLUDE DOLLAR AMOUNTS**); (ii) anticipated goods or services contract descriptions; (iii) names and ownership characteristics (i.e., ethnicity, gender, Tennessee service-disabled veterans) of anticipated subcontractors and supply contractors. NOTE: In order to claim status as a Diversity Business Enterprise under this contract, businesses must be certified by the Governor's Office of Diversity Business Enterprise (Go-DBE). Please visit the Go-DBE website at https://tn.diversitysoftware.com/FrontEnd/StartCertification.asp?TN=tn&XID=9810 for more information. (d) Workforce. Provide the percentage of the Respondent's total current employees by ethnicity and gender. NOTE: Respondents that demonstrate a commitment to diversity will advance State efforts to expand opportunity to do business with the State as contractors and subcontractors. Response evaluations will recognize the positive qualifications and experience of a Respondent that does business with enterprises owned by minorities, women, Tennessee service-disabled veterans and small business enterprises and who offer a diverse workforce.
	B.16.	Provide a statement of whether or not the Respondent has any current contracts with the State of Tennessee or has completed any contracts with the State of Tennessee within the previous five-year period. If so, provide the following information for all current and completed contracts: (a) the name, title, telephone number and e-mail address of the State contact responsible for the contract at issue; (b) the name of the procuring State agency; (c) a brief description of the contract's specification for goods or scope of services; (d) the contract term; and (e) the contract number. NOTES: ▪ Current or prior contracts with the State are not a prerequisite and are not required for the maximum evaluation score, and the existence of such contracts with the State will not automatically result in the addition or deduction of evaluation points. ▪ Each evaluator will generally consider the results of inquiries by the State regarding all contracts responsive to Section B.16 of this RFQ.
	B.17.	Provide customer references from individuals who are not current or former State employees for projects similar to the goods or services sought under this RFQ and which represent: ▪ two (2) accounts Respondent currently services that are similar in size to the State; and ▪ three (3) completed projects. References from at least three (3) different individuals are required to satisfy the

RESPONDENT LEGAL ENTITY NAME:		
Response Page # (Respondent completes)	**Item Ref.**	**Section B— General Qualifications & Experience Items**
		requirements above, e.g., an individual may provide a reference about a completed project and another reference about a currently serviced account. The standard reference questionnaire, which must be used and completed is provided at RFQ Attachment F. References that are not completed as required may be deemed nonresponsive and may not be considered. The Respondent will be solely responsible for obtaining fully completed reference questionnaires and including them in the sealed Technical Response. In order to obtain and submit the completed reference questionnaires, follow the process below: (a) Add the Respondent's name to the standard reference questionnaire at Attachment F, and make a copy for each reference. (b) Send a reference questionnaire and a new, standard #10 envelope to each reference. (c) Instruct the reference to: (i) complete the reference questionnaire; (ii) sign and date the completed reference questionnaire; (iii) seal the completed, signed, and dated reference questionnaire within the envelope provided; (iv) sign his or her name in ink across the sealed portion of the envelope; and (v) return the sealed envelope directly to the Respondent (the Respondent may wish to give each reference a deadline, such that the Respondent will be able to collect all required references in time to include them within the sealed Technical Response). (d) Do NOT open the sealed references upon receipt. (e) Enclose all sealed reference envelopes within a larger, labeled envelope for inclusion in the Technical Response as required. NOTES: ▪ The State will not accept late references or references submitted by any means other than that which is described above, and each reference questionnaire submitted must be completed as required. ▪ The State will not review more than the number of required references indicated above. ▪ While the State will base its reference check on the contents of the sealed reference envelopes included in the Technical Response package, the State reserves the right to confirm and clarify information detailed in the completed reference questionnaires, and may consider clarification responses in the evaluation of references. ▪ The State is under no obligation to clarify any reference information.
	B.18.	Provide a statement and any relevant details addressing whether the Respondent is any of the following: (a) is presently debarred, suspended, proposed for debarment, or voluntarily excluded from covered transactions by any federal or state department or agency; (b) has within the past three (3) years, been convicted of, or had a civil judgment rendered against the contracting party 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) is presently indicted or otherwise criminally or civilly charged by a government

RESPONDENT LEGAL ENTITY NAME:		
Response Page # (Respondent completes)	**Item Ref.**	**Section B— General Qualifications & Experience Items**
		entity (federal, state, or local) with commission of any of the offenses detailed above; and ▪ has within a three (3) year period preceding the contract had one or more public transactions (federal, state, or local) terminated for cause or default.
	B.#.	REPEAT REQUIREMENT ITEMS & ASSOCIATED ITEM REFERENCES AS NECESSARY
	B.#.	REPEAT REQUIREMENT ITEMS & ASSOCIATED ITEM REFERENCES AS NECESSARY
SCORE *(for all Section B— Qualifications & Experience Items above)*: *(maximum possible score = RFQ § 5.5. NUMBER)*		
State Use – Evaluator Identification:		

ATTACHMENT C

TECHNICAL RESPONSE & EVALUATION GUIDE

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

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

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

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

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

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

ATTACHMENT D

Cost Proposal & Evaluation Guide

For Qualified Respondents Only

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

ATTACHMENT E

STATEMENT OF CERTIFICATIONS AND ASSURANCES

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

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

1. The Respondent will comply with all of the provisions and requirements of the RFQ.
2. The Respondent will provide all specified goods or services as required by the contract awarded pursuant to this RFQ.
3. The Respondent accepts and agrees to all terms and conditions set out in the contract awarded pursuant to this RFQ.
4. The Respondent acknowledges and agrees that a contract resulting from the RFQ shall incorporate, by reference, all Response responses as a part of the contract.
5. The Respondent will comply, as applicable, with:
   (a) the laws of the State of Tennessee;
   (b) Title VI of the federal Civil Rights Act of 1964;
   (c) Title IX of the federal Education Amendments Act of 1972;
   (d) the Equal Employment Opportunity Act and the regulations issued there under by the federal government; and,
   (e) the Americans with Disabilities Act of 1990 and the regulations issued there under by the federal government.
6. To the best of the undersigned's knowledge, information or belief, the information detailed within the Response to the RFQ is accurate.
7. The Response submitted to the RFQ was independently prepared, without collusion, and under penalty of perjury.
8. No amount shall be paid directly or indirectly to an employee or official of the State of Tennessee as wages, compensation, or gifts in exchange for acting as an officer, agent, employee, subcontractor, or consultant to the Respondent in connection with the request or any potential resulting contract.
9. The Response submitted in response to the RFQ shall remain valid for at least 120 days subsequent to the date of the Response opening and thereafter in accordance with any contract pursuant to the RFQ.
10. The Respondent affirms the following statement, as required by the Iran Divestment Act Tenn. Code Ann. § 12-12-111: "By submission of this bid, each bidder and each person signing on behalf of any bidder certifies, and in the case of a joint bid each party thereto certifies as to its own organization, under penalty of perjury, that to the best of its knowledge and belief that each bidder is not on the list created pursuant to § 12-12-106." For reference purposes, the list is currently available online at: http://www.tn.gov/generalservices/article/Public-Information-library.

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

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

SIGNATURE & DATE: _____

PRINTED NAME & TITLE: _____

LEGAL ENTITY NAME: _____

ATTACHMENT F

REFERENCE QUESTIONNAIRE

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

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

(Insert Reference Questionnaire on following page)

ATTACHMENT G

RFQ # NUMBER PRO FORMA CONTRACT

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

***Pro Forma* ATTACHMENT 1**

(Fill out only by selected Contractor)

ATTESTATION RE PERSONNEL USED IN CONTRACT PERFORMANCE

SUBJECT CONTRACT NUMBER:	
CONTRACTOR LEGAL ENTITY NAME:	
EDISON SUPPLIER IDENTIFICATION NUMBER	

The Contractor, identified above, does hereby attest, certify, warrant, and assure that Contractor shall not knowingly utilize the services of an illegal immigrant in the performance of this Contract and shall not knowingly utilize the services of any subcontractor who will utilize the services of an illegal immigrant in the performance of this Contract.

CONTRACTOR SIGNATURE

NOTICE: This attestation MUST be signed by an individual empowered to contractually bind Contractor. If said individual is not the chief executive or president, this document shall attach evidence showing the individual's authority to contractually bind Contractor.

PRINTED NAME AND TITLE OF SIGNATORY

DATE OF ATTESTATION

***Pro Forma* ATTACHMENT 2**

(Fill out only by selected Contractor)

SAMPLE LETTER OF DIVERSITY COMMITMENT

(Company Letterhead/Logo)
(Address)
(Date)
(Salutation),

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

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

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

_____

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

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

_____

_____

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

Further, we commit to:

1. Using applicable reporting tools that allow the State to track and report purchases from businesses owned by minority, women, Tennessee service-disabled veterans and small business.

2. Reporting monthly to the Go-DBE office the dollars spent with certified diversity businesses owned by minority, women, Tennessee service-disabled veterans and small business accomplished under contract # (Edison number).

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

Regards,

(Company authority – signature and title)

CENTRAL PROCUREMENT OFFICE POLICY NUMBER 2015-010, *STATEWIDE PURCHASING CARD POLICY AND PROCEDURES*

Policy Number 2015-010
Central Procurement Office
Statewide Purchasing Card Policy and Procedures

Revised: June 27, 2017
Prepared by: The Central Procurement Office of the State of Tennessee

1. PROGRAM OVERVIEW.

The State of Tennessee Purchasing Card Program streamlines the State's payment process for goods and services by eliminating the administrative burdens and costs associated with the State's traditional payment methods. The Program's objective is to simplify the documentation necessary for State Agency purchases by placing P-Cards in the hands of Cardholders. Cardholders may use the P-Card to purchase the types of goods and services subject to this Policy. Personal purchases are prohibited and all rules, policies, and procedures of the Central Procurement Office applicable to the procurement of goods and services must be followed unless exempt.

2. DEFINITIONS.

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

"Bank" means the entity issuing the State's P-Card or any of its subsidiaries as the context may require.

"Cardholder" means the State Agency employee who is issued a physical P-Card to initiate payments on behalf of the State.

"Cardholder Agreement" means the document signed by the Cardholder to verify that he or she completed P-Card training, received a copy of and understands this Policy.

"Cardholder Application" means the application completed by the Cardholder that is approved by the Cardholder Supervisor and the State Agency P-Card Program Coordinator that is required before a P-Card Account will be assigned to a Cardholder.

"Cardholder Supervisor" means the State Agency employee with supervisory authority over the Cardholder.

"Central Fiscal Office P-Card" means the P-Card assigned to a Cardholder with a Single Transaction Limit of up to fifty thousand dollars ($50,000).

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

"Cycle (Credit) Limit" means the spending limit that restricts the total value of purchases a Cardholder can make in one billing cycle.

"Fiscal Director" means that State Agency employee, regardless of his or her particular title, who serves as the Agency's chief financial officer.

"Merchant Category Codes" or "MCCs" means the specific Merchant Category Code, assigned by an acquiring financial institution, that identifies the primary goods or services a supplier provides.

"Online Banking Program" means the Bank's online portal that provides Cardholders, State Agency P-Card Program Coordinators, and the Statewide P-Card Program Administration Team the ability to view and download statement information, update and manage accounts, set limits and permissions, reset passwords, and process Cardholder requests.

"P-Card Account" means the unique account number assigned to a Cardholder as determined by the Bank.

"P-Card Program" means the program established by the State and managed by the Central Procurement Office whereby Cardholders and Virtual P-Card Users make purchases on behalf of the State of Tennessee.

"Purchasing Card" or "P-Card" means a commercial card that allows organizations to take advantage of the existing credit card infrastructure to make electronic payments for goods or services. A P-Card is similar to a consumer credit card, but the card-using organization must pay the card issuer in full each month. In this Policy, the term "Purchasing Card" or "P-Card" shall also include "Virtual Purchasing Cards" or "Virtual P-Cards" as the context requires.

"Purchasing Card Profile" means the unique profile associated with a Cardholder that contains monetary or MCC limits on the Cardholder's ability to make purchases on behalf of the State.

"Single Transaction Limit" or "STL" means the maximum dollar limit, per purchase transaction, that can be assigned to the physical P-Card. The STL is assigned per Cardholder at the discretion of the Fiscal Director. This Policy establishes the STL for the designated State Agency Central Fiscal Office P-Card as up to fifty thousand dollars ($50,000) and for all other physical P-Cards as up to ten thousand dollars ($10,000) without Statewide P-Card Program Administrator approval.

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

"State Agency" means the departments, agencies, and entities of the State of Tennessee other than units of the University of Tennessee or Board of Regents systems.

"State Agency P-Card Program Coordinator" means the employee within the State Agency who manages the P-Card Program at the State Agency level.

"State Agency Approver" means the State Agency Employee who approves P-Card or Virtual P-Card Transactions.

"State Agency P-Card Program Coordinator" means the employee within the State Agency who manages the P-Card Program at the State Agency level.

"State Agency Reconciler" means the State Agency employee responsible for all the functions associated with post-purchase processing P-Card Transactions including account allocation and providing a business purpose when required.

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

"Statewide P-Card Program Administration Team" means the team within the Central Procurement Office that is responsible for overseeing the P-Card Program.

"Statewide P-Card Program Administrator" means the employee within the Central Procurement Office who is responsible for managing and overseeing the P-Card Program.

"Supplier" means a person or legal entity with the legal capacity to enter into contracts and sue and be sued who provides goods or services to the State through a contract or a purchase order.

"Transaction" means the purchase of goods or services through use of a P-Card or Virtual P-Card.

"Virtual Purchasing Card" or "Virtual P-Card" means the unique credit card account number, embedded within Edison, which is assigned to a State Agency for payment of suppliers authorized to accept P-Card as the form of payment for approved Edison purchase orders.

"Virtual P-Card User" or "User" means the State Agency employee who has a buyer or e-procurement role in Edison, has undergone training on reconciliation, and is authorized to use a Virtual P-Card to initiate payment transactions on behalf of the State.

3. TYPES OF ACCOUNTS.

This Policy recognizes two general account types: P-Card Accounts and Virtual P-Card accounts. P-Card Accounts and Virtual P-Card accounts can be used only for official State business as set forth in this Policy. P-Cards must be surrendered or Virtual P-Card account's access cancelled upon the Cardholder's transfer to another State Agency, separation from state employment, or upon demand by the Cardholder Supervisor, the State Agency P-Card Program Coordinator or the Statewide P-Card Program Administrator.

3.1. P-Card Accounts.

P-Card accounts are those that involve the issuance of a P-Card Account to an individual Cardholder to further the official business of the State. Cardholders are limited to one active physical P-Card.

3.2. Virtual P-Cards.

Virtual P-Cards are cardless accounts that allow State Agencies to pay for approved, Edison purchase order transactions initiated by Virtual P-Card Users. The account number is "embedded" in the Edison P-Card module and is securely transmitted to the Supplier upon Edison-based approval of a User's purchase order transactions. A Virtual P-Card may be used for payments to any Supplier that is registered in the State's supplier registration system whose payment method has been activated to "P-Card" in Edison. Virtual P-Cards are encouraged because Virtual P-Card accounts allow for greater ease of use (multiple buyers can leverage the same payment device), as well as enhanced control through absence of a physical card and spending limits. The State Agency P-Card Coordinator should contact the Statewide P-Card Program Administrator for more information on Virtual P-Cards.

The ten thousand dollar ($10,000) STL that applies to all physical P-Cards does not apply to Virtual P-Cards or Central Fiscal Office P-Cards; the maximum STL for a Central Fiscal Office P-Card is fifty thousand dollars ($50,000) and there is no STL for purchases made with a Virtual P-Card. The Bank determines the Cycle Limit for Virtual P-Cards. Each State Agency or department is limited to one (1) Virtual P-Card Account.

4. OVERVIEW OF P-CARD PROGRAM ROLES AND RESPONSIBILITIES.

The CPO is the State Agency that is primarily responsible for managing, overseeing, and coordinating the P-Card Program. The Statewide P-Card Program Administrator is the employee within the CPO who has the direct, day-to-day responsibility for managing, overseeing, and coordinating the P-Card Program between the CPO and State Agencies. The State Agency P-Card Coordinator is the employee within each State Agency who has been appointed to supervise Cardholders and manage and coordinate the P-Card Program within his or her State Agency in compliance with this Policy. The Cardholder Supervisor is the State Agency employee with supervisory authority over the Cardholder who ensures that transactions are properly reconciled and reported to the Department of Finance and Administration ("F&A"), Division of Accounts. State Agency Reconcilers are the employees within a State Agency who are responsible for reconciling P-Card transactions. The State Agency Approver is the employee within the State Agency who approves P-Card Transactions. The Cardholder is the specially-trained employee within a State Agency responsible for purchasing goods or services on behalf of the State of Tennessee using a physical P-Card. In the interests of segregating duties and responsibilities, State Agency Reconcilers shall not be Cardholders.

5. P-CARD PROGRAM ROLES AND RESPONSIBILITIES.

5.1. P-Card Processing Cycle Overview.

The typical cycle for P-Card usage is:

- An individual Cardholder, with State Agency approved spending limits, initiates a purchase using a P-Card;

- The individual Cardholder retains an original, legible copy of the purchase's receipt for use in reconciliation (see Section 10.2 for more information on receipts);
- Transactions are typically posted in the Edison P-Card module within 24-72 hours after the purchase is made;
- The Cardholder will log into the Edison P-Card module on a weekly basis to review transactions and account coding and take necessary action to correct errors in the purchase details;
- The Cardholder or his or her State Agency Approver confirms or disputes Transactions posted to the card account;
- The credit line is replenished for the amount of the Transactions;
- The Cardholder will receive a monthly Bank statement ;
- The Bank statement and receipts will be sent to the State Agency Reconciler for final reconciliation;
- The State Agency Reconciler will reconcile all Transactions in accordance with this Policy or their State Agency's internal P-Card Procedures, as applicable; and
- The State Agency Reconciler prepares all documentation for retention.

5.2. Statewide P-Card Program Administrator.

The Statewide P-Card Program Administrator serves as the primary point-of-contact in the CPO for the P-Card Program. The Statewide P-Card Program Administrator's role, duties and responsibilities include:

- Establishing written internal procedures to ensure compliance with state procurement statutes, rules, policies and procedures, including this Policy, and reviewing each State Agency's internal P-Card Procedures, as applicable;
- Developing written internal procedures for requesting exceptions to either state or internal policy requirements;
- Ensuring that State Agency Transactions are reviewed at least annually;
- Developing State Agency specific training for all Cardholders, State Agency Approvers, State Agency Reconcilers, and State Agency Supervisors;
- Developing appropriate refresher training to be delivered at least annually; and
- Notifying State Agency P-Card Program Coordinators of changes in state rules, policies or procedures.

5.3. State Agency P-Card Program Coordinator.

The State Agency P-Card Program Coordinator serves as the main point-of-contact between the State Agency and the Statewide P-Card Program Administration Team.

The State Agency must provide the Statewide P-Card Program Administrator written notice within one (1) business day of any changes in status of the State Agency P-Card Program Coordinator.

The State Agency P-Card Program Coordinator's role, duties, and responsibilities include:

- Collaborating with the Agency's Fiscal Director to develop and maintain the State Agency's internal P-Card Procedures to address policy areas unique to the State Agency or that are not covered by this Policy, as applicable;
- Working with State Agency management to identify job titles, positions, or Edison roles that require use of a P-Card or Virtual P-Card;
- Working with State Agency management to determine appropriate Cardholder spending limits based on budget restrictions, job requirements, historical spending patterns, and overall procurement practices;
- Evaluating Cardholder spending limits against actual usage at least annually;
- Terminating a Cardholder's status if necessary (e.g., due to separation from employment, transfer to another State Agency, low P-Card usage) and cancelling a P-Card;
- Ensuring Agency-wide reconciliation procedures provide for timely payment and for allocation of Transactions to the chart of accounts at least monthly; and
- Ensuring that Transactions are reconciled and supported by adequate documentation, including use of Edison or the Online Banking Program, as appropriate.

5.4. Cardholder Supervisors.

The Cardholder Supervisor responsible for supervising Cardholders must have a thorough knowledge of the Cardholders' job responsibilities in order to determine if purchases are job-related or otherwise authorized by CPO rules, policies or procedures. The Cardholder Supervisor's role, duties, and responsibilities include:

- Before approving the P-Card transactions, either by signing a transaction log or statement or signing off on transactions electronically, carefully reviewing all documentation to ensure that all documentation meets the minimum requirements as set forth in this Policy;
- Approving or rejecting all Transactions within the scheduled timeframe;
- Ensuring that all documentation is submitted according to this Policy and the State Agency's internal P-Card Procedures, as applicable;
- Maintaining knowledge of this Policy and State Agency's internal P-Card Procedures, as applicable; and
- Requesting reasonable spending limits in accordance with this Policy and State Agency's internal P-Card Procedures, as applicable.

5.5. State Agency Reconciler.

The State Agency Reconciler is the State Agency employee responsible for all the functions associated with post-purchase processing of P-Card Transactions including account allocation and providing a business purpose when required. A Reconciler CANNOT make purchases using the P-Card belonging to a Cardholder for whom he or she reconciles.

5.6. State Agency Approver.

The State Agency Approver is the State Agency employee who approves purchases made by the Cardholder to which he or she is assigned. This role may also be performed by the

Cardholder Supervisor. By approving each P-Card transaction, the Approver exercises critical control by ensuring authorized and appropriate P-Card use and correct allocation of expenses in accordance with related policies of F&A, Division of Accounts. State Agency Approvers should also review receipts where appropriate to ensure compliance with this Policy and F&A, Division of Accounts policies (available online at http://www.tn.gov/finance/topic/fa-policyinfo). No Cardholder may approve his or her own P-Card transactions nor may he or she direct someone else to approve P-Card transactions in a manner that could violate this Policy or applicable policies of F&A, Division of Accounts. As a general rule, the State Agency Approver should not report to the Cardholder whose transactions he or she is reviewing. A State Agency Approver has the following responsibilities:

- Review Cardholder transactions to ensure that purchases made were:
  - For the use and benefit of the State of Tennessee;
  - Necessary for the official duties of the agency;
  - Made in accordance with CPO policies and procedures;
  - For goods or services actually received.
- If a State Agency Approver is in doubt about any of the above, the State Agency Approver should immediately question the Cardholder and seek advice from the State Agency P-Card Program Coordinator or the Statewide P-Card Program Administrator.
- Immediately inform the State Agency P-Card Program Coordinator of any misuse, abuse or fraudulent use of a P-Card.
- If the Cardholder is unavailable for questioning, the State Agency P-Card Program Coordinator or the Statewide P-Card Program Administration Team may adjust the Cardholder's STL to one dollar ($1.00). The State Agency Approver shall notify the State Agency P-Card Program Coordinator of Cardholder transfers or terminations. Advanced notice is required if the State Agency Approver is aware of impending personnel actions.
- Review, certify, and forward Cardholder transaction log pages, receipts or cycle statements in accordance with this Policy.

5.7. Cardholders.

An important participant in the P-Card Program is the Cardholder. The Cardholder is a key element in making the P-Card Program successful.

5.7.1. Cardholder Responsibilities.

The State is responsible for payment to the Bank. Therefore, P-Cards are issued to the State and assigned on its behalf to specific Cardholders. No credit checks will be performed on individual employees nor will account activity be reported to credit rating agencies. Cardholders have the following duties and responsibilities as a condition for being issued a P-Card:

- Reading and becoming familiar with this Policy;
- Attending and passing Cardholder / Approver training course;
- Signing Cardholder / Approver agreement;
- Being responsible for all purchases made on the P-Card; and

- Adhering to this Policy and other applicable rules, policies, and procedures.

5.7.2 Cardholder Misuse.

Each Cardholder is responsible for the purchases made on the P-Card that is assigned to them. Cardholders are required to adhere to applicable CPO rules, policies, procedures, and this Policy.

Use of a P-Card is a privilege based on trust. A Cardholder is trained and understands the penalties for abuse of the P-Card. The P-Card is for official State business use only and the purchase of personal or disallowable goods or services is strictly prohibited. Misuse of the P-Card may result in disciplinary action up to and including termination of employment and prosecution to the extent permitted by law. Cardholders will be required to reimburse the State, including sales tax, for any improper purchases.

5.8. Virtual P-Card Users.

Virtual P-Card Users are critical to the P-Card Program's success. A User has authority to make purchases utilizing his or her Agency's local purchase authority and to make purchases from a Statewide Contract or Agency Term Contract for official State business. State Agency employees with an e-procurement or buyer role in Edison are eligible to be Users. Users must complete training on reconciliation procedures before initiating any Transactions with a Virtual P-Card.

6. P-CARD SECURITY.

The security of each P-Card is the Cardholder's responsibility. Every precaution should be used to protect the account number. The account number should never be left in a conspicuous place.

Use of the P-Card is restricted to the authorized Cardholder whose name appears on the face of the card and may not be loaned to any other person. The account number that appears on the P-Card must not be given to any individual other than the Supplier from whom the Cardholder is making a purchase.

6.1. Lost or Stolen Cards.

If a P-Card is lost, stolen, or the card information has been compromised, the Cardholder must immediately contact the Bank's customer service. Upon such notification, outstanding authorizations will be confirmed and the Bank will cancel the P-Card (further use of the P-Card will be blocked by the Bank). Neither the State nor the Cardholder will be responsible for fraudulent charges made to a promptly reported lost or stolen card.

At the time of the notification, the Bank may request the following information:

Cardholder's name
Account number
Last four digits of SSN
Circumstances surrounding the loss of the card
Any purchase(s) made prior to the card being lost or stolen

The Cardholder must notify his or her State Agency P-Card Program Coordinator of the P-Card's loss or theft and make arrangements to receive a new P-Card. The Cardholder must complete and return an affidavit from the Bank to initiate an investigation, and send a copy of the Bank affidavit to the State Agency P-Card Program Coordinator. The Bank will then issue a new card with a new account number which will be delivered to the State Agency P-Card Program Coordinator.

The State Agency P-Card Program Coordinator must report any theft, forgery, or credit card fraud to the office of the Comptroller of the Treasury in accordance with Tenn. Code Ann. § 8-4-119 and to the Statewide P-Card Program Administration Team. To comply with this requirement, the State Agency P-Card Program Coordinator shall send the completed Bank affidavit or an email to Robert.N.Allen@cot.tn.gov and P.Card@tn.gov with the following information: Cardholder's name; last six (6) digits of the Cardholder's account number; and information about the transactions in question (such as the merchants' names, transaction date, and dollar amounts).

6.2. Separation from Employment.

If a Cardholder's separation from employment or transfer to another State position is planned, P-Card use shall be discontinued prior to Cardholder's separation from employment or transfer to allow sufficient time for submission of receipts and processing of outstanding charges before the Cardholder leaves or transfers. In the event of unplanned separation from employment, the Cardholder's P-Card shall immediately be deactivated and the Cardholder shall discontinue P-Card use upon separation from employment.

6.3. Purchasing Rules.

The P-Card is only a vehicle for making purchases. Existing State laws governing procurement, accounts payable, records retention, and other applicable laws must still be followed. All procurement rules of the CPO apply when using the P-Card.

6.4. Tax Exemption.

Purchases made in Tennessee and for the use and benefit of the State of Tennessee are exempt from Tennessee sales tax. Cardholders should obtain an exemption certificate and present it to each supplier. This form is available on the Department of Revenue web site at http://www.tn.gov/revenue/forms/sales/index.shtml in the "Sales and Use Tax Forms - Exemptions" section. Purchases made in other states may be subject to that state's sales tax. The Cardholder must be diligent when dealing with the supplier regarding taxes. If the supplier cannot deduct the sales tax because of pre-set controls within its computer systems or will not honor the exemption, the Cardholder may continue with the purchase but must note the refusal on the receipt. In the event a Cardholder is inappropriately charged for sales tax, he or she shall seek a credit refund of any sales taxes to the P-Card account.

6.5. Credits.

If a Cardholder returns merchandise, a credit should be issued to the Cardholder's P-Card and a credit receipt obtained. Under no circumstances should a Cardholder receive cash or a credit voucher. The Cardholder or State Agency Approver is responsible for reviewing the Online Banking Program to ensure that credits are received and, if not, file the appropriate paperwork for disputed items. Cardholders should avoid Suppliers with restrictive merchandise return policies.

6.6. Disputing Transactions.

If there is a problem with a Transaction, the Cardholder must first attempt to reach a resolution directly with the Supplier. In most cases, disputes can be resolved between the Cardholder and the Supplier. The Supplier will usually issue a credit.

The Cardholder should document all attempts to resolve a problematic Transaction. If the disputed Transaction involves a reservation or order that has been cancelled, the Cardholder is responsible for obtaining a cancellation number. If efforts to resolve the problem with the Supplier are unsuccessful or if a credit does not appear in the Online Banking Program, the Cardholder should file the appropriate dispute paperwork with the Bank and contact his or her State Agency P-Card Program Coordinator.

If a Bank Statement contains a Transaction that needs to be disputed, the Cardholder should contact the Bank's Customer Service to initiate the dispute process, and contact his or her State Agency P-Card Program Coordinator to ensure the disputed transaction has been documented. If the dispute cannot be resolved between the Cardholder and the Bank, the Cardholder shall immediately notify his or her State Agency P-Card Program Coordinator.

6.7. Declined Purchase Transactions.

On occasion, a Cardholder's purchase transaction may be declined. Cardholders should contact the Bank's Customer Service to determine the reason for the decline before contacting their State Agency P-Card Program Coordinator for assistance.

Common reasons for declines include:

- MCC is restricted from the Purchasing Card;
- The Cardholders has exceeded the STL, daily limit or monthly limit; or
- Invalid expiration.

7. CARD ISSUANCE AND CANCELLATION.

The State Agency P-Card Program Coordinator is responsible for issuing all P-Cards within his or her Agency. State Agency P-Card Program Coordinators have authority to terminate a Cardholder's status as a Cardholder and cancel P-Cards. The Statewide P-Card Program Administrator should be notified of any P-Card cancellations.

7.1. P-Card Issuance.

Purchasing Cards are issued following:

- Completion of the Cardholder Application;
- Completion and approval of a Cardholder profile;

- Completion of P-Card training; and
- Completion of the Cardholder Agreement.

7.2. P-Card Cancellation.

P-Cards shall be cancelled by the following:

- Cardholder's separation from employment for any reason;
- Cardholder's job status changes such that he or she no longer requires a P-Card;
- Cardholder reports the loss or theft of the P-Card;
- Cardholder misuses the P-Card; or
- Untimely confirming or disputing transactions.

If a P-Card is cancelled, it shall be destroyed. The Statewide P-Card Program Administrator shall be notified of all P-Card cancellations.

8. P-CARD PROGRAM TRAINING.

Cardholder training is critical—all Cardholders must complete training before being issued a P-Card. Training ensures that the Cardholder understands the P-Card Program procedures and this Policy and is aware of potential disciplinary action for P-Card misuse or abuse. Once training is complete, the Cardholder shall sign a Cardholder Agreement as a condition for being issued a P-Card. The Cardholder Agreement is evidence that the Cardholder has received training and a copy of this Policy and the State Agency's internal P-Card Procedures, as applicable. The Statewide P-Card Program Administrator will coordinate Cardholder training with State Agency P-Card Program Coordinators.

9. INTERNAL CONTROLS.

A strong system of internal controls is essential for detection and deterrence of fraud, misuse, or abuse of the P-Card. Internal controls include policies, procedures, training, spending limits, Merchant Category Code restrictions, prompt reconciliation, and prompt account distribution.

9.1. Duty of State Agencies.

Each State Agency must establish an internal control structure that ensures compliance with the State's procurement laws, CPO rules, policies and procedures, this Policy, and the terms and conditions of P-Card established by the Bank. The State Agency Fiscal Director is responsible for developing and reviewing this Policy, the State Agency's internal P-Card Procedures, as applicable, and ensuring that sound accounting practices and internal policies are in place and enforced. All State Agencies should ensure that the following principles are carried out in their programs:

- Separation of duties between ordering cards (State Agency P-Card Program Coordinators), making Transactions (Cardholders and Users), and review or approval of Transactions for payment (Cardholder Supervisors or Cardholder Approvers);
- Independent review of the P-Card Account maintenance activity at least monthly if the State Agency P-Card Program Coordinator is also a Cardholder or User.

- Limits on the number of Cardholders assigned to a Cardholder Supervisor in order to ensure adequate review of business need and documentation for each Transaction;
- Provision for annual independent audit or review of the Agency's P-Card program by the State Agency P-Card Program Coordinator, State Agency Internal Audit unit, or other business unit assigned State Agency audit responsibilities. Reviews must include adequacy of:
    - Internal policies and procedures, as applicable;
    - Cardholder spending limits;
    - Monthly reconciliation procedures; and
    - Documentation for Transactions; and
- Protocol for establishing a designated State Agency Central Fiscal Office P-Card and any alternate Central Fiscal Office P-Cards, including which Central Fiscal Office P-Card is primary and which alternate Central Fiscal Office P-Card is secondary and circumstances (e.g., unavailability of the primary Central Fiscal Office P-Card, etc.) under which an alternate Central Fiscal Office P-Card may be used.

9.2. State Agency P-Card Procedures.

Each State Agency may develop its own internal procedures to carry out the intent and purpose of this Policy and to address unique State Agency complexities or risk factors. If a State Agency chooses not to develop its own internal procedures then the State Agency must follow this Policy and coordinate State Agency Employee roles with the Statewide P-Card Program Administration Team.

9.3. Card Management and Reconciliation Systems.

All Transaction reconciliations will be completed in Edison unless the Central Procurement Office approves an alternate method of reconciliation.

9.4. Merchant Category Code Restrictions.

Merchant Category Codes are four-digit codes used by commercial credit card brands (e.g., Visa, MasterCard, American Express) to identify a merchant's principal trade, profession, or line of business. MCCs are assigned to a merchant based on the types of goods or services the merchant provides. MCCs blocked on P-Cards restrict State purchases from certain merchants to protect against unauthorized or prohibited purchases.

- The Statewide P-Card Program Administration Team manages the State-identified MCC groups that contain codes associated with suppliers that provide goods or services that are prohibited for purchase using the P-Card.
- Although Transactions at unauthorized MCCs are blocked at the point-of-sale, they are occasionally forced through. These Transactions are subject to audit.
- The CPO's Compliance Team will conduct periodic audits of Transactions with restricted MCC suppliers.
- State Agencies may request activation of additional MCCs for inclusion in a State-authorized group or creation of a new MCC group to meet specific needs. A Cardholder's State Agency P-Card Program Coordinator should

ensure that Cardholder profiles permit only those MCC groups that a Cardholder needs to meet his or her job requirements.

9.5. Cardholder Spending Limits and Utilization.

The State Agency Fiscal Director may establish a Single Transaction Limit (STL) of up to the ten thousand dollar ($10,000) maximum for Cardholders as he or she determines appropriate taking into account the State Agency's overall needs. Each State Agency Fiscal Director may also establish one (1) designated State Agency Central Fiscal Office P-Card with a STL of up to the fifty thousand dollar ($50,000) maximum. Each State Agency Fiscal Director may also establish up to two (2) alternate designated State Agency Central Fiscal Office P-Cards with a STL of up to the fifty thousand dollar ($50,000) maximum. If the transaction amount exceeds ten thousand dollars ($10,000), then Cardholders and State Agency Fiscal Directors should consult the *Procurement Procedures Manual of the Central Procurement Office* with respect to contract and purchase order requirements and exemptions from contract and purchase order requirements. The State Agency Fiscal Director should also determine the total maximum per Cycle Limit for each Cardholder based on the individual's position and unique purchasing needs, and the State Agency's budget to ensure payment in full monthly.

Imposing spending limits enables management to provide Cardholders with the purchasing power to perform their jobs without exposing the State to unnecessary risk. Spending limits should be based on the Cardholder's job responsibilities. Cardholder spending limits must be reviewed at least annually to determine if actual usage is consistent with spending limits. Increases or decreases to monthly spending limits may be made by the State Agency Fiscal Director as needed for Cardholder Cycle Limits, a single transaction limit of up to ten thousand dollars ($10,000) for a Cardholder and up to fifty thousand dollars ($50,000) for a Central Fiscal Office P-Card. Cardholders are prohibited from splitting a single purchase between one or more P-Cards or between a Card transaction and a purchase order to circumvent the STL or CPO rules, policies or procedures. Each State Agency is required to perform a review of spending limits at least annually in order to determine if each Cardholder's spending limit is adequate and appropriate.

9.6. Dormant Cards.

The CPO recommends that State Agencies reduce the Cycle Limit of any P-Card that has not been used within twelve (12) complete cycles to one dollar ($1). When a P-Card has not been used for some time, the State Agency P-Card Program Coordinator should conduct a review to determine if the Cardholder still needs a P-Card. Each State Agency is responsible for ensuring that this review is completed at least annually or in accordance with its own internal P-Card Procedures, as applicable.

10. DOCUMENTATION AND ACCOUNTING.

10.1. Documentation.

State Agencies should use Edison for Transaction reconciliation and should handle documentation for reconciliation in accordance with this Policy and State Agency internal P-Card Procedures, as applicable. Any State Agency seeking to use a manual or alternative method for Transaction reconciliation must obtain approval from the Central Procurement Office.

Regardless of the Transaction reconciliation method, Cardholders should provide invoices or receipts for all Transactions. Invoices or receipts shall include:

- The Supplier's name, location, and contact information;
- Line item details, including quantity, description, unit price, and total price; and
- A line showing that the State was not charged for sales tax.

10.2. Receipts.

- It is the Cardholder's responsibility to obtain itemized receipts and any other pertinent backup documentation. Other documentation may include shipping documents and bills of lading. This information will be used by the Agency to validate and reconcile charges.
- For online purchases that do not provide a downloadable receipt, a screen shot of the receipt information can serve as a receipt.
- In lieu of obtaining physical receipts, the Cardholder may also take a picture of the receipt with his or her mobile device and save the receipt electronically.
- If a Cardholder loses a receipt and a duplicate cannot be obtained, the Cardholder should follow his or her State Agency's internal procedures for lost receipts. Cardholders who lose receipts and resort to their Agency's internal procedures for lost receipts more than three (3) times during a fiscal year may have their P-Card privileges suspended.
- The amount on the receipt and the amount of the charge to the Cardholder's P-Card account must match. Any discrepancies in amounts should be resolved with the Supplier and an explanation regarding the resolution should be made on the receipt or other backup documentation. It is not sufficient to change the amount on the receipt only.
- The Cardholder and the Cardholder Supervisor shall document all missing receipts.
- Credits may be processed without a receipt, but the Cardholder must provide an explanation of the credit.

10.3. Reconciliation.

- Cardholders should perform reconciliation in Edison as often as possible or at a minimum on a weekly basis.
- After completing the weekly reconciliation process, the Cardholder must forward signed and dated receipts to his or her State Agency Approver. Dated receipts may be in an electronic format as long as they include an electronic signature and are legible. This should also occur on a weekly basis.

10.4. Allocation to the Chart of Accounts.

Timely allocation of charges to the chart of accounts is essential to ensure compliance with State accounting and budgetary policies. The State Agency must ensure that all transactions are allocated to the chart of accounts before the end of the billing cycle.

10.5. Records Retention Requirements.

The Office of the Secretary of State oversees Tennessee's Records Management Division, the State Agency that provides guidance on disposition, retention, and destruction of state records. Records Disposition Authority (RDA) SW23 applies to all P-Card documents. RDA SW23 requires that State Agencies maintain documents related to P-Card issuance and use for five (5) years and destroy them at the end of the five-year period. P-Card documents may be maintained in either paper or electronic format, so long as the electronic content has been verified for completeness, accuracy, and usability. RDA SW23 is available in its entirety at http://www.tnsos.net/rmd/rda/index.php.

10.6. Internal Revenue Service 1099 Reporting.

In 2011, the Internal Revenue Service announced changes to the Internal Revenue Code, Section 6050W, which shifted the burden of payment reporting requirements from the purchaser to the Supplier's bank when the P-Card is the payment method for a reportable transaction. Because of the shift in responsibility, participants in the P-Card Program are no longer required to report total P-Card transactions in excess of six hundred dollars ($600) with certain Suppliers. Reporting for all other payment methods, including checks, Automated Clearing House, or other means, will remain the responsibility of the State Agency making payment. Cardholders should consult the tax specialists at their State Agency for further information or details regarding Internal Revenue Service 1099 reporting requirements.

11. PROHIBITED PURCHASES AND TRANSACTIONS.

11.1. Prohibited Purchases.

Cardholders are prohibited from using a physical P-Card for the following types of purchases, payments, or transactions:

- Goods or services not directly related to job responsibilities or other official State of Tennessee business, i.e., personal purchases;
- Cash withdrawals, including ATM or debit withdrawals;
- Travel expenses;
- Telephone billings;
- Political publications of any sort;
- Utility billings and connection fees;
- Payments to another State Agency;
- Rental of passenger vehicles of any kind;
- Artifacts for historical or commemorative purposes (except for the State Museum);
- An employee's moving expenses;
- Purchases of any motor vehicle fuel for any vehicle or equipment leased from the Department of General Services' Division of Motor Vehicle Management ("MVM");

- Back orders or partial shipments—goods or services must be in stock or otherwise available and ready to be shipped or delivered at the time of purchase;
- Purchases made using a P-Card or other account by someone other than the Cardholder or account holder;
- Service awards for state employees;
- Awards for private citizens;
- Honoraria expenses;
- Insurance policies;
- Gift cards or gift certificates; and
- Any goods or services related to political activity as defined under "The Little Hatch Act," Tenn. Code Ann. §§ 2-19-201 through 208.

State Agencies may request an exception from this paragraph by submitting a P-Card exception request in the form of a memorandum signed by the Fiscal Director to the Statewide P-Card Program Administrator at p.card@tn.gov.

11.2. Personal Purchases Prohibited.
As provided in Sections 3.1, 5.7 and 11.1, Cardholders are prohibited from using a P-Card for the purchase of any goods or services not directly related to job responsibilities or other official State business. Intentional use of a P-Card for any purposes other than State business will result in disciplinary action, up to and including termination from State employment or criminal prosecution. Under Tenn. Code Ann. § 39-16-402, State employees who intentionally or knowingly use a P-Card or a Virtual P-Card for personal purchases commit a Class E felony.

11.3. Split Charges Prohibited.
Tenn. Code Ann. § 12-3-503(b) and CPO Policy Number 2013-003 authorize State Agencies to make a purchase without soliciting quotes or proposals from multiple suppliers when the total value of the purchase is ten thousand dollars ($10,000) or less. Cardholders are prohibited by Tenn. Code Ann. § 12-3-503(b)(2) from splitting a transaction between two or more transactions on a single account, two or more transactions on multiple accounts, or two or more transactions using the P-Card and a purchase order, in order to circumvent the STL imposed on the P-Card. The maximum STL for P-Card purchases using a physical P-Card is ten thousand dollars ($10,000) unless a State Agency has designated a lower STL in its internal P-Card Procedures or has an approved exception from the Statewide P-Card Program Administrator.

11.4. Payment of Sales and Use Tax.
Tenn. Code Ann. § 67-6-329(a) provides that all sales of services and tangible personal property made to the State of Tennessee are exempted from sales and use taxes. Cardholders should provide each supplier with an exemption certificate, as described in Section 6.4. Cardholders are responsible for ensuring that suppliers do not charge tax or provide a credit for inadvertent charges.

- If taxes are charged, the Cardholder must contact the supplier to obtain a credit to the account.

- Suppliers may only credit the State's P-Card Account and may not refund erroneously paid taxes through other means, including cash, gift cards, or store credit.
- The Cardholder is required to maintain documentation of his or her attempts to obtain credit for any Tennessee Sales and Use Tax charged to the P-Card Account in error.

12. PURCHASES RESERVED FOR THE DESIGNATED STATE AGENCY CENTRAL FISCAL OFFICE CARDHOLDER.

Only the person designated by the State Agency Fiscal Director may use his or her individual P-Card for the following purchases:

- Tuition, fees, and supplies for training individuals;
- Internet, newspaper, radio, or television advertisements;
- Subscriptions to newspapers, periodicals, newsletters, or pamphlets;
- Organization membership dues;
- Charges for meeting rooms and attendant expenses in excess of two hundred dollars ($200) per day or for more than five (5) days;
- Convention or registration fees; and
- Association entry fees.

13. DECLARED EMERGENCIES AND NATURAL DISASTERS.

Tenn. Comp. R. & Regs. 0690-03-01-.05(5) authorizes the CPO or delegated State Agencies to forego standard procurement requirements to meet emergencies arising from unforeseen causes. If an emergency affecting the health or safety of any person occurs when CPO personnel are not available, any State Agency is authorized to contract for necessary goods or services and obtain "after the fact" emergency purchase authorization. All requests for "after the fact" emergency purchase authorization shall comply with CPO rules, policies, and procedures.

14. ENCOURAGED USE OF P-CARDS.

14.1. Statewide and Agency Term Contracts.

As provided in Section 10.4. of the CPO's *Procurement Procedures Manual*, State Agencies are required to use Statewide Contracts for procuring goods or services to the extent the needed goods or services are available on a Statewide Contract. State Agencies may not procure goods or services available on a Statewide Contract from any other source without prior approval from the Chief Procurement Officer or designee. State Agencies are encouraged to utilize P-Cards for purchasing goods or services on Agency Term Contracts and Statewide Contracts.

14.2. Utilization of Diversity Suppliers.

Cardholders are strongly encouraged to make authorized purchases from suppliers certified by the Governor's Office of Diversity Business Enterprise.

15. SURCHARGES AND CONVENIENCE FEES.

Many suppliers charge a "credit card processing fee" or "convenience fee" for accepting credit cards including the P-Card. These types of fees are strictly regulated by Visa and MasterCard.

According to Visa's "Card Acceptance and Chargeback Management Guidelines for Merchants" available on Visa's website, credit card surcharges are allowed but cannot be more than the amount the supplier's bank charges them for processing the transaction. Also, the supplier cannot charge both a surcharge and a convenience fee, explained below.

The maximum allowable surcharge is four percent (4%) and must be shown as a line item on the detailed invoice or receipt. Whenever a Supplier charges a surcharge, the following rules apply:

- The Supplier must have provided Visa and its bank at least thirty (30) days notification of their intent to impose surcharges;
- The fact that the Supplier imposes surcharges must be clearly posted on the door and at point-of-sale for physical locations and on web sites when sales are made via the internet; and
- The Supplier must inform the Cardholder or User:
    - Of the exact percent of the surcharge;
    - That the Supplier is the entity assessing the surcharge;
    - That surcharges are applicable on credit transactions only; and
    - That the surcharge is not greater than what the supplier pays to Visa.

For any Transaction where the Supplier has charged a surcharge, a Cardholder or User must obtain a copy of the acknowledgement letter sent to the Supplier by Visa authorizing the Supplier to impose a surcharge. A copy on file with the State Agency P-Card Program Coordinator will be sufficient.

STATE AGENCY P-CARD PROCEDURES MODEL

STATE AGENCY P-CARD PROCEDURES MODEL

Instructions: Replace or otherwise address red instructional text as indicated. The following text serves as a guide and is intended to have the flexibility to adjust to each State Agency's specific needs. Submit completed procedures in a digital file (DOC format) to: P.Card@tn.gov and copy to: COT.CPC@cot.tn.gov. If completed procedures are not submitted, the State Agency must follow the Statewide Policy and coordinate State Agency Employee roles with the Statewide P-Card Program Administration Team.

State Agency Name
State Agency Purchasing Card Procedures
Effective: Date

1. Overview.

It is the State Agency Name's policy to use the State of Tennessee's Purchasing Card for official state government purchases. The Statewide P-Card Program Administrator has authority to oversee administration of the P-Card program in State Agency Name. These State Agency Purchasing Card Procedures ("State Agency Procedures") govern aspects of the State Agency's P-Card program that are not addressed by the Statewide Policy.

2. Definitions.

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

"Bank" means the entity issuing the State's P-Card, or any of its subsidiaries as the context may require.

"Cardholder" means the State Agency employee who is issued a physical P-Card to initiate payments on behalf of the State.

"Cardholder Agreement" means the document signed by the Cardholder to verify that he or she completed P-Card training, received a copy of and understands the P-Card Policy.

"Cardholder Application" means the application completed by the Cardholder that is approved by the Cardholder Supervisor and the State Agency P-Card Program Coordinator that is required before a P-Card Account will be assigned to a Cardholder.

"Cardholder Supervisor" means the State Agency employee with supervisory authority over the Cardholder.

"Central Fiscal Office P-Card" means the P-Card assigned to a Cardholder with a Single Transaction Limit of up to fifty thousand dollars ($50,000).

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

"Cycle (Credit) Limit" means the spending limit that restricts the total value of purchases a Cardholder can make in one billing cycle.

"Fiscal Director" means that State Agency employee, regardless of his or her particular title, who serves as the Agency's chief financial officer.

"Merchant Category Codes" or "MCCs" means the specific Merchant Category Code, assigned by an acquiring financial institution, that identifies the primary goods or services a supplier provides.

"Online Banking Program" means the Bank's online portal that provides Cardholders, State Agency P-Card Program Coordinators, and the Statewide P-Card Program Administration Team the ability to view and download statement information, update and manage accounts, set limits and permissions, reset passwords, and process Cardholder requests.

"P-Card Account" means the unique account number assigned to a Cardholder as determined by the Bank.

"P-Card Program" means the program established by the State and managed by the Central Procurement Office whereby Cardholders and Virtual P-Card Users make purchases on behalf of the State of Tennessee.

"Purchasing Card" or "P-Card" means a commercial card that allows organizations to take advantage of the existing credit card infrastructure to make electronic payments for goods or services. A P-Card is similar to a consumer credit card, but the card-using organization must pay the card issuer in full each month. In these State Agency Procedures, the term "Purchasing Card" or "P-Card" shall also include "Virtual Purchasing Cards" or "Virtual P-Cards" as the context requires.

"Purchasing Card Profile" means the unique profile associated with a Cardholder that contains monetary or MCC limits on the Cardholder's ability to make purchases on behalf of the State.

"Single Transaction Limit" or "STL" means the maximum dollar limit, per purchase transaction, that can be assigned to the physical P-Card. The STL is assigned per Cardholder at the discretion of the Agency Fiscal Director. Per Statewide Policy, the maximum STL that can be assigned to any individual physical P-Card is ten thousand dollars ($10,000) without approval by the Statewide P-Card Program Administrator. These State Agency Procedures establish the STL for physical P-Cards as Number ($ #) and up to fifty thousand dollars ($50,000) for the designated State Agency Central Fiscal Office P-Card.

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

"State Agency" means the departments, agencies, and entities of the State of Tennessee other than units of the University of Tennessee or Board of Regents systems.

"State Agency Approver" means the State Agency Employee who approves P-Card or Virtual P-Card Transactions.

"State Agency P-Card Program Coordinator" means the employee within the State Agency who manages the P-Card Program at the State Agency level.

"State Agency Procedures" shall mean the internal procedures of the State Agency, as approved by the Central Procurement Office and the Comptroller of the Treasury, that govern issuance of a P-Card or authorization to use a Virtual P-Card and documentation, supervision, approval, or reconciliation of Transactions.

"State Agency Reconciler" means the State Agency employee responsible for all the functions associated with post-purchase processing P-Card Transactions including account allocation and providing a business purpose when required.

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

"Statewide P-Card Program Administration Team" means the team within the Central Procurement Office that is responsible for overseeing the P-Card Program.

"Statewide P-Card Program Administrator" means the employee within the Central Procurement Office who is responsible for managing and overseeing the P-Card Program.

"Statewide Policy" means the Central Procurement Office's Policy Number 2015-010, the Statewide Purchasing Card Policy and Procedures.

"Supplier" means a person or legal entity with the legal capacity to enter into contracts and sue and be sued who provides goods or services to the State through a contract or a purchase order.

"Transaction" means the purchase of goods or services through use of a P-Card or Virtual P-Card.

"Virtual Purchasing Card" or "Virtual P-Card" means the unique credit card account number, embedded within Edison, which is assigned to a State Agency for payment to suppliers authorized to accept P-Card as the form of payment for approved Edison purchase orders.

"Virtual P-Card User" or "User" means the State Agency employee who has a buyer or e-procurement role in Edison, has undergone training on reconciliation, and is authorized to use a Virtual P-Card to initiate payment transactions on behalf of the State.

3. Types of Accounts.

3.1. P-Card Accounts.

P-Card accounts are those that involve the issuance of a P-Card Account to an individual Cardholder to further the official business of the State. Cardholders are limited to one active physical P-Card.

If your agency has already implemented the Virtual P-Card, please delete the [reserved] language in the Virtual P-Cards sections below.

3.2. Virtual P-Cards. **[Reserved]**

Virtual P-Cards are cardless accounts that allow State Agency Name to pay for approved, Edison purchase order transactions initiated by Virtual P-Card Users. A Virtual P-Card may be used for payments to any supplier that is registered in the State's supplier registration system whose payment method has been activated to "P-Card" in Edison. There is no STL for purchases made with a Virtual P-Card. The Bank determines the Cycle Limit for Virtual P-Cards.

4. Records Retention Requirements.

Records Disposition Authority (RDA) SW23 applies to all P-Card documents and is available at http://www.tnsos.net/rmd/rda/index.php. Under RDA SW23, State Agency Name must maintain all documents related to issuance and use of P-Cards for five (5) years.

SW23 provides:

- P-Card documents may be maintained in either paper or electronic format, so long as the electronic content has been verified for completeness, accuracy, and usability; and
- At the end of the five-year period, the documents must be destroyed.

Describe your Agency's process for maintaining and destroying P-Card documents; include whether documents will be maintained in paper format, electronic format, or both.

5. P-Card Program Roles and Responsibilities.

5.1. State Agency P-Card Program Coordinator.

The State Agency P-Card Program Coordinator is the main point of contact between State Agency Name and the Statewide P-Card Program Administration Team. State Agency Name's P-Card Program Coordinator's responsibilities include:

- Providing the Statewide P-Card Program Administrator written notice within one (1) business day of any changes in status of the State Agency P-Card Program Coordinator;

- Collaborating with the State Agency Name's [insert title of the person who serves as the Agency's Fiscal Director] to develop these Procedures and ensure it addresses procedures unique to State Agency Name;
- Working with State Agency Name management to determine appropriate Cardholder spending limits based on budget restrictions, job requirements, historical spending patterns, and overall procurement practices;
- Evaluating Cardholder spending limits against actual usage at least annually;
- Terminating a Cardholder's status as a Cardholder and cancelling P-Cards;
- Ensuring all P-Card transactions are verified and approved at least weekly and comply with the statewide and agency-wide reconciliation procedures for accuracy and timeliness;
- Ensuring that Transactions are reconciled and supported by adequate documentation, including use of Edison or Online Banking Program, as appropriate;
- Immediately informing the Statewide P-Card Program Administrator of any misuse, abuse or fraudulent use of a P-Card; and
- Add other, non-conflicting responsibilities to reflect your Agency's needs.

5.2. Cardholder Supervisors.

Cardholder Supervisors must have a thorough knowledge of the Cardholders' job responsibilities in order to determine if purchases are job-related or otherwise authorized by CPO rules, policies or procedures. The Cardholder Supervisor's responsibilities include:

- Carefully reviewing all documentation to ensure that it meets the minimum requirements as set forth in the Statewide Policy before approving P-Card Transactions;
- Approving or rejecting all Transactions within the scheduled timeframe;
- Ensuring that all documentation is submitted according to the Statewide Policy and State Agency Procedures;
- Maintaining knowledge of the Statewide Policy and State Agency Procedures;
- Requesting reasonable spending limits in accordance with the Statewide Policy and State Agency Procedures; and
- Add other, non-conflicting responsibilities to reflect your Agency's needs.

Any one Agency may have several Cardholder Supervisors.

5.3. State Agency Reconciler.

The State Agency Reconciler is the State Agency Name employee responsible for all the functions associated with post-purchase processing of P-Card Transactions including account allocation and providing a business purpose when required. A Reconciler CANNOT make purchases using the P-Card belonging to a Cardholder for whom he or she reconciles.

5.4. State Agency Approver.

This role may be performed by the Cardholder Supervisor. Determine and describe how your Agency will address the State Agency Approver role. The information below should be moved into the appropriate section if your Agency will assign this role to Cardholder Supervisors only.

The State Agency Approver is the State Agency Name employee who approves purchases made by the Cardholder to which he or she is assigned. The State Agency Approver is responsible for ensuring authorized and appropriate P-Card use and correct allocation of expenditures in accordance with policies of the Department of Finance and Administration, Division of Accounts. State Agency Approvers should also review receipts where appropriate to ensure compliance with the Statewide Policy (available online at http://www.tn.gov/generalservices/topic/education-library), State Agency Procedures, and Department of Finance and Administration, Division of Accounts policies (available online at http://www.tn.gov/finance/topic/fa-policyinfo). No Cardholder may approve his or her own P-Card transactions nor may he or she direct someone else to approve P-Card transactions in a manner that could violate the Statewide Policy, State Agency Procedures, or Department of Finance and Administration, Division of Accounts policies. The State Agency Approver should not report to the Cardholder whose transactions he or she is reviewing. A State Agency Approver has the following responsibilities.

- Review Cardholder transactions to ensure that purchases made were:
  - For the use and benefit of the State;
  - Necessary for the official duties of the Agency;
  - Made in accordance with CPO policies and procedures; and
  - For goods or services actually received.
- If a State Agency Approver is in doubt about any of the above, he or she should immediately question the Cardholder and seek advice from the State Agency Name's P-Card Program Coordinator. Elaborate on this process as needed. Note that if the Cardholder is unavailable for questioning, the Agency P-Card Coordinator or the Statewide P-Card Administration Team may adjust the Cardholder's STL to one dollar ($1.00).
- Review, certify, and approve P-Card Transactions in accordance with these State Agency Procedures.
- Immediately inform the Agency P-Card Program Coordinator of any misuse, abuse or fraudulent use of a P-Card.
- Notify the Agency P-Card Program Coordinator of Cardholder transfers or terminations. Elaborate on this process as needed. Note that the Statewide Policy requires advanced notice if the State Agency Approver is aware of impending personnel actions.

5.5. Cardholders.

Cardholders have the following duties and responsibilities as a condition for being issued a P-Card:

- Reading and becoming familiar with the Statewide Policy and State Agency Procedures;
- Attending and passing the Cardholder / Approver training course;
- Signing the Cardholder / Approver agreement;

- Being responsible for all purchases made on the P-Card;
- Adhering to the Statewide Policy, State Agency Procedures, and other applicable policies and procedures; and
- Add other, non-conflicting duties and responsibilities to reflect your Agency's needs.

Only the authorized Cardholder whose name appears on the face of the P-Card shall use the card. Neither the P-Card nor the account number that appears on the card may be given to anyone other than the supplier from whom the Cardholder is making a purchase. Add other, non-conflicting information on the Cardholder's responsibility to protect the security of the P-Card as needed.

The P-Card is for official State business use only and the purchase of personal or disallowable goods or services is strictly prohibited. Misuse of the P-Card may result in disciplinary action up to and including termination of employment and prosecution to the extent permitted by law. Cardholders will be required to reimburse the State, including sales tax, for any improper purchases.

5.6. Virtual P-Card Users. [Reserved]

A Virtual P-Card User has authority to make purchases utilizing State Agency Name's local purchase authority and to make purchases from a Statewide Contract or Agency Term Contract for official State business. Describe your Agency's eligibility requirements for Users and the training Users must complete before initiating any Transactions with a Virtual P-Card. Minimum eligibility requirement: e-procurement or buyer role in Edison. Minimum training requirement: training on reconciliation procedures.

6. P-Card Issuance and Cancellation.

State Agency Name's P-Card Program Coordinator is responsible for issuing all P-Cards within the Agency and for deactivating P-Cards as necessary.

6.1. P-Card Issuance.

The State Agency P-Card Program Coordinator shall not issue a P-Card until the prospective Cardholder completes, in the following order, the Cardholder Application, the Cardholder profile, P-Card training, and the Cardholder Agreement. The Cardholder Agreement is evidence that the Cardholder completed P-Card training and received a copy of the Statewide Policy. Add further details on the P-Card issuance process in your Agency as needed. When creating Cardholder profiles, your Agency's P-Card Program Coordinator should ensure that a profile permits only those MCC groups that the particular Cardholder needs to meet his or her job requirements.

6.2. P-Card Cancellation.

The State Agency P-Card Program Coordinator has authority to terminate a Cardholder's status as a Cardholder and cancel P-Cards. Add further information about your Agency's process for destroying cancelled P-Cards as needed.

P-Cards shall be cancelled when any of the following occur:

- Cardholder's separation from employment for any reason;
- Cardholder's job status changes such that he or she no longer requires a P-Card;
- Cardholder reports the loss or theft of the P-Card;
- Cardholder misuses the P-Card; or
- Untimely confirming or disputing transactions. Add details on what your Agency will consider untimely.
- Add other, non-conflicting grounds for cancellation as needed.

7. P-Card Use.

7.1. P-Card Processing Cycle.

The typical cycle for P-Card use is:

- An individual Cardholder , with State Agency approved spending limits, initiates a purchase using a P-Card;
- The individual Cardholder retains an original, legible copy of the purchase's receipt for use in reconciliation;
- Transactions are typically posted in the Edison P-Card module within 24-72 hours after the purchase is made;
- The Cardholder will log into the Edison P-Card module [insert how frequently transaction review will occur in your Agency; minimum requirement is weekly] to review transactions and account coding and take necessary action to correct errors in the purchase details;
- The Cardholder or his or her State Agency Approver or Cardholder Supervisor confirms or disputes Transactions posted to the card account;
- The credit line is replenished for the amount of the Transactions;
- The Cardholder will receive a hard-copy or electronic Bank statement monthly;
- The hard-copy or electronic Bank statement and receipts will be sent to the State Agency Reconciler for final reconciliation;
- The State Agency Reconciler will reconcile all Transactions by [specify your Agency's reconciliation process, including how frequently reconciliation will occur; under section 9.3 of the Statewide Policy, reconciliation be completed in Edison unless the CPO approves an alternate method]; and
- The State Agency Reconciler prepares all documentation for retention by [specify your Agency's record retention process; refer to section 4 for record retention requirements].

7.2. Purchasing Rules.

The P-Card is a mechanism for making purchases. Existing State laws governing procurement, accounts payable, records retention, and other applicable laws must still be followed. All procurement rules of the CPO apply when using the P-Card.

7.3. Credits.

If a Cardholder returns merchandise, a credit should be issued to the Cardholder's P-Card and a credit receipt obtained. Under no circumstances should a Cardholder receive cash or a credit voucher. The Cardholder is responsible for reviewing the Online Banking Program to ensure that credits are received and, if not, file the appropriate paperwork for disputed items. Cardholders should avoid Suppliers with restrictive merchandise return policies.

7.4. Disputing Transactions.

If there is a problem with a Transaction, the Cardholder must first attempt to reach a resolution directly with the Supplier. In most cases, disputes can be resolved between the Cardholder and the Supplier. The Supplier will usually issue a credit.

The Cardholder should document all attempts to resolve a problematic Transaction. If the disputed Transaction involves a reservation or order that has been cancelled, the Cardholder is responsible for obtaining a cancellation number. If efforts to resolve the problem with the Supplier are unsuccessful or if a credit does not appear in the Online Banking Program, the Cardholder should file the appropriate dispute paperwork with the Bank and contact State Agency Name's P-Card Program Coordinator.

If a Bank Statement contains a Transaction that needs to be disputed, the Cardholder should contact the Bank's Customer Service to initiate the dispute process, and contact State Agency Name's P-Card Program Coordinator to ensure the disputed transaction has been documented. If the dispute cannot be resolved between the Cardholder and the Bank, the Cardholder shall immediately notify the State Agency Name's P-Card Program Coordinator and [describe your Agency's process for disputing a transaction under these circumstances].

7.5. Declined Purchase Transactions.

On occasion, a Cardholder's purchase transaction may be declined. Cardholders should contact the Bank's Customer Service to determine the reason for the decline before contacting State Agency Name's P-Card Program Coordinator for assistance.

7.6. Lost or Stolen P-Cards.

If a P-Card is lost, stolen, or the card information has been compromised, the Cardholder must immediately contact the Bank's **Customer Service.** Upon such notification, outstanding authorizations will be confirmed and the Bank will cancel the P-Card (further use of the P-Card will be blocked by the Bank). Neither the State nor the Cardholder will

be responsible for fraudulent charges made to a promptly reported lost or stolen card. At the time of the notification, the Bank may request the following information:

Cardholder's name
P-Card account number
Last four digits of the Cardholder's SSN
Circumstances surrounding loss or theft of the card
Any purchase(s) made prior to the card being lost or stolen

The Cardholder must notify his or her State Agency P-Card Program Coordinator of the P-Card's loss or theft and make arrangements to receive a new P-Card. The Cardholder must complete and return an affidavit from the Bank to initiative an investigation, and send a copy of the Bank affidavit to the State Agency P-Card Program Coordinator. The Bank will then issue a new card with a new account number which will be delivered to the State Agency P-Card Program Coordinator.

The State Agency P-Card Program Coordinator must report any theft, forgery, or credit card fraud to the office of the Comptroller of the Treasury in accordance with Tenn. Code Ann. § 8-4-119 and to the Statewide P-Card Program Administration Team. To comply with this requirement, the State Agency P-Card Program Coordinator may send the completed Bank affidavit or an email to Robert.N.Allen@cot.tn.gov and p.card@tn.gov with the following information: Cardholder's name; last six (6) digits of the Cardholder's account number; and information about the transactions in question (such as the merchants' names, transaction date, and dollar amounts).

7.7. Cardholder Transfer or Separation from Employment.
If a Cardholder's separation from employment or transfer to another State position is planned, P-Card use shall be discontinued prior to Cardholder's separation from employment or transfer to allow sufficient time for submission of receipts and processing of outstanding charges before the Cardholder leaves or transfers. In the event of unplanned separation from employment, the Cardholder's P-Card shall immediately be deactivated and the Cardholder shall discontinue P-Card use upon separation from employment.

8. Internal Controls.

A strong system of internal controls is essential for detection and deterrence of fraud, misuse, or abuse of the P-Card. Internal controls include policies, procedures, training, spending limits, Merchant Category Code restrictions, prompt reconciliation, and prompt account distribution.

Your State Agency must establish an internal control structure that ensures compliance with the State's procurement laws, CPO rules, policies and procedures, the Statewide Policy, and the terms and conditions of P-Card established by the Bank. The State Agency employee who serves as the Agency's Fiscal Director is responsible for developing and reviewing the State Agency Procedures and ensuring that sound accounting practices and internal controls are in place and enforced.

8.1. Annual Review of State Agency Name's P-Card Program.

The Statewide Policy requires each State Agency to have an independent review of the Agency's P-Card program each year. Describe how this annual, internal, independent review will occur in your Agency, including who will perform the review (State Agency's P-Card Coordinator, State Agency's internal audit unit, or other business unit assigned State Agency audit responsibilities) and what the review will consist of. At minimum, the review shall evaluate the adequacy of the State Agency P-Card program's: (a) State Agency Procedures; (b) Cardholder spending limits; (c) monthly reconciliation procedures; and (d) documentation for Transactions. Include results of the review in your Agency's annual risk assessment.

If your State Agency has a designated State Agency Central Fiscal Office P-Card then the protocol for establishing the card needs to be addressed either in your procedures or as an addendum to your procedures. If included in the procedures, modify section 8.2. Cardholder Spending Limits and P-Card use below to address your agency's protocol for establishing a designated State Agency Central Fiscal Office P-Card and any alternate Central Fiscal Office P-Cards, including which Central Fiscal Office P-Card is primary and which is alternate.

8.2. Cardholder Spending Limits and P-Card Use.

The State Agency Name employee who serves as the Agency's Fiscal Director may establish a Single Transaction Limit (STL) of up to the ten thousand dollars ($10,000) maximum for Cardholders as he or she determines appropriate taking into account the State Agency's overall needs.

The State Agency Name employee who serves as the Agency's Fiscal Director may also establish a Single Transaction Limit (STL) of up to the fifty thousand dollars ($50,000) maximum for Central Fiscal Office P-Cards as he or she determines appropriate taking into account the State Agency's overall needs.

Add details related to the protocol for establishing a designated State Agency Central Fiscal Office P-Card and any alternate Central Fiscal Office P-Cards, including which is primary and which are alternates. Include any circumstances (e.g., unavailability of the primary Central Fiscal Office P-Card) under which an alternate Central Fiscal Office P-Card may be used.

The State Agency Fiscal Director should also determine the total maximum per Cycle Limit for each Cardholder based on the individual's position and unique purchasing needs, and the State Agency's budget to ensure payment in full monthly.

State Agency Name's P-Card Program Coordinator will review Cardholder spending limits [insert frequency of review; minimum is annually] to determine if actual usage is

consistent with spending limits. Cardholders are prohibited from splitting a single purchase between one or more P-Cards or between a Card transaction and a purchase order to circumvent the STL or CPO rules, policies or procedures.

8.3. Dormant Cards.

When a P-Card has not been used for length of time, it will be considered inactive. Describe how your Agency will respond when a P-Card is deemed inactive. The CPO recommends reducing the Cycle Limit of any P-Card that has not been used within twelve (12) complete cycles to one dollar ($1). When a P-Card has not been used for length of time, State Agency Name's P-Card Program Coordinator will conduct a review to determine if the Cardholder still needs a P-Card. Add further details about the review of dormant cards as needed.

9. Documentation, Reconciliation, and Accounting.

9.1. Documentation

Describe your Agency's procedures for documentation of Transactions. At minimum, your procedures shall require Cardholders to provide invoices or receipts (either electronic or hard copy format) for all Transactions. Invoices or receipts shall include: (a) the Supplier's name, location, and contact information; (b) line item details, including quantity, description, unit price, and total price; and (c) a line showing the State was not charged for sales tax. If your Agency decides to use logs as a form of documentation, specify procedures for maintaining logs. Include procedures for lost receipts and describe any consequences if a Cardholder loses receipts more than three (3) times during a fiscal year. Consult section 10.2 of the Statewide Policy for further guidance receipts.

9.2. Reconciliation.

Reconciliation of Transactions is performed in Edison. Note that reconciliation cannot be performed manually unless your Agency has obtained approval from the CPO. Cardholders will reconcile Transactions [insert frequency; minimum requirements under the Statewide Policy: weekly]. Add further, non-conflicting information about reconciliation to reflect your Agency's needs.

9.3. Allocation to the Chart of Accounts.

Describe your Agency's procedures for allocation of charges to the chart of accounts. The procedures must ensure: (a) compliance with State accounting and budgetary policies; and (b) all Transactions are allocated to the chart of accounts before the end of the monthly reconciliation cycle.

10. Prohibited Purchases and Transactions.

10.1. Prohibited Purchases.

Cardholders are prohibited from using a physical P-Card for the following types of purchases, payments, or transactions:

- Goods or services not directly related to job responsibilities or other official State of Tennessee business, i.e., personal purchases;
- Cash withdrawals, including ATM or debit withdrawals;
- Travel expenses;
- Telephone billings;
- Political publications of any sort;
- Utility billings and connection fees;
- Payments to another State Agency;
- Rental of passenger vehicles of any kind;
- Artifacts for historical or commemorative purposes (except for the State Museum);
- An employee's moving expenses;
- Purchases of any motor vehicle fuel for any vehicle of equipment leased from the Department of General Services' Division of Motor Vehicle Management ("MVM");
- Back orders or partial shipments—goods or services must be in stock or otherwise available at the time of purchase;
- Purchases made using a P-Card or other account by someone other than the Cardholder or account holder;
- Service awards for state employees;
- Awards for private citizens;
- Honoraria expenses;
- Insurance policies;
- Gift cards or gift certificates; and
- Any goods or services related to political activity as defined under "The Little Hatch Act," Tenn. Code Ann. §§ 2-19-201 through 208.

State Agencies may request an exception from this paragraph by submitting a P-Card exception request in the form of a memorandum signed by the Fiscal Director to the Statewide P-Card Program Administrator at p.card@tn.gov.

As provided above, Cardholders are prohibited from using a P-Card for the purchase of any goods or services not directly related to job responsibilities or other official State business. Intentional use of a P-Card for any purposes other than State business will result in disciplinary action, up to and including termination from State employment or criminal prosecution.

10.2. Split Purchases Prohibited.

Tenn. Code Ann. § 12-3-503(b) and CPO Policy Number 2013-003 authorize State Agencies to make a purchase without soliciting quotes or proposals from multiple Suppliers when the total value of the purchase is ten thousand dollars ($10,000) or less. Cardholders are prohibited by Tenn. Code Ann. § 12-3-503(b)(2) from splitting a transaction between two or more transactions on a single account, two or more transactions on multiple accounts, or two or more transactions using the P-Card and a purchase order, in order to circumvent the STL imposed on the P-Card. The STL for P-Card purchases using a physical P-Card is ten thousand dollars ($10,000), unless your State Agency designates a lower STL in its State Agency Procedures, and up to fifty thousand dollars ($50,000) for a Central Fiscal Office P-Card.

10.3. Payment of Sales and Use Tax.

Under Tenn. Code Ann. § 67-6-329(a), purchases made in Tennessee and for the use and benefit of the State of Tennessee are exempt from Tennessee sales tax. Cardholders should obtain an exemption certificate from the Department of Revenue website and present it to each Supplier. Purchases made in other states may be subject to that state's sales tax. The Cardholder must be diligent when dealing with the Supplier regarding taxes.

- If the Supplier cannot deduct the sales tax because of pre-set controls within its computer systems or will not honor the exemption, the Cardholder may continue with the purchase but must note the refusal on the receipt or invoice.
- In the event a Cardholder is inappropriately charged for sales tax, he or she shall seek a credit refund of any sales taxes to the P-Card account. Suppliers may only credit the State's P-Card Account and may not refund erroneously paid taxes through other means, including cash, gift cards, or store credit.
- The Cardholder is required to maintain documentation of his or her attempts to obtain credit for any Tennessee Sales and Use Tax charged to the P-Card Account in error. Add further, non-conflicting information about documentation of attempts to obtain credit as needed.

11. Purchases Reserved for the Designated State Agency Name Central Fiscal Office Cardholder

Only the person(s) designated by State Agency Name's [title of Agency employee who serves as the Agency's Fiscal Director and or budget director or officer] as Central Fiscal P-Cardholders may use his or her individual P-Card for the following types of purchases:

- Tuition, fees, and supplies for training individuals;
- Internet, newspaper, radio, or television advertisements;
- Subscriptions to newspapers, periodicals, newsletters, or pamphlets;
- Organization membership dues;
- Charges for meeting rooms and attendant expenses in excess of two hundred dollars ($200) per day or for more than five (5) days;
- Convention or registration fees; and
- Association entry fees.

12. Surcharges and Convenience Fees.

Many suppliers charge a "credit card processing fee" or "convenience fee" for accepting credit cards including the P-Card. These types of fees are strictly regulated by Visa and MasterCard.

According to Visa's "Card Acceptance and Chargeback Management Guidelines for Merchants" available on Visa's website, credit card surcharges are allowed but cannot be more than the amount the supplier's bank charges them for processing the transaction. Also, the supplier cannot charge both a surcharge and a convenience fee, explained below.

The maximum allowable Visa-mandated surcharge is four percent (4%) and must be shown as a line item on the detailed invoice or receipt. Whenever a Supplier charges a surcharge, the following rules apply:

- The Supplier must have provided Visa and its bank at least thirty (30) days notification of their intent to impose surcharges;
- The fact that the Supplier imposes surcharges must be clearly posted on the door and at point-of-sale for physical locations and on web sites when sales are made via the internet; and
- The Supplier must inform the Cardholder or User:
    - Of the exact percent of the surcharge;
    - That the Supplier is the entity assessing the surcharge;
    - That surcharges are applicable on credit transactions only; and
    - That the surcharge is not greater than what the supplier pays to Visa.

For any Transaction where the Supplier has charged a surcharge, a Cardholder or User must obtain a copy of the acknowledgement letter sent to the Supplier by Visa authorizing the Supplier to impose a surcharge. A copy on file with the State Agency Name's P-Card Program Coordinator will be sufficient.

HR PRE-APPROVAL ENDORSEMENT REQUEST

HR Pre-Approval Endorsement Request
E-Mail Transmittal

TO : Department of Human Resources
E-mail :DOHR.Contracts@tn.gov

FROM :

E-mail : ____

DATE :

RE : Request for Human Resources Pre-Approval Endorsement

Applicable RFS #
Human Resources Endorsement Signature & Date: **Department of Human Resources**

Department of Human Resources (HR) pre-approval endorsement is required pursuant to procurement regulations pertaining to contracts with an individual; contracts that involve training State employees (except training pursuant to an information technology system procurement); or services relating to the employment of current or prospective state employees (interviewing, screening, evaluating, *et cetera*). This request seeks to ensure that HR is aware of and has an opportunity to review the procurement detailed below and in the attached document(s). This requirement applies to any procurement method regardless of dollar amount.

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

Contracting Agency	
Agency Contact (name, phone, e-mail)	
Attachments Supporting Request (as applicable – copies without signatures acceptable) ☐ Solicitation Document ☐ Special Contract Request ☐ Amendment Request ☐ Proposed contract or amendment	
Subject HR Service Description (Brief summary of HR services involved. As applicable, identify the contract and solicitation sections related to the HR services.)	

TENNESSEE DEPARTMENT OF ENVIRONMENT AND CONSERVATION STATE PARKS PURCHASING POLICIES AND PROCEDURES

REDLINE VERSION

Tennessee
Department of Environment and Conservation
State Parks
Purchasing Policies and Procedures

Introduction:

Tennessee Code Annotated Section 11-3-112 authorizes the Commissioner of the Department of Environment and Conservation to develop the method for purchasing services, raw materials, merchandise for resale, supplies and equipment, without the approval of any other state agency, necessary for the provision of quality services for certain state park operations. Under the law, the Commissioner of Environment and Conservation has the responsibility to develop policies and procedures to ensure that purchases made on behalf of state park operations are at the lowest possible price while ensuring quality and timely delivery. The Commissioner is responsible submitting those policies and procedures to the procurement commission for review and approval. The specific park operations identified in the law are: inns, cabins, restaurants, golf courses, gift shops, marinas, snack bars, and vending machines.

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1. **Purpose:** These policies and procedures will be limited to the purchase of services, raw materials, and merchandise for resale, supplies and equipment necessary for providing quality services at State Park inns, cabins, restaurants, golf courses, gift shops, marinas, snack bars, and vending machines.

1.1 Procurement Types and Limits:

1.1.1 ***Purchases over $~~2,000~~5,000:*** All purchases over $~~2,000~~5,000 require a requisition created in Edison by the requestor and approved by his or her supervisor. This will insure inclusion in the State inventory system for capital assets and will establish accountability. Freight charges and installation charges shall be included in the total cost of all asset purchases. All purchases will be approved in accordance with established Edison spending limits.

1.1.2 ***Purchases ~~less than $5,000~~ $10,000 and below:*** Purchases less than $~~5,000~~10,000 do not require competitive bidding, ~~but~~ however, purchases from $5,000.01 to $10,000 shall have documented firm pricing attached in Edison. Tennessee State Parks personnel are encouraged to seek competitive pricing where practicable.

1.1.3 ***Purchases ~~over $5,000 and under~~$10,000.01 to $25,000:*** Purchases ~~over $5,000 and under~~$10,000.01 to $25,000 shall be competitively procured. A minimum of three vendors shall be contacted. ~~Telephone~~A current website, catalog, price list, telephone, email or fax bids are acceptable. A copy of the awarded vendor's bid must be attached to the requisition to confirm the bid.

1.1.4 ***Purchases ~~for~~over $ 25,000~~ and up~~:*** Any purchase valued ~~at $25,000 and~~ over $25,000.00 shall ~~require a formal event process. All requests over $25,000 will~~ be procured by the ~~Fiscal~~TDEC Centralized Procurement staff.

1.1.5 ***Purchases over $50,000:*** All requests over $50,000 will require a formal procurement event process by the TDEC Centralized Procurement Staff. All purchases shall be approved in accordance with established Edison spending limits. All such procurements shall be supported by a requisition and shall utilize competitive bidding, if appropriate.

1.1.6 ~~1.1.5~~ ***Purchase of items for resale:*** Purchase of commercial items for authorized resale shall be purchased based on consumer preference and behavior. Such purchases do not require competitive bidding~~,~~ but must be obtained using the Edison system. Tennessee State Parks personnel are encouraged to seek competitive pricing where practicable. An annual customer preference survey shall be conducted by park marketing staff and submitted to the TDEC Director of Procurement for review.

1.1.7 ~~1.1.6~~ ***Grant Specified Procurements:*** Purchases of equipment,
goods and services will be based on the grant's Memorandum of Understanding and shall be based upon the funding authority's requirements and competitively bid if practicable. All such procurements over $~~2,000~~5,000 will be completed utilizing the Edison system.

1.1.8 ~~1.1.7~~ ***Contract purchases:*** Purchases shall be made from a
statewide contract, if such a contract is available. TDEC's delegated authority can be utilized based on cost savings, customer preference, and or immediate need. All purchases against the DPA must be documented on each Purchase Order.

1.1.9 ~~1.1.8~~ **Sole Source and Proprietary Purchases:** All sole source
and proprietary purchases over $10,000 must be approved by the Director of Procurement. Sole source or proprietary justification documentation must be included on all Edison requisitions. A written statement from the vendor must be included on a sole source or proprietary procurement request.

1. Note: ~~"~~"Sole Source Procurement" means a procurement for which only one vendor possesses the unique and singularly available capability to meet the requirements of the solicitation, such as technical qualifications, ability to deliver at a particular time, or services from a public utility or a situation where a particular supplier or person is identified as the only qualified source available to the requisitioning authority. "Proprietary Procurement" means a procurement of a good or service that is used, produced,

or marketed by a person or persons having the exclusive right to provide the service or manufacture or sell the product.

1.1.9 **Major Equipment:** consists of machinery, implements, tools, furniture, vehicles (such as golf carts), and other apparatus with a unit cost of $5000.00 or more. Purchases under this authority shall be restricted to equipment and supplies that contribute to the profitability of the operation. All purchase procurement requests shall be approved in accordance with established Edison work flow approval limits. All major purchases will be forwarded to the Deputy Commissioner of State Parks for approval if deemed necessary by the Procurement Director.

1.1.9.1 All major equipment needs shall be addressed in the formal annual budget process to ascertain the availability of funds for the proposed expenditure. Priorities shall be determined at this time. Justification, which should describe how the proposed expenditure will create new revenues, and/or cut costs by gained efficiencies, shall be provided. The justification shall also explain whether the requested procurement is for purchase new equipment, or to replace existing equipment. Equipment requests not included in the budget will be considered based upon the status of revenue collections or presence of a grant specified Memorandum of Understanding.

1.1.9.2 All equipment offered by a vendor shall be new unless the purchase of used equipment is determined to be more economically feasible, and the equipment is of appropriate quality. The solicitation shall specify if the State is willing to accept used equipment. Such willingness shall be identified to all potential respondents. The condition of used equipment shall be verified before purchase. Demonstrations may be required. No used item is acceptable if serial numbers or any other manufacturer's identifying label or markings have been removed, obliterated, or changed in any way.

1.1.9.3 Reconditioned items are not considered new, and shall not be accepted.

1.1.9.4 Tennessee State Parks may request bids for new equipment utilizing trade-in of used equipment. In such cases, a trade-in price quotation will be requested, as well as a separate price quotation without trade-in. Tennessee State Parks reserves the right to award the bid with or without trade-in. The value of used equipment will be determined by a market survey.

1.1.10 Major maintenance and/or renovations: Any major maintenance and/or renovations or capital project expenditures will be included in the State of Tennessee Capital Projects Budget and sent to the State Building Commission for approval. These policies and procedures do not authorize such purchase.

1.1.11. Documentation shall be kept of all procurements and such records shall be made available for review by State authorities upon request.

1.2 **Cancellation of ~~Agency~~Agency Term Contracts:**

1.2.1 All contract cancellations shall be processed in Edison by Central Office Procurement staff.

1.2.1 The words "Cancellation Notice" shall appear conspicuously on the face of the document.

1.2.2 Contracts may be cancelled in Edison without notification to the Contractor, if the Contractor was never issued the contract.

1.2.3 Contractors will be given thirty calendar (30) days notification in writing prior to cancellation of contracts issued for services. Contracts may be cancelled in one day for cause or non-performance.

1.2.4 A copy of the cancellation notice will be distributed as follows:

1.2.4.1 One copy to Contractor and one copy to appropriate Tennessee State Parks manager

1.2.5 The TDEC Central Procurement Office will request signed acknowledgement of the cancellation notice from the Contractor.

1.3 Receipt of All Goods and Services:

1.3.1 The appropriate procurement staff shall distribute a working copy of the purchase order to the receiving location immediately following placement of an order. Receiving personnel shall maintain an open copy of the purchase order pending receipt of goods or services. This file shall be reviewed on a regular basis and any shipping delays reported to the appropriate procurement staff.

1.3.2 Receiving personnel shall examine the carrier's freight bill to insure that the number of cartons, crates, boxes, etc., shown on the freight bill is the same as actually received.

1.3.3 Receiving personnel shall examine containers for signs of external damage or pilferage. If signs of damage or pilferage are observed, it is to be noted on the freight bill or packing slip and **signed** (not initialed) by the driver.

1.3.4 If goods received are the correct items, of required quality and correct quantity and are undamaged, documentation shall be signed by the receiver and the goods moved to the designated inventory area or delivered to the requisitioner. Receiving documents shall be given to the appropriate procurement staff immediately for processing.

1.3.5 If goods are incorrect or damaged and discovered at time of receipt, two alternatives are available:

1.3.5.1 Refuse to accept goods;

1.3.5.2 If accepted, applicable details shall be noted on shipping papers with both the carrier and receiving clerk signing to verify any future claims. The notation "SUBJECT TO FURTHER INSPECTION" shall be made.

1.3.5.3 All receipts should be created in Edison on the day of delivery, with all documentation forwarded promptly to the appropriate managers for signature.

1.3.5.4 If damage is discovered after the carrier's departure, the appropriate manager shall be notified immediately so that necessary contacts with the vendor and/or carrier can be initiated promptly.

1.3.5.5 Overages and shortages, other than standard tolerances, shall be brought to the attention of the appropriate manager prior to creation of a receipt in Edison, in order to make a determination as to whether the goods will be accepted or rejected.

1.3.5.6 If goods cannot be received into inventory because of quality or paperwork issues, it shall be placed in an established "holding" area until the problem is resolved. The appropriate manager shall be notified of any goods placed on hold so that the vendor can be notified immediately and a prompt solution developed.

1.4 Receiving Goods and Services in Edison:

1.4.1 Upon receipt of goods or services, a receipt will be generated in Edison for the corresponding purchase order. The purchase order defines price, terms of payment, and freight terms. The receipt must comply with those terms.

1.4.2 When making payment, Accounts Payable must ascertain that quantities received equal the quantities invoiced; extension and totals are correct; cash discounts are taken if earned; and that the proper accounting codes were populated in the chartfields.

1.4.3 Any discrepancies shall be referred to the appropriate park staff. Park staff shall resolve any differences and return to Accounts Payable within two business days. In accordance with the Prompt Payment Act of 1985, T.C.A. § 12-4-701, *et seq.,* if no date for payment is agreed upon in the contract, payment will be made within 45 days after receipt of invoice, provided that goods were received. Overdue payments may accrue one and one-half percent interest per month beginning on the day after the payment is due.

1.5 Rejected and Returned Goods:

1.5.1 Tennessee State Parks staff will return all rejected goods to the vendor for credit.

1.5.2 Park staff shall contact the vendor for instructions in returning the merchandise.

1.5.3 Merchandise shall be returned at the vendor's expense.

1.5.4 Park staff shall prepare shipping order and debit memo listing all pertinent information.

1.5.5 If replacement goods are involved, attach all paperwork to the Purchase Order and file in an open order file. If no replacement is necessary, cancel the Purchase Order in Edison, print a copy of the cancellation, attach all pertinent documents and file.

1.5.6 On orders wherein replacement parts are required, necessary paperwork shall be sent to Receiving Department.

1.5.7 Park staff shall send shipping order to Shipping Department for shipment of parts.

1.5.8 All Tennessee State Parks additional expenses generated by rejected and returned goods shall be debited back to the vendor.

1.5.9 All documents pertaining to the transaction shall be scanned and attached to the Purchase Order.

1.6 Over shipments, under shipments, and partial shipments.

1.6.1 Definitions:

1.6.1.1 Over-shipment: shipment of 110% or more of quantity specified in purchase order;
1.6.1.2 Under-shipment: shipment of 90% or less of quantity specified in purchase order;
1.6.1.3 Partial shipment: shipment of an order in designated increments;
1.61.4 Shortage: non-shipment of any part of an order.

1.6.2 Whenever possible, purchased goods shall be shipped in the exact quantity ordered. Exceptions may be made for small value items or specially manufactured items. Standard industry tolerances shall be taken into consideration.

1.6.3 When it is critical to a Park's requirements that it receive the full order quantity, the requisition and Purchase Order shall be marked "DO NOT UNDER SHIP". These orders may be subject to an over shipment.

1.6.4 As a general rule, up to a 10% over shipment shall be accepted by receiving. If there is any doubt concerning the need for excess goods or a concern for the dollar value of the over shipment, Purchasing should be notified even if the over shipment is within 10%. Any under shipment within 10% will be considered a complete order.

1.6.5 Payment for a completed order, in respect to 10% over/under, will be the unit cost multiplied by the actual units received. In cases of shortages, vendor must adjust invoice to reflect the shortage, and issue a formal credit memo, if appropriate.

1.6.6 Over shipments in excess of 10% shall be reported to the appropriate Procurement Director to determine acceptance or rejection. If rejected, merchandise shall be returned at the vendor's expense.

1.6.7 If a supplier continually over ships goods, the Purchasing Director shall be notified.

1.7 Freight Expenditures:

1.7.1 In accordance with the overall objectives of securing the necessary goods required at the lowest cost, continued efforts must be made to ensure that Parks are using the most appropriate means of transporting goods from vendors to Tennessee State Parks.

1.7.2 Transportation costs can be held to a minimum as follows:

- 1.7.2.1 Use the most efficient and effective method of transportation.
- 1.7.2.2 Use the most advantageous routing for the specific purchase.
- 1.7.2.3 Release goods in the most economical quantities from a total cost point of view, including transportation.
- 1.7.2.4 Utilize proximity of suppliers to the destination point whenever possible.
- 1.7.2.5 Be certain shipping instructions are followed consistently by suppliers and carriers.
- 1.7.2.6 Request vendors' quotes to be F.O.B. destination.

1.8 Vendor Complaints:

1.8.1 Tennessee State Parks shall attempt to resolve vendor problems as soon as they are detected. If the problem cannot be reasonably resolved, ~~the Procurement Director~~Park staff shall file a vendor complaint.

1.8.2 Items with unacceptable visible differences shall be refused, returned, and reported as returned immediately, with an explanation of the reason for return. Hidden damages shall be reported immediately upon discovery.

1.8.3 If the problem cannot be reasonably resolved, a clear description of the problem shall be sent to the appropriate manager. The manager shall then contact the vendor to attempt resolution.

1.8.4 If no resolution is reached, the manager shall prepare written documentation of the deficiency and submit it to the Procurement Director. The Procurement Director shall prepare a written notice to the vendor. If a reply is not received, the Procurement Director shall follow up and try to secure a definite commitment of action by the vendor. Failure to reply may result in the removal of the vendor from future bid opportunities.

1.8.5 Vendor complaints should be considered any time a vendor fails to comply with the terms set forth in the Purchase Order. Examples of non-compliance include, but are not limited to:

1.8.5.1 Over shipments
1.8.5.2 Under shipments
1.8.5.3 Late shipments
1.8.5.4 Failure to ship
1.8.5.5 Damaged products
1.8.5.6 Defective products
1.8.5.7 Shipments not conforming to specifications
1.8.5.8 Unauthorized substitutions
1.8.5.9 Billing errors
1.8.5.10 Service deficiencies
1.8.5.11 Failure to respond to complaints
1.8.5.12 Unethical practices
1.8.5.13 Misrepresentation of merchandise
1.8.5.14 Conviction or plea of "guilty" or "no contest" to crimes involving fraud or restraint of trade with regard to public contracts.

1.8.6 The Purchasing Director shall decide if the complaint requires removal from the bid list. Factors to consider are the seriousness of the problem, the vendor's history, and the number of complaints versus the number of Purchase Orders issued.

1.8.7 Protests made subsequent to award shall be under the exclusive jurisdiction of the Tennessee Claims Commission.

1.9 Tie Bids:

1.9.1 In the event of a tie bid, Tennessee State Parks shall select the winning bid by giving preference to the vendor who meets criteria outlined below:

- **1.9.1.1** County respondent where park is located;
- **1.9.1.2** Tennessee respondent;
- **1.9.1.3** Certified minority, woman, Tennessee small or Tennessee service-disabled veteran owned business
- **1.9.1.4** Award item (s) to bidder who was low bidder on other items being bid per the same requisition;
- **1.9.1.5** Best delivery;
- **1.9.1.6** By coin toss

1.10 Purchasing from Certified Minority, Woman, Small and Tennessee Service Disabled Veteran Owned Businesses:

1.10.1 Tennessee State Parks staff shall actively solicit bids from certified minority, woman, Tennessee small and Tennessee service-disabled veteran owned businesses, in order to purchase a fair proportion of purchases from these entities.

1.10.2 The Governor's Office of Diversity Business Enterprises has compiled a comprehensive listing of minority, women, Tennessee small and Tennessee service-disabled veteran owned businesses and should be used in locating potential sources for various products and services. This list is located on the world-wide-web at: www.tennessee.gov/businessopp. Additionally, a directory has been created providing a listing of diversity businesses including industry capabilities for which these vendors are registered. This list is located on the General Services Intranet site at:

https://tn.diversitysoftware.com/FrontEnd/VendorSearchPublic.asp?TN=tn&XID=1215

1.10.3 The Purchasing Director shall include Diversity Business Language in all Invitations to Bid and Requests for Proposals, including Capital Projects, issued by the Department.

1.10.4 Any recommendations of Complaints that may lead to the cancellation or termination of contracts awarded to Diversity Businesses registered with the Governor's Office of Diversity Business Enterprises will be furnished on an informational basis to the Director of the Governor's Office of Diversity Business Enterprises.

1.10.5 The Procurement Director or designee will report annually to the Director of the Office of Diversity Business Enterprises annually the purchases and contracts awarded to minority, women, Tennessee small and Tennessee service-disabled veteran owned businesses.

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Padding cell	

Statistics:	
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Deletions	25
Moved from	0
Moved to	0
Style change	0
Format changed	0

Total changes	50

TENNESSEE DEPARTMENT OF ENVIRONMENT AND CONSERVATION STATE PARKS PURCHASING POLICIES AND PROCEDURES

CLEAN VERSION

Tennessee
Department of Environment and Conservation
State Parks
Purchasing Policies and Procedures

Introduction:

Tennessee Code Annotated Section 11-3-112 authorizes the Commissioner of the Department of Environment and Conservation to develop the method for purchasing services, raw materials, merchandise for resale, supplies and equipment, without the approval of any other state agency, necessary for the provision of quality services for certain state park operations. Under the law, the Commissioner of Environment and Conservation has the responsibility to develop policies and procedures to ensure that purchases made on behalf of state park operations are at the lowest possible price while ensuring quality and timely delivery. The Commissioner is responsible submitting those policies and procedures to the procurement commission for review and approval. The specific park operations identified in the law are: inns, cabins, restaurants, golf courses, gift shops, marinas, snack bars, and vending machines.

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1. **Purpose:** These policies and procedures will be limited to the purchase of services, raw materials, and merchandise for resale, supplies and equipment necessary for providing quality services at State Park inns, cabins, restaurants, golf courses, gift shops, marinas, snack bars, and vending machines.

1.1 Procurement Types and Limits:

1.1.1 ***Purchases over $5,000:*** All purchases over $5,000 require a requisition created in Edison by the requestor and approved by his or her supervisor. This will insure inclusion in the State inventory system for capital assets and will establish accountability. Freight charges and installation charges shall be included in the total cost of all asset purchases. All purchases will be approved in accordance with established Edison spending limits.

1.1.2 ***Purchases $10,000 and below:*** Purchases less than $10,000 do not require competitive bidding, however, purchases from $5,000.01 to $10,000 shall have documented firm pricing attached in Edison. Tennessee State Parks personnel are encouraged to seek competitive pricing where practicable.

1.1.3 ***Purchases $10,000.01 to $25,000:*** Purchases $10,000.01 to $25,000 shall be competitively procured. A minimum of three vendors shall be contacted. A current website, catalog, price list, telephone, email or fax bids are acceptable. A copy of the awarded vendor's bid must be attached to the requisition to confirm the bid.

1.1.4 ***Purchases over $25,000:*** Any purchase valued over $25,000.00 shall be procured by the TDEC Centralized Procurement staff.

1.1.5 ***Purchases over $50,000:*** All requests over $50,000 will require a formal procurement event process by the TDEC Centralized Procurement Staff. All purchases shall be approved in accordance with established Edison spending limits. All such procurements shall be supported by a requisition and shall utilize competitive bidding, if appropriate.

1.1.6 ***Purchase of items for resale:*** Purchase of commercial items for authorized resale shall be purchased based on

consumer preference and behavior. Such purchases do not require competitive bidding but must be obtained using the Edison system. Tennessee State Parks personnel are encouraged to seek competitive pricing where practicable. An annual customer preference survey shall be conducted by park marketing staff and submitted to the TDEC Director of Procurement for review.

1.1.7 ***Grant Specified Procurements:*** Purchases of equipment, goods and services will be based on the grant's Memorandum of Understanding and shall be based upon the funding authority's requirements and competitively bid if practicable. All such procurements over $5,000 will be completed utilizing the Edison system.

1.1.8 ***Contract purchases:*** Purchases shall be made from a statewide contract, if such a contract is available. TDEC's delegated authority can be utilized based on cost savings, customer preference, and or immediate need. All purchases against the DPA must be documented on each Purchase Order.

1.1.9 Sole Source and Proprietary Purchases: All sole source and proprietary purchases over $10,000 must be approved by the Director of Procurement. Sole source or proprietary justification documentation must be included on all Edison requisitions. A written statement from the vendor must be included on a sole source or proprietary procurement request.

1. Note: "Sole Source Procurement" means a procurement for which only one vendor possesses the unique and singularly available capability to meet the requirements of the solicitation, such as technical qualifications, ability to deliver at a particular time, or services from a public utility or a situation where a particular supplier or person is identified as the only qualified source available to the requisitioning authority. "Proprietary Procurement" means a procurement of a good or service that is used, produced, or marketed by a person or persons having the exclusive right to provide the service or manufacture or sell the product.

1.1.9 Major Equipment: consists of machinery, implements, tools, furniture, vehicles (such as golf carts), and other apparatus with a unit cost of $5000.00 or more. Purchases

under this authority shall be restricted to equipment and supplies that contribute to the profitability of the operation. All purchase procurement requests shall be approved in accordance with established Edison work flow approval limits. All major purchases will be forwarded to the Deputy Commissioner of State Parks for approval if deemed necessary by the Procurement Director.

1.1.9.1 All major equipment needs shall be addressed in the formal annual budget process to ascertain the availability of funds for the proposed expenditure. Priorities shall be determined at this time. Justification, which should describe how the proposed expenditure will create new revenues, and/or cut costs by gained efficiencies, shall be provided. The justification shall also explain whether the requested procurement is for purchase new equipment, or to replace existing equipment. Equipment requests not included in the budget will be considered based upon the status of revenue collections or presence of a grant specified Memorandum of Understanding.

1.1.9.2 All equipment offered by a vendor shall be new unless the purchase of used equipment is determined to be more economically feasible, and the equipment is of appropriate quality. The solicitation shall specify if the State is willing to accept used equipment. Such willingness shall be identified to all potential respondents. The condition of used equipment shall be verified before purchase. Demonstrations may be required. No used item is acceptable if serial numbers or any other manufacturer's identifying label or markings have been removed, obliterated, or changed in any way.

1.1.9.3 Reconditioned items are not considered new, and shall not be accepted.

1.1.9.4 Tennessee State Parks may request bids for new equipment utilizing trade-in of used equipment. In such cases, a trade-in price quotation will be requested, as well as a separate price quotation without trade-in. Tennessee State Parks reserves the right to award the bid with or without trade-in.

The value of used equipment will be determined by a market survey.

1.1.10 Major maintenance and/or renovations: Any major maintenance and/or renovations or capital project expenditures will be included in the State of Tennessee Capital Projects Budget and sent to the State Building Commission for approval. These policies and procedures do not authorize such purchase.

1.1.11. Documentation shall be kept of all procurements and such records shall be made available for review by State authorities upon request.

1.2 Cancellation of Agency Term Contracts:

1.2.1 All contract cancellations shall be processed in Edison by Central Office Procurement staff.

1.2.1 The words "Cancellation Notice" shall appear conspicuously on the face of the document.

1.2.2 Contracts may be cancelled in Edison without notification to the Contractor, if the Contractor was never issued the contract.

1.2.3 Contractors will be given thirty calendar (30) days notification in writing prior to cancellation of contracts issued for services. Contracts may be cancelled in one day for cause or non-performance.

1.2.4 A copy of the cancellation notice will be distributed as follows:

1.2.4.1 One copy to Contractor and one copy to appropriate Tennessee State Parks manager

1.2.5 The TDEC Central Procurement Office will request signed acknowledgement of the cancellation notice from the Contractor.

1.3 Receipt of All Goods and Services:

1.3.1 The appropriate procurement staff shall distribute a working copy of the purchase order to the receiving location immediately following placement of an order. Receiving personnel shall maintain an open copy of the purchase order

pending receipt of goods or services. This file shall be reviewed on a regular basis and any shipping delays reported to the appropriate procurement staff.

1.3.2 Receiving personnel shall examine the carrier's freight bill to insure that the number of cartons, crates, boxes, etc., shown on the freight bill is the same as actually received.

1.3.3 Receiving personnel shall examine containers for signs of external damage or pilferage. If signs of damage or pilferage are observed, it is to be noted on the freight bill or packing slip and **signed** (not initialed) by the driver.

1.3.4 If goods received are the correct items, of required quality and correct quantity and are undamaged, documentation shall be signed by the receiver and the goods moved to the designated inventory area or delivered to the requisitioner. Receiving documents shall be given to the appropriate procurement staff immediately for processing.

1.3.5 If goods are incorrect or damaged and discovered at time of receipt, two alternatives are available:

1.3.5.1 Refuse to accept goods;

1.3.5.2 If accepted, applicable details shall be noted on shipping papers with both the carrier and receiving clerk signing to verify any future claims. The notation "SUBJECT TO FURTHER INSPECTION" shall be made.

1.3.5.3 All receipts should be created in Edison on the day of delivery, with all documentation forwarded promptly to the appropriate managers for signature.

1.3.5.4 If damage is discovered after the carrier's departure, the appropriate manager shall be notified immediately so that necessary contacts with the vendor and/or carrier can be initiated promptly.

1.3.5.5 Overages and shortages, other than standard tolerances, shall be brought to the attention of the appropriate manager prior to creation of a receipt in Edison, in order to make a determination as to whether the goods will be accepted or rejected.

1.3.5.6 If goods cannot be received into inventory because of quality or paperwork issues, it shall be

placed in an established "holding" area until the problem is resolved. The appropriate manager shall be notified of any goods placed on hold so that the vendor can be notified immediately and a prompt solution developed.

1.4 Receiving Goods and Services in Edison:

1.4.1 Upon receipt of goods or services, a receipt will be generated in Edison for the corresponding purchase order. The purchase order defines price, terms of payment, and freight terms. The receipt must comply with those terms.

1.4.2 When making payment, Accounts Payable must ascertain that quantities received equal the quantities invoiced; extension and totals are correct; cash discounts are taken if earned; and that the proper accounting codes were populated in the chartfields.

1.4.3 Any discrepancies shall be referred to the appropriate park staff. Park staff shall resolve any differences and return to Accounts Payable within two business days. In accordance with the Prompt Payment Act of 1985, T.C.A. § 12-4-701, *et seq.,* if no date for payment is agreed upon in the contract, payment will be made within 45 days after receipt of invoice, provided that goods were received. Overdue payments may accrue one and one-half percent interest per month beginning on the day after the payment is due.

1.5 Rejected and Returned Goods:

1.5.1 Tennessee State Parks staff will return all rejected goods to the vendor for credit.

1.5.2 Park staff shall contact the vendor for instructions in returning the merchandise.

1.5.3 Merchandise shall be returned at the vendor's expense.

1.5.4 Park staff shall prepare shipping order and debit memo listing all pertinent information.

1.5.5 If replacement goods are involved, attach all paperwork to the Purchase Order and file in an open order file. If no replacement is necessary, cancel the Purchase Order in

Edison, print a copy of the cancellation, attach all pertinent documents and file.

1.5.6 On orders wherein replacement parts are required, necessary paperwork shall be sent to Receiving Department.

1.5.7 Park staff shall send shipping order to Shipping Department for shipment of parts.

1.5.8 All Tennessee State Parks additional expenses generated by rejected and returned goods shall be debited back to the vendor.

1.5.9 All documents pertaining to the transaction shall be scanned and attached to the Purchase Order.

1.6 Over shipments, under shipments, and partial shipments.

1.6.1 Definitions:

1.6.1.1 Over-shipment: shipment of 110% or more of quantity specified in purchase order;
1.6.1.2 Under-shipment: shipment of 90% or less of quantity specified in purchase order;
1.6.1.3 Partial shipment: shipment of an order in designated increments;
1.61.4 Shortage: non-shipment of any part of an order.

1.6.2 Whenever possible, purchased goods shall be shipped in the exact quantity ordered. Exceptions may be made for small value items or specially manufactured items. Standard industry tolerances shall be taken into consideration.

1.6.3 When it is critical to a Park's requirements that it receive the full order quantity, the requisition and Purchase Order shall be marked "DO NOT UNDER SHIP". These orders may be subject to an over shipment.

1.6.4 As a general rule, up to a 10% over shipment shall be accepted by receiving. If there is any doubt concerning the need for excess goods or a concern for the dollar value of the over shipment, Purchasing should be notified even if the over shipment is within 10%. Any under shipment within 10% will be considered a complete order.

1.6.5 Payment for a completed order, in respect to 10% over/under, will be the unit cost multiplied by the actual units received. In cases of shortages, vendor must adjust invoice to reflect the shortage, and issue a formal credit memo, if appropriate.

1.6.6 Over shipments in excess of 10% shall be reported to the appropriate Procurement Director to determine acceptance or rejection. If rejected, merchandise shall be returned at the vendor's expense.

1.6.7 If a supplier continually over ships goods, the Purchasing Director shall be notified.

1.7 Freight Expenditures:

1.7.1 In accordance with the overall objectives of securing the necessary goods required at the lowest cost, continued efforts must be made to ensure that Parks are using the most appropriate means of transporting goods from vendors to Tennessee State Parks.

1.7.2 Transportation costs can be held to a minimum as follows:

- **1.7.2.1** Use the most efficient and effective method of transportation.
- **1.7.2.2** Use the most advantageous routing for the specific purchase.
- **1.7.2.3** Release goods in the most economical quantities from a total cost point of view, including transportation.
- **1.7.2.4** Utilize proximity of suppliers to the destination point whenever possible.
- **1.7.2.5** Be certain shipping instructions are followed consistently by suppliers and carriers.
- **1.7.2.6** Request vendors' quotes to be F.O.B. destination.

1.8 Vendor Complaints:

1.8.1 Tennessee State Parks shall attempt to resolve vendor problems as soon as they are detected. If the problem cannot be reasonably resolved, Park staff shall file a vendor complaint.

1.8.2 Items with unacceptable visible differences shall be refused, returned, and reported as returned immediately, with an

explanation of the reason for return. Hidden damages shall be reported immediately upon discovery.

1.8.3 If the problem cannot be reasonably resolved, a clear description of the problem shall be sent to the appropriate manager. The manager shall then contact the vendor to attempt resolution.

1.8.4 If no resolution is reached, the manager shall prepare written documentation of the deficiency and submit it to the Procurement Director. The Procurement Director shall prepare a written notice to the vendor. If a reply is not received, the Procurement Director shall follow up and try to secure a definite commitment of action by the vendor. Failure to reply may result in the removal of the vendor from future bid opportunities.

1.8.5 Vendor complaints should be considered any time a vendor fails to comply with the terms set forth in the Purchase Order. Examples of non-compliance include, but are not limited to:

1.8.5.1 Over shipments
1.8.5.2 Under shipments
1.8.5.3 Late shipments
1.8.5.4 Failure to ship
1.8.5.5 Damaged products
1.8.5.6 Defective products
1.8.5.7 Shipments not conforming to specifications
1.8.5.8 Unauthorized substitutions
1.8.5.9 Billing errors
1.8.5.10 Service deficiencies
1.8.5.11 Failure to respond to complaints
1.8.5.12 Unethical practices
1.8.5.13 Misrepresentation of merchandise
1.8.5.14 Conviction or plea of "guilty" or "no contest" to crimes involving fraud or restraint of trade with regard to public contracts.

1.8.6 The Purchasing Director shall decide if the complaint requires removal from the bid list. Factors to consider are the seriousness of the problem, the vendor's history, and the number of complaints versus the number of Purchase Orders issued.

1.8.7 Protests made subsequent to award shall be under the exclusive jurisdiction of the Tennessee Claims Commission.

1.9 Tie Bids:

1.9.1 In the event of a tie bid, Tennessee State Parks shall select the winning bid by giving preference to the vendor who meets criteria outlined below:

1.9.1.1 County respondent where park is located;
1.9.1.2 Tennessee respondent;
1.9.1.3 Certified minority, woman, Tennessee small or Tennessee service-disabled veteran owned business
1.9.1.4 Award item (s) to bidder who was low bidder on other items being bid per the same requisition;
1.9.1.5 Best delivery;
1.9.1.6 By coin toss

1.10 Purchasing from Certified Minority, Woman, Small and Tennessee Service Disabled Veteran Owned Businesses:

1.10.1 Tennessee State Parks staff shall actively solicit bids from certified minority, woman, Tennessee small and Tennessee service-disabled veteran owned businesses, in order to purchase a fair proportion of purchases from these entities.

1.10.2 The Governor's Office of Diversity Business Enterprises has compiled a comprehensive listing of minority, women, Tennessee small and Tennessee service-disabled veteran owned businesses and should be used in locating potential sources for various products and services. This list is located on the world-wide-web at: www.tennessee.gov/businessopp. Additionally, a directory has been created providing a listing of diversity businesses including industry capabilities for which these vendors are registered. This list is located on the General Services Intranet site at: https://tn.diversitysoftware.com/FrontEnd/VendorSearchPublic.asp?TN=tn&XID=1215

1.10.3 The Purchasing Director shall include Diversity Business

Language in all Invitations to Bid and Requests for Proposals, including Capital Projects, issued by the Department.

1.10.4 Any recommendations of Complaints that may lead to the cancellation or termination of contracts awarded to Diversity Businesses registered with the Governor's Office of Diversity Business Enterprises will be furnished on an informational basis to the Director of the Governor's Office of Diversity Business Enterprises.

1.10.5 The Procurement Director or designee will report annually to the Director of the Office of Diversity Business Enterprises annually the purchases and contracts awarded to minority, women, Tennessee small and Tennessee service-disabled veteran owned businesses.

CERTIFICATION RELATED DOCUMENTATION

STATE OF TENNESSEE
PROCUREMENT COMMISSION
3rd Floor, William R. Snodgrass TN Tower, 312 Rosa L. Parks Avenue
Nashville, Tennessee 37243-1102
(615) 741-1035 Fax (615) 741-0684

RE-CERTIFICATION

April

1. Item No. 763.A79
   Service: Janitorial Services
   Agency/Location: Tennessee Military Department, Tennessee Emergency Management Agency, 803 North Concord Street, Knoxville, Tennessee.
   Annual Price: $9,005.52 annually, or $0.90055 per square foot per year.
   No price increase requested.
   Satisfaction: No complaints have been filed.
   Re-Certification Requested for Period of 05/01/2017 – 04/30/2018

2. Item No. 763.54
   Service: Janitorial Services
   Agency/Location: Tennessee Department of Transportation, TDOT Region 3 Headquarters, 6601 Centennial Blvd, Nashville, Tennessee.
   Annual Price: $196,850.30 annually, or $1.8613 per square foot per year.
   No price increase requested
   Satisfaction: No complaints have been filed.
   Re-Certification Requested for Period of 05/01/2017 – 04/30/2018

3. Item No. 763.36
   Service: SWC #921 - Adult Incontinent Briefs/Pads
   Agency/Location: Tennessee Department of General Services, Central Procurement Office.
   Annual Price: $91,274.85 (February 2016 through January 2017).
   Price increases were requested due to changes in manufacturer for several items.
   Satisfaction: No complaints have been filed.
   Re-Certification Requested for Period of 05/01/2017 – 04/30/2018

LARRY MARTIN, Chairman
Commissioner of Finance & Administration

JUSTIN P. WILSON
Comptroller of the Treasury

ROBERT E. OGLESBY
Commissioner of General Services

MIKE PERRY
Chief Procurement Officer

4. Item No. 763.A53
Service: Janitorial Services
Agency/Location: Tennessee Military Department, Tennessee Army National Guard, 117th Regional Training Institute, Building 500, Smyrna, Tennessee.
Annual Price: $29,362.80 annually, or $0.9200 per square foot per year.
No price increase requested.
Satisfaction: No complaints have been filed.
Re-Certification Requested for Period of 05/01/2017 – 04/30/2018

5. Item No. 763.A144
Service: Lawn Maintenance Services
Agency/Location: Tennessee Department of Intellectual & Developmental Disabilities, Ruilman Center, 293 Kirkpatrick Lake Road, Lebanon, Tennessee.
Annual Price: $7,828.67 annually or $521.91 per cycle.
No price increase requested.
Satisfaction: No complaints have been filed.
Re-Certification Requested for Period of 05/01/2017 – 04/30/2018

June

1. Item No. 763.20
Service: Rest Area Operation & Maintenance
Agency/Location: Tennessee Department of Transportation, Various County Locations.
Annual Price: $4,205,760.44 annually, or $350,480.03 per month.
Annual price not increasing but several price increases and one decrease in specific locations based on changes in usage.
Satisfaction: No complaints have been filed.
Re-Certification Requested for Period of 07/01/2017 – 06/30/2018

2. Item No. 763.55
Service: Janitorial Services
Agency/Location: Tennessee Department of Safety, I-40 Scale House Complex, Mile Marker 372, Knoxville, Tennessee.
Annual Price: $7,232.28 annually, or $2.0664 per square foot per year.
No price increase requested.
Satisfaction: No complaints have been filed.
Re-Certification Requested for Period of 07/01/2017 – 06/30/2018

3. Item No. 763.93
Service: Janitorial Services
Agency/Location: Tennessee Department of Transportation, Regional Transportation Management Center, Region 1, Knoxville, Tennessee.
Annual Price: $20,023.44 annually, or $1.4501 per square foot per year.
No price increase requested.

Satisfaction: No complaints have been filed.
Re-Certification Requested for Period of 07/01/2017 – 06/30/2018

4. Item No. 763.A148
Service: Janitorial Services
Agency/Location: Tennessee Department of Safety, Giles County Scale Complex, I-65 North Bound Side between mile marker 5 & 6, Giles County, Tennessee.
Annual Price, Daily Services: $8,798.52 annually, or $1.76 per square foot per year.
Annual Price, Once a Month Deep Cleaning: $3,970.92 annually or $0.79 per square foot per year.
No price increase requested.
Satisfaction: No complaints have been filed.
Re-Certification Requested for Period of 07/01/2017 – 06/30/2018

5. Item No. 763.A174
Service: Janitorial Services
Agency/Location: Tennessee Department of Education, Tennessee Early Intervention System (TEIS), 2726 Island Home Boulevard, Knoxville, Tennessee.
Annual Price: $5,839.82 annually, or $1.6685 per square foot per year.
No price increase requested.
Satisfaction: No complaints have been filed.
Re-Certification Requested for Period of 07/01/2017 – 06/30/2018

6. Item No. 763.A171
Service: Janitorial Services
Agency/Location: Department Of Education, West Tennessee School for the Deaf, 100 Berryhill Drive, Jackson, Tennessee.
Annual Price: $7,111.22 annually, or $1.2546 per square foot per year.
No price increase requested.
Satisfaction: No complaints have been filed.
Re-Certification Requested for Period of 07/01/2017 – 06/30/2018

7. Item No. 763.24
Service: Janitorial & Day Porter Services
Agency/Location: Tennessee Military Department, Tennessee Army National Guard, Headquarters, Houston Barracks, 3041 Sidco Drive, Nashville, Tennessee.
Annual Price, Nighttime Janitorial Services: $102,849.48 annually, $0.60 per square foot per year.
Annual Price, Day Porter Services: $77,635.60 annually or $6,469.63 per month.
No price increase requested.
Satisfaction: No complaints have been filed.
Re-Certification Requested for Period of 07/01/2017 – 06/30/2018

LIMITATION OF LIABILITY REPORT

Approved Limitation of Liability Requests
for the Time Period April 1, 2017 to June 27, 2017

TRACKING	CALENDAR YEAR	ID	LOGGED	STATUS	STATUS DATE	SERVICE	CONTRACTING AGENCY	BASIS FOR REQUEST	COT APPROVAL OF REQUEST
32110-17103	17	8788	5/15/2017	APPROVED	5/15/2017	FACILITIES MANAGEMENT SERVICES	DEPARTMENT OF GENERAL SERVICES, CENTRAL PROCUREMENT OFFICE	THE CONTRACTOR'S LIABILITY FOR ALL CLAIMS ARISING UNDER THIS CONTRACT SHALL BE LIMITED TO AN AMOUNT EQUAL TO TWO (2) TIMES THE ESTIMATED LIABILITY AMOUNT DETAILED IN SECTION C.1. AND AS MAY BE AMENDED, OR TWO (2) TIMES THE TOTAL PRICE OF A PARTICULAR PA FOR CLAIMS ARISING UNDER THAT PA.	5/25/2017
31865-00478	17	8818	5/17/2017	APPROVED	5/17/2017	PROVIDE FULL OR SUSTAINING NCQA REVIEWS AND CUSTOM REPORTING FOR PRIMARY CARE PROVIDERS, EITHER SINGLE OR MULTI-SITE, PARTICIPATING IN WAVE 1 OR WAVE 2 OF THE TENNCARE PATIENT CENTER MEDICAL HOME (PCMH) PROGRAM	DEPARTMENT OF FINANCE AND ADMINISTRATION DIVISION OF HEALTH CARE FINANCE AND ADMINISTRATION	THE GRANTEE'S TOTAL LIABILITY SHALL UNDER NO CIRCUMSTANCES EXCEED THE MAXIMUM LIABILITY ORIGINALLY ESTABLISHED IN SECTION C.1 OF THE GRANT CONTRACT.	5/19/2017
33101-00418	17	8866	5/26/2017	APPROVED	5/26/2017	FISCAL SPONSOR SERVICES IN SUPPORT OF EDUCATION PROJECTS AND INITIATIVES	TN DEPARTMENT OF EDUCATION (TDOE)	THE CONTRACTOR'S LIABILITY FOR ALL CLAIMS ARISING UNDER THIS CONTRACT SHALL BE LIMITED TO TWO MILLION DOLLARS ($2,000,000) PROVIDED THAT IN NO EVENT SHALL THIS SECTION LIMIT THE LIABILITY OF THE CONTRACTOR FOR (I) INTELLECTUAL PROPERTY OR ANY CONTRACTOR INDEMNITY OBLIGATIONS FOR INFRINGEMENT FOR THIRD - PARTY INTELLECTUAL PROPERTY RIGHTS; (II) ANY CLAIMS COVERED BY ANY SPECIFIC PROVISION IN THE CONTRACT PROVIDING FOR LIQUIDATED DAMAGES; OR (III) ANY CLAIMS FOR INTENTIONAL TORTS, CRIMINAL ACTS, FRAUDULENT CONDUCT, OR ACTS OR OMISSIONS THAT RESULT IN PERSONAL INJURIES OR DEATH.	6/23/2017

CORRECTION OF ERRORS REPORT

Request to correct clerical errors:

(1) Update the Special Contract Request at Item #9 to reference the "Strategic Technology Solutions ("STS") Pre-Approval Endorsement Request."

Explanation of clerical errors:

(1) The correct reference to the office formerly known as the Office of Information Resources ("OIR") is now Strategic Technology Solutions ("STS").

Procurement Staff signatures:

SHowell 06/14/17

Shannon Howell, Deputy Chief Procurement Officer Date

Buddy Lea 6-14-17

Buddy Lea, Assistant Commissioner of the Department of Finance & Administration Date

6/14/2017

Donald Ivancic, Legislative Procurement Compliance Manager, Comptroller of the Treasury Date

MEMORANDUM OF UNDERSTANDING REPORT

CPO Memorandum of Understanding (MOU) Log

6/16/2017

Number	SWC # / Edison Contract #	Contract Name	Category Specialist / Sourcing Analyst	Vendor Name	Description	MOU Active Date	Items Added via MOU
105	3830	High Speed Wireless Internet	Richard Kotler	Verizon Wireless	Data Services	6/1/2017	New Data Plans
106	319	Satellite Communications Services	Richard Kotler	NI Government Services	MSAT Satellite Service and Equipment	9/1/2016	Ground Equipment
107	107	Computer Data Storage	Richard Kotler	Iron Mountain, Inc.	Data Storage Services	7/1/2017	Cloud service, Destruction Service