

**MINUTES OF NOVEMBER 20, 2025
MEETING**

MINUTES
ADVISORY COUNCIL ON STATE PROCUREMENT MEETING #058
NOVEMBER 20, 2025
9:00 A.M. – 10:00 A.M.
KNOXVILLE ROOM & WEBEX WEBINAR

Members in Attendance:

Mike Perry (Chief Procurement Officer, CPO), Chris Benson (Business Operations Director, Finance and Administration), Trey Norris (Program Director, Office of Administrative Services), Eugene Neubert (Assistant Commissioner, Department of Finance and Administration)

Members Remote Attendance:

Jennifer Pfeiffer (Chief of Staff, Comptroller's Office)

Others in Attendance:

Paul Krivacka, Robin Upchurch, Jenny Young, Bryan Chriske (Comptroller's Office), Jim Burnett (Service Wear Apparel, non-voting member)

TEAMS Attendance:

Elle Lipinski, Shannon Mohundro, Elizabeth Orange, Amber Walsh, Laitin Beecham, Elizabeth Henderson, Kelly Ozment, Judy Tribble, Teresa K. Sneed, Kay Wilson, Taylor Dozier, Kenya Gladney, Tamara Byrd, Kay Morgan, Adam Mamula, Andi Dooley, Michael Boshers, DeRenne Raley, Jessica Prater, Josh Ferguson, Karen Conway, Kenya, Kim Henry, Leonard Chadwick, Mike Zimmerman, Terry Mason

Public Comments: Mr. Perry asked if there were any public comments. Hearing none, Mr. Perry asked Paul Krivacka, Lead Attorney/Director of Category Management, Central Procurement Office, to proceed with the agenda.

Call to Order: Mr. Mike Perry, Chief Procurement Officer, called the meeting to order and recognized that a quorum of voting members was present. One member was remote, so the meeting votes were by roll call.

I. Minutes from September 3, 2025, Meeting: Mr. Perry asked if there were any corrections or additions to the meeting minutes from September 3, 2025. Hearing none, Mr. Benson moved to accept the minutes as presented, and Mr. Neubert seconded the motion. All members voted in favor—none opposed.

II. New Business:

Paul Krivacka, to present the following New Business agenda items:

Mr. Krivacka proceeded to present agenda items (1):

(1) Notice of Intent to Award and Protest Procedures

Mr. Krivacka summarized the following points about the Notice of Intent to Award and Protest Procedures proposal:

- This proposal makes revisions to the Notice of Intent to Award and Protest Procedures, such as minimizing the Public Records Act additional information, as Respondents do not need to follow that process to see the Procurement File, and changing references from the Public Chapter to Tennessee Code for ease of reference.

Hearing no discussion on agenda item (1), Mr. Norris made a motion to recommend the Notice of Intent to Award and Protest Procedures proposal as presented to the Procurement Commission for approval. Mr. Benson seconded the motion. All members voted in favor – none opposed.

Mr. Krivacka then proceeded to present agenda item (2):

(2) ADA formatting (global)

Mr. Krivacka presented the following points regarding the ADA formatting (global) proposal:

- This proposal is a global request to make updates to all publicly facing documents into a format that will make it easier to convert to ADA accessible formats. The ADA requirement goes into effect on April 24, 2026.
- In general, the following items may be adjusted in Word documents: header and headings format; adding alternative text for screen readers to describe images, charts, graphs, figures; adjusting the contrast of fonts; modifying or removing table to remove merged or blank cells; realigning any “floating” text, images, or figures; and, filling in the document properties as needed (e.g., title or author).

Hearing no discussion on agenda item (2), Mr. Benson made a motion to recommend the ADA formatting (global) proposal as presented to the Procurement Commission for approval. Mr. Neubert seconded the motion. All members voted in favor; none opposed.

Mr. Krivacka then proceeded to present agenda item (3):

(3) Governor’s Office of Business Initiatives and Development (“GO-BID”)

Mr. Krivacka presented the following points about the Governor’s Office of Business Initiatives and Development (“GO-BID”) proposal:

- This proposal adds language to the Procurement Procedures Manual of the Central Procurement Office in a new section 10.12. for the GO-BID program.
- This proposal also adds a contract term to applicable models and templates to assist the GO-BID program with reporting when there is GO-BID program participation.

Mr. Neubert: This new program is similar as far as reporting and data collection on the part of agencies that have applicable contracts, so this doesn't add any additional workload?

Mr. Krivacka: No. Under the previous program, the categories broke down the groups into women-owned, minority-owned, service-disabled, and Tennessee small businesses. All of those collectively are certified businesses. Under the new program, contractors will just report certified business participation. They will not break it down. Now, for reporting purposes to the legislature, the CPO is looking at how granular the CPO must report under this new program. This is taking all the information we were getting, but it's now reporting it as certified businesses.

Mr. Neubert: So, in essence, even streamlining the process.

Mr. Krivacka: Yes.

Hearing no further discussion on agenda item (3), Mr. Neubert made a motion to recommend the Governor's Office of Business Initiatives and Development ("GO-BID") proposal as presented to the Procurement Commission for approval. Mr. Norris seconded the motion. All members voted in favor – none opposed.

Mr. Krivacka requested that items (4), (5), and (6) be taken together.

Mr. Krivacka then proceeded to present agenda items (4), (5), and (6):

- (4) References- Manual
- (5) References – RFP Template
- (6) Remove CD References

Mr. Krivacka then proceeded to present agenda item (4):

Mr. Krivacka presented the following points about the References- Manual proposal:

- This proposal revises section 5.9. of the Procurement Procedures Manual of the CPO. Since the RFP and RFQ templates include reference questionnaires, these are typically utilized, so this revision will better align the Reference check with that process.

Mr. Krivacka then proceeded to present agenda item (5)

Mr. Krivacka presented the following points about the References – RFP Template

proposal:

- This proposed revision to the RFP Template softens the language in the Reference Questionnaire to encourage references from 3 different persons that represent a mixture of active, current contracts, and completed projects instead of strictly requiring a certain number of active and completed contracts.
- This proposal also adds additional instructional text for the Solicitation Coordinator to send the references received to the Proposal Evaluation Team if the references requirement is included in RFP Attachment 6.2., Section B.

Mr. Krivacka then proceeded to present agenda item (6):

Mr. Krivacka presented the Remove CD References proposal:

- This proposal would remove CDs as an acceptable proposal format in all applicable solicitations.
- As not all State computers automatically include CD players, this format is not an ideal format for Solicitation Coordinators to receive proposals.

Hearing no discussion on agenda items (4), (5), (6), Mr. Benson made a motion to recommend the References- Manual, References – RFP Template and Remove CD References proposals as presented to the Procurement Commission for approval. Mr. Norris seconded the motion. All members voted in favor – none opposed.

Mr. Krivacka then proceeded to present agenda item (7):

(7) RFQ Template

Mr. Krivacka presented the RFQ Template proposals:

- This proposal will update CD References and Reference Questionnaire to align with RFP Template changes (please see Agenda Item #4 above). Additional formatting type corrections were also made.
- This proposal will also change the Response Format section, so a digital format is the default template format instead of paper copies, as that is the most requested format type.

Hearing no further discussion on agenda item (7), Mr. Neubert made a motion to recommend the RFQ Template as presented to the Procurement Commission for approval. Mr. Benson seconded the motion. All members voted in favor – none opposed.

Mr. Krivacka then proceeded to present agenda item (8):

(8) Subject to Funds Availability Clause

Mr. Krivacka presented the Subject to Funds Availability Clause Proposal:

- This proposal will revise the “Subject to Funds Availability” in applicable models and templates to include the right to suspend the contract upon written notice to the Grantee or Contractor.
- This will provide an additional option to suspend but not terminate the contract, subject to funds availability.

Mr. Neubert: Just wanted to thank one of our Office of Criminal Justice programs, who kind of raised this. It may be more of a belts and suspenders approach, but during the shutdown, I didn't feel we had the contract flexibility to ask grantees to suspend work, as you might with a contractor. So, I really appreciate working together quickly to get this ready for the next meeting.

Mr. Krivacka: So, who knows when the next shutdown could be, next month or two months from now, so this might be a timely addition.

Mr. Norris: I have a comment as someone who used to handle many vendor negotiations. Vendors sometimes attack this term, and I think a secondary effect of this is that it makes it a little softer by adding that option; it might make vendors a little more open to it.

Hearing no further discussion on agenda item (8), Mr. Neubert made a motion to recommend the Subject to Funds Availability Clause presented to the Procurement Commission for approval. Mr. Benson seconded the motion. All members voted in favor – none opposed.

Mr. Krivacka then proceeded to present agenda item (9):

(9) GG Match/Share Optional Terms

Mr. Krivacka presented the GG Match/Share Optional Terms proposal:

- This proposal modifies the instructional text for the optional terms for use by TDOT for the “Match/Share Requirement” and “Reimbursements to Reflect Match/Share” to be available for any agency.

Hearing no discussion on agenda item (9), Mr. Benson made a motion to recommend the GG Match/Share Optional Terms proposal as presented to the Procurement Commission for approval. Mr. Norris seconded the motion. All members voted in favor; none opposed.

Mr. Krivacka then proceeded to present agenda item (10):

(10) THDA Optional Clause

Mr. Krivacka presented the THDA Optional Clause Proposal:

- This request adds a new optional clause, “Mandatory Immigration Restrictions and Requirements,” as requested by THDA to assist with compliance with federal requirements, without the need for an RER, as applicable.
- This clause would require that the Grantee must administer this Grant Contract in accordance with all applicable immigration restrictions and requirements, including the eligibility and verification requirements that apply under Title IV of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, as amended (8 U.S.C. 1601-1646) (“PRWORA”).

Hearing no further discussion on agenda item (10), Mr. Benson made a motion to recommend the THDA Optional Clause proposal as presented to the Procurement Commission for approval. Mr. Neubert seconded the motion. All members voted in favor; none opposed.

Mr. Krivacka requested that items (11) and (12) be taken together.

Mr. Krivacka then proceeded to present agenda items (11) and (12):

- (11) Edison Grant Contract Entry Status Change Request
- (12) Edison Grant Contract Entry Record Reset Request

Mr. Krivacka presented the Edison Grant Contract Entry Status Change Request Proposal:

- These request forms (Agenda Items #11 and #12) are intended to help streamline any minor edits made to the contract entry page for grant contracts.
- The Edison Contract Entry Status Change is intended to reduce the amount of time needed to set a contract back to approve if a minor edit, that doesn't affect the contract terms or summary sheet, is made to the Contract Entry Page in Edison. That way, the contract itself doesn't need to go through unnecessary approval to update commonly affected fields.
- This can also be used if an invoice needs to be paid out while the contract is being amended.
- Once paid out, the agency should let CPO know so that the CPO can reopen the contract in Edison.

Mr. Krivacka then proceeded to present agenda item (12):

Mr. Krivacka presented the Edison Grant Contract Entry Record Reset Request Proposal:

- This proposal adds a new request form for Grants with additional clarification for the instances where an Edison Grant Contract Entry Record Reset may be appropriate (to distinguish from the new Status change only model).

Hearing no discussion on agenda items (11) and (12), Mr. Benson made a motion to recommend the Edison Grant Contract Entry Status Change Request and Edison Grant Contract Entry Record Reset Request, as presented to the Procurement Commission for approval. Mr. Norris seconded the motion. All members voted in favor; none opposed.

Mr. Krivacka then proceeded to present agenda item (13):

(13) IT Security Requirements

Mr. Krivacka presented the IT Security Requirements Proposal:

- This proposal creates a new contract term for “State Data Protection” to provide protection to State Data in the event the more robust IT Security language is not needed.
- This proposal will also update the Information Technology Security Requirements contract language and instructional text to include contract provisions when required by STS. (Please see TEAM TN for more information regarding the STS Endorsement process.)
- This proposal also moves the IT security requirements from section E.#. to Section D.#. so that this term is not subordinate to other contract terms and conditions in the event the contract contains conflicting terms and conditions.
- The revised language is contingent on a revision to the STS Pre-Endorsement Request that will communicate which security certifications or protocols will be required in Section D.#.a.3 and D.#.a.4.”

Mr. Neubert: The last statement you made, does that mean that we're in the process, F&A is in the process of updating the form, or is this some kind of checkbox in the process?

Mr. Krivacka: So, when the endorsement goes through, STS makes recommendations to the security language. The version of this you are voting for today offers much greater flexibility in adopting 3rd-party standards and certifications, along with several other improvements. So, this is a big Improvement. Instead, we had the more robust version of the security standards, which included everything, including the kitchen sink, and we regularly had long, drawn-out negotiations over that. In this situation, this flexibility allows STS to right-size the requirements, which hopefully will result in fewer negotiations over security.

Mr. Neubert: Got it. So, it provides a menu of items that, when applicable, can be identified by the agency and/or STS during the endorsement process to an all-in-one.

Mr. Krivacka: I would say, if you're interested in looking at exactly what it does, go to the red line in the package, and you'll see a menu of options that, you know, STS can recommend for agencies depending on data types. This provides instructions stating which listed sub-items must correlate with certifications, authorizations, examinations, assessments, or audits listed in section D3 above. So, you have this list of things that STS can recommend.

Mr. Neubert: And that will happen through the endorsement process. That's, that's, that's the goal. Yes. Got it. Okay, thank you.

Mr. Norris: I had a comment. I know that sometimes there are terms in the templates that say, you know, consult CPO legal before including. I'm looking at the instructional text that says the agency will select which certifications to include. This wouldn't affect my vote in any way, but a recommendation to STS security would be to maybe try to work with CPO to provide more guidance on that. I think in many cases. An agency is unlikely to have a strong opinion on FedRAMP 2.

Mr. Krivacka: No, I agree with that. I think the goal was for STS to make a recommendation based on the data form they get from the agency, other information they have about the contract, and the privacy issues involved, whether it's, you know, tax information, PPI, or something along those lines.

Hearing no further discussion on agenda item (13), Mr. Neubert made a motion to recommend the IT Security Requirements proposal, as presented to the Procurement Commission for approval. Mr. Benson seconded the motion. All members voted in favor; none opposed.

Adjournment: Hearing no other business, a motion for adjournment was made. All members voted in favor – none opposed, whereupon the November 20, 2025, Advisory Council meeting was adjourned.

**ADVISORY COUNCIL
AGENDA ITEMS OVERVIEW**

Overview of Agenda Items:

1. *Artificial Intelligence (AI) Use and Compliance Requirements:*
 - This proposal will make a few minor corrections to the current term in the FA Template such as updating the hyperlink to the F&A Policy.
 - This proposal would also add the AI Use and Compliance Requirements optional language in other applicable models and templates so that it may be easily included when applicable.
2. *GR Template Option: Termination Cause language – NEW:*
 - This proposal would add a new option to replace the default D.4. Termination for Cause with the optional clause which includes a requirement for “written notification.”
3. *“Statewide Contract” Contract Term:*
 - This proposal revises the “Statewide Contract” contract term, that includes a list of entities authorized to purchase off of the Contract, in all applicable models and templates.
 - [Pub. Ch. No. 816 \(2026\)](#) added a new definition for “Eligible private institution of higher education” and permits such entities to purchase goods and services through state cooperative purchasing contracts.
4. *Delegated Authority Amendment – NEW:*
 - This proposal adds a new option to the delegated authority amendment template to extend the end date of the entire delegated authority.
5. *Prohibited Advertising or Marketing:*
 - This proposal would change the optional “Prohibited Advertising” contract clause in the GG and GR templates to include a reference to “marketing.”
6. *Contract Termination E-Form:*
 - This proposal would add additional instructional text to the Contract Termination e-form to include for “Justification”: – *if Termination for Cause was selected as the basis for early termination, please also submit a Supplier Complaint and include reference number here.*”
7. *Click-Wrap Agreement Approval Request:*
8. *Click-Wrap Contract Rider Template:*
 - Agenda Items #8 and #9 are both requests to better align the language used through the click-wrap agreement process with recent IT Security changes.
 - These changes update the definition for “State Data” and update the language around acceptable security certification options that Contractors must maintain.
9. *IT Security Optional Text:*
 - This proposal would add approved optional text: “to the extent Contractor may have access to....”
 - It is common for Contractors to request that language be removed as not applicable. This would accommodate a commonly requested negotiation point of adding an applicability qualifier that may be utilized without additional approvals required.

10. *Quantum Readiness Approach - NEW:*

- This proposal would add optional language to RFQ and RFP Attachment 6.2 – Section C and FA Contract Template regarding respondent’s Quantum Readiness Approach.

11. *State Sponsored Insurance Plan Enrollment – NEW:*

- This mandatory contract clause is already included in the GG and GR templates. This proposal would add similar clauses as new mandatory provisions to additional models and templates to certify that only eligible participants are enrolled in State sponsored insurance.

12. *Policy Number 2015-010 Statewide Payment Card Policy and Procedures:*

- This proposal corrects the hyperlink to F&A Policy and adds a new prohibited purchase at section 10.1.: to prohibit purchases made on Amazon.com if the Cardholder is not enrolled in the State of Tennessee State Amazon account.
- This proposal also adds that any State Agency Program Coordinator alternates (up to two allowed) must complete the same requirements as the primary Program Coordinator.
- Language prohibiting the use of a digital wallet to store the P-Card was added.
- Also, the following has been added regarding P-Card Program Training: “To maintain their assigned roles, program participants must complete the required training on an annual basis.”

13. *Interagency Agreement – Grants:*

- This proposal clarifies that F&A Policy 18 Interunit Journals only applies when both parties are Tennessee State Agencies and adds additional instructional text regarding advance payments.
- Also, it adds instructional text that any terms included in the GR may be added for ease of reference.

14. *Tennessee Procurement Protection Act Certification:*

- This proposal adds a new certification to the RFP and RFQ Statement of Certifications and Assurances and a contract clause to comply with Pub. Ch. No. [0768](#) “Tennessee Procurement Protection Act.”

15. *Manual and Template Corrections:*

- This proposal updates the reference in section 5.18. “The Procurement File” of the *Procurement Procedures Manual* from “Pub. Ch. 634 (2024)” to “Tenn. Code Ann. § 12-3-201.”
- Grant Templates: Minor clean up and correction of items including reorganization of the Federal optional contact terms together and towards the beginning of the contract options so easier to reference.
- DCS Grants Optional: removes two similarly worded optional terms and replaces with an updated combined term.
- TDMHSAS Optional Terms: Remove no longer needed terms, and corrections such as updating title as referenced in 42 CFR Part 2.

ARTIFICIAL INTELLIGENCE (AI) USE AND COMPLIANCE REQUIREMENTS

REDLINE

REQUEST: Update the website link to the Artificial Intelligence Policy in any applicable models and templates; and, add the “Artificial Intelligence (AI) Use and Compliance Requirements” optional term to additional models and templates and revise the term by correcting the hyperlinks and updating as follows:

Correct Website Link: [200-POL-007 Enterprise Artificial Intelligence Policy.pdf](https://www.tn.gov/content/dam/tn/finance/artificial-intelligence/200-POL-007%20Enterprise%20Artificial%20Intelligence%20Policy.pdf)
(<https://www.tn.gov/content/dam/tn/finance/artificial-intelligence/200-POL-007%20Enterprise%20Artificial%20Intelligence%20Policy.pdf>)

Artificial Intelligence (AI) Use and Compliance Requirements.

If the Contractor could potentially utilize AI to perform any portion of this contract, or if the Contractor provides a product, service, or solution that incorporates AI. Please also ensure that AI is not otherwise prohibited before including.

Before your department or agency purchases or enters into any contract or agreement involving an AI product or solution for State use, ensure it complies with the [Enterprise Artificial Intelligence Policy \(200-POL-007\)](#). This policy protects State Data and ensures AI is used responsibly and securely. Think Before You Use AI. When you use AI in your job, you must protect all State data—not just sensitive or private information. This includes anything created, collected, or used by State agencies. Do NOT enter State data into AI tools (like ChatGPT, Google Gemini, etc.) unless:

The tool is officially approved by the State and it is operated on a secure, State-managed or approved system. “State Data” is any and all data that can be accessed, processed, generated, including derivative works, stored, or hosted by the Contractor in performance of this Contract.

Using AI correctly helps us follow the Enterprise AI Policy (200-POL-007) and maintain public trust. Safe and Responsible AI Use: (1) Be Transparent: If AI is used, always make the proper stakeholders aware because it affects decisions or outcomes. (2) Double-Check Results: AI tools can make mistakes. Always verify any content they produce. (3) Use Only Approved Tools: Never use public or personal AI tools with State data unless they’re officially approved and securely managed. (4) You’re Accountable: You are responsible for how you use AI and for the accuracy and appropriateness of its outputs. (5) Don’t Let AI Companies Train on State Data: Never allow any AI platform to use State data to improve its models unless this has been formally approved.

E.#. Artificial Intelligence (AI) Use and Compliance Requirements. The Contractor agrees that any product, service, or solution incorporating Artificial Intelligence (AI), including Generative AI (GenAI), procured under this Agreement shall comply fully with the State of Tennessee’s Enterprise Artificial Intelligence Policy ([Policy 200-POL-007](#)), available at: [tn.gov/content/dam/tn/finance/artificial-intelligence/200-POL-007 Enterprise Artificial Intelligence Policy.pdf](https://www.tn.gov/content/dam/tn/finance/artificial-intelligence/200-POL-007 Enterprise Artificial Intelligence Policy.pdf)

The Contractor further agrees to the following:

a. Data Privacy and Security

Contractor shall not use, access, store, transmit, or process any State Data—including but not limited to confidential, privileged, personally identifiable information (PII), protected health information (PHI), Payment Card Industry (PCI) data, criminal justice information (CJIS), federal tax information (FTI), Centers for Medicare & Medicaid Services (CMS) data, Social Security Administration (SSA) data, Family

Education Rights & Privacy Act (FERPA) data, or internal communications—through any AI tools or platforms unless:

- (1) The AI tool is explicitly approved in writing by the State.
- (2) The tool is operated within a secure State-controlled or approved environment.

b. Prohibition on Model Training

Contractor shall not use State Data to train, fine-tune, or otherwise improve AI models, unless expressly authorized in writing by the State and in accordance with Policy No. 200-OL-007.

c. Transparency and Accountability

Contractor shall clearly disclose when AI tools are used in providing services or generating content on behalf of the State. Contractor is responsible for the accuracy, reliability, and appropriateness of all AI-generated outputs.

d. Use of Approved Tools Only

Only State-approved AI platforms, systems, or services may be used in the performance of this Contract. Use of public, consumer, or non-State-managed AI platforms (e.g., ChatGPT, Google Gemini, etc.) with State Data is strictly prohibited unless authorized in writing.

e. Ongoing Compliance and Risk Mitigation

Contractor shall ensure continued compliance with evolving State and federal regulations related to AI. The State reserves the right to audit or review AI usage under this Contract at any time.

f. Indemnification

Contractor shall further indemnify and hold harmless the State in accordance with the Hold Harmless section of this Agreement-Contract for any unauthorized disclosure, misuse, or compromise of State Data resulting from AI-related processing that violates this Contract or State policy.

ARTIFICIAL INTELLIGENCE (AI) USE AND COMPLIANCE REQUIREMENTS

CLEAN

REQUEST: Update the website link to the Artificial Intelligence Policy in any applicable models and templates; and, add the “Artificial Intelligence (AI) Use and Compliance Requirements” optional term to additional models and templates and revise the term by correcting the hyperlinks and updating as follows:

Correct Website Link: [200-POL-007 Enterprise Artificial Intelligence Policy.pdf](https://www.tn.gov/content/dam/tn/finance/artificial-intelligence/200-POL-007%20Enterprise%20Artificial%20Intelligence%20Policy.pdf)
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Artificial Intelligence (AI) Use and Compliance Requirements.

If the Contractor could potentially utilize AI to perform any portion of this contract, or if the Contractor provides a product, service, or solution that incorporates AI. Please also ensure that AI is not otherwise prohibited before including.

Before your department or agency purchases or enters into any contract or agreement involving an AI product or solution for State use, ensure it complies with the [Enterprise Artificial Intelligence Policy \(200-POL-007\)](#). This policy protects State Data and ensures AI is used responsibly and securely. Think Before You Use AI. When you use AI in your job, you must protect all State data—not just sensitive or private information. This includes anything created, collected, or used by State agencies. Do NOT enter State data into AI tools (like ChatGPT, Google Gemini, etc.) unless:

The tool is officially approved by the State and it is operated on a secure, State-managed or approved system. “State Data” is any and all data that can be accessed, processed, generated, including derivative works, stored, or hosted by the Contractor in performance of this Contract.

Using AI correctly helps us follow the Enterprise AI Policy (200-POL-007) and maintain public trust. Safe and Responsible AI Use: (1) Be Transparent: If AI is used, always make the proper stakeholders aware because it affects decisions or outcomes. (2) Double-Check Results: AI tools can make mistakes. Always verify any content they produce. (3) Use Only Approved Tools: Never use public or personal AI tools with State data unless they’re officially approved and securely managed. (4) You’re Accountable: You are responsible for how you use AI and for the accuracy and appropriateness of its outputs. (5) Don’t Let AI Companies Train on State Data: Never allow any AI platform to use State data to improve its models unless this has been formally approved.

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The Contractor further agrees to the following:

a. Data Privacy and Security

Contractor shall not use, access, store, transmit, or process any State Data—including but not limited to confidential, privileged, personally identifiable information (PII), protected health information (PHI), Payment Card Industry (PCI) data, criminal justice information (CJIS), federal tax information (FTI), Centers for Medicare & Medicaid Services (CMS) data, Social Security Administration (SSA) data, Family

Education Rights & Privacy Act (FERPA) data, or internal communications—through any AI tools or platforms unless:

- (1) The AI tool is explicitly approved in writing by the State.
- (2) The tool is operated within a secure State-controlled or approved environment.

b. Prohibition on Model Training

Contractor shall not use State Data to train, fine-tune, or otherwise improve AI models, unless expressly authorized in writing by the State and in accordance with Policy No. 200-OL-007.

c. Transparency and Accountability

Contractor shall clearly disclose when AI tools are used in providing services or generating content on behalf of the State. Contractor is responsible for the accuracy, reliability, and appropriateness of all AI-generated outputs.

d. Use of Approved Tools Only

Only State-approved AI platforms, systems, or services may be used in the performance of this Contract. Use of public, consumer, or non-State-managed AI platforms (e.g., ChatGPT, Google Gemini, etc.) with State Data is strictly prohibited unless authorized in writing.

e. Ongoing Compliance and Risk Mitigation

Contractor shall ensure continued compliance with evolving State and federal regulations related to AI. The State reserves the right to audit or review AI usage under this Contract at any time.

f. Indemnification

Contractor shall further indemnify and hold harmless the State in accordance with the Hold Harmless section of this Contract for any unauthorized disclosure, misuse, or compromise of State Data resulting from AI-related processing that violates this Contract or State policy.

**GR TEMPLATE OPTION:
TERMINATION CAUSE LANGUAGE**

NEW

REQUEST: Add the following as a new optional clause to the GR template:

Option: Termination for cause

Replace the standard D.4. Termination for Cause with the following if written notification required.

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

**“STATEWIDE CONTRACT” CONTRACT
TERM**

REDLINE

REQUEST: Revise the “Statewide Contract” term in applicable contracts as follows:

E.#. 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 government, its agencies, boards, commissions, instrumentalities, or authorities;
- c. the board of trustees of the University of Tennessee system; the Tennessee Board of Regents systems; the state university boards; the Tennessee higher education commission; and the Tennessee student assistance corporation;
- d. any ~~eligible private institution of higher education located~~ ~~private nonprofit institution of higher education chartered~~ in Tennessee as defined by Pub. Ch. No. 816 (2026); 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 Services 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. An Authorized User shall have the right to request additional terms as may be necessary to ensure compliance with applicable local, State and federal laws, regulations, or requirements. Any requested changes should not impact the competitive nature of the contractor selection process. Any modification pursuant to this section is subject to the procurement policies and procedures of the Authorized User and subject to agreement by the Contractor and Authorized User. The State is not responsible or liable for the transactions between the Contractor and Authorized Users.

**“STATEWIDE CONTRACT” CONTRACT
TERM**

CLEAN

REQUEST: Revise the “Statewide Contract” term in applicable contracts as follows:

E.#. 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 government, its agencies, boards, commissions, instrumentalities, or authorities;
- c. the board of trustees of the University of Tennessee system; the Tennessee Board of Regents systems; the state university boards; the Tennessee higher education commission; and the Tennessee student assistance corporation;
- d. any eligible private institution of higher education located in Tennessee as defined by Pub. Ch. No. 816 (2026); 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 Services 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. An Authorized User shall have the right to request additional terms as may be necessary to ensure compliance with applicable local, State and federal laws, regulations, or requirements. Any requested changes should not impact the competitive nature of the contractor selection process. Any modification pursuant to this section is subject to the procurement policies and procedures of the Authorized User and subject to agreement by the Contractor and Authorized User. The State is not responsible or liable for the transactions between the Contractor and Authorized Users.

**DELEGATED AUTHORITY
AMENDMENT**

NEW

REQUEST: Add the following as a new option to the Delegated Authority Amendment:

Option: Extend the end date of the entire delegated authority

Use the following to extend the end date of the delegated authority

- | |
|--|
| <p>#. The [insert Delegated Authority, Delegated Grant Authority, or Delegated Loan Authority] end date of [Original End Date] is hereby extended to [New End Date].</p> |
|--|

**PROHIBITED ADVERTISING OR
MARKETING**

REDLINE

REQUEST: Revise the E.#. Prohibited Advertising contract term in the GG and GR Templates as follows:

Prohibited Advertising or Marketing

Add the following Section as appropriate.

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

**PROHIBITED ADVERTISING OR
MARKETING**

CLEAN

REQUEST: Revise the E.#. Prohibited Advertising contract term in the GG and GR Templates as follows:

Prohibited Advertising or Marketing

Add the following Section as appropriate.

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

**CONTRACT TERMINATION E-FORM
REDLINE**

Contract Termination Request

If the procuring State Agency determines that early termination of a contract is in the State's best interest, either for cause or convenience, then the State Agency head, or his or her designee, shall obtain the Chief Procurement Officer's approval to terminate the contract. The procuring State Agency shall notify the Contractor of the contract's termination only after it has obtained the Chief Procurement Officer's approval. Upload the completed document and route for approvals by selecting the Contract Termination Request e-Form in Edison. For additional guidance, please see the e-Forms Job Aid available online at the following: <https://www.teamtn.gov/cpo/learning-development/cpo-job-aids.html>.

APPROVED	
CHIEF PROCUREMENT OFFICER	DATE

Agency request tracking #	
1. Procuring Agency	
2. Contractor	
3. Edison contract ID #	
4. Agency contact information – name, e-mail address, and telephone #	
5. Contract's Effective Date	
6. Contract's end date	
7. Requested termination date	
8. Contractual Basis for Early Termination – select termination option that will be exercised and confirm notice will be sent in accordance with any notice requirements included in the Contract terms.	<input type="checkbox"/> Termination for Cause <input type="checkbox"/> Termination for Convenience <input type="checkbox"/> Subject to Funds Availability <input type="checkbox"/> YES - Confirm that the written notice of termination will be sent to the Contractor in accordance with any notice requirements included in the Contract terms.
9. Justification	
10.9. – if Termination for Cause was selected as the basis for early termination, please also submit a Supplier Complaint and include reference number here.	

Agency request tracking #	
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)	

CONTRACT TERMINATION E-FORM

CLEAN

Contract Termination Request

If the procuring State Agency determines that early termination of a contract is in the State's best interest, either for cause or convenience, then the State Agency head, or his or her designee, shall obtain the Chief Procurement Officer's approval to terminate the contract. The procuring State Agency shall notify the Contractor of the contract's termination only after it has obtained the Chief Procurement Officer's approval. Upload the completed document and route for approvals by selecting the Contract Termination Request e-Form in Edison. For additional guidance, please see the e-Forms Job Aid available online at the following: <https://www.teamtn.gov/cpo/learning-development/cpo-job-aids.html>.

APPROVED	
CHIEF PROCUREMENT OFFICER	DATE

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1. Procuring Agency	
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4. Agency contact information – name, e-mail address, and telephone #	
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7. Requested termination date	
8. Contractual Basis for Early Termination – select termination option that will be exercised and confirm notice will be sent in accordance with any notice requirements included in the Contract terms.	<input type="checkbox"/> Termination for Cause <input type="checkbox"/> Termination for Convenience <input type="checkbox"/> Subject to Funds Availability <input type="checkbox"/> YES - Confirm that the written notice of termination will be sent to the Contractor in accordance with any notice requirements included in the Contract terms.
9. Justification – if Termination for Cause was selected as the basis for early termination, please also submit a Supplier Complaint and include reference number here.	
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)	

**CLICK-WRAP AGREEMENT APPROVAL
REQUEST**

REDLINE

<p>3. Contractor Name and ID # (Also include both the developer and the reseller if obtaining via a third party)</p>	
<p>4. Contractor Contact (Include name and email address to where proposed changes can be sent. If buying from a reseller, please provide the reseller contact information.)</p>	
<p>5. Click-wrap agreement's proposed Effective Date (This is the anticipated date for entering into the click-wrap agreement.)</p>	
<p>6. Click-wrap agreement's proposed End Date</p>	
<p>7. Name and description of goods or services (Please be specific, i.e. what the product will be used for, whether anything will be downloaded onto State servers or whether data will be transmitted to <u>or accessed by</u> third parties).</p>	
<p>8. Are these goods or services currently available on a statewide or agency term contract? If YES, please explain why the current contract is not being used for this procurement.</p>	<p><input type="checkbox"/> NO <input type="checkbox"/> YES,</p>
<p>9. Maximum Contract Cost – with ALL options to extend exercised. Note: the Click-Wrap Approval process shall not be used if the Maximum Contract Cost is over \$10,000.</p>	<p>\$</p>
<p>10. State Data Involvement - <u>“State Data” is any and all data that can be accessed, processed, generated, including derivative works, stored, or hosted by the Contractor in performance of this Contract.</u> If none, select N/A. If yes, please provide the type of data involved (e.g., <u>non-confidential State Data, Protected Health Information (PHI) protected under HIPAA, Payment Card Industry (PCI), Federal Tax Information (FTI), Family Educational Rights and Privacy Act (FERPA), Federal Information Security Management Act (FISMA), Criminal Justice Information Services (CJIS), Center for Medicare and Medicaid (CMS), Social Security Administration (SSA), or Personally Identifiable Information (PII), <u>or other confidential State Data</u>).</u></p>	<p><input type="checkbox"/> N/A <input type="checkbox"/> YES,</p>
<p>11. Additional STS Approvals – Please identify any STS Endorsements or Exception Requests that have been submitted for this product/service. If this does not apply to your request, please leave blank.</p>	<p>(1) Endorsement or Exception Request #</p> <p>(2) Date submitted</p> <p>(3) Current Status (circle one) [Planned] [In Progress] [Completed]</p>
<p>For Renewals Only</p>	

<p>Confirm that there is a valid renewal option remaining in the contract and confirm that there has been no other change to the agreement’s terms and conditions. – If there is not a valid renewal or extension option remaining in the agreement, submit as a new click-wrap agreement or contract instead. (Note: the term cannot exceed sixty (60) months without an approved Rule Exception Request and Contract Amendment.)</p>	<p>Confirm that all necessary due diligence has been performed and it is in the State’s best interest to renew or extend the contract. – Considering such items as contractor performance, pricing, etc.</p>	<p>Confirm this renewal or extension does not increase the total dollar value above amounts approved (i.e., total dollar amount of purchase between \$0.01 - \$10,000).</p>
<p>YES <input type="checkbox"/></p>	<p>YES <input type="checkbox"/></p>	<p>YES <input type="checkbox"/></p>
<p>Denial Explanation (for CPO/STS use only)</p>		
<p></p>		

**CLICK-WRAP AGREEMENT APPROVAL
REQUEST**

CLEAN

Click-wrap Agreement Approval Request

Procurement professionals should use this document to seek approval to enter or renew a click-wrap agreement associated with a proposed purchase that is greater than \$.01 and equal to or less than \$10,000. This Request will typically be utilized for licenses of software, internet-based services, or computer services. See sections 4.1. and 5.15.3.3. of the [Procurement Procedures Manual of the Central Procurement Office](#) for more information about click-wrap agreements. THIS DOCUMENT CANNOT BE USED TO MODIFY, AMEND, OR SUPPLEMENT AN EXISTING CONTRACT. A Special Contract Request is not required for any click-wrap agreement with a proposed purchase value that is greater than \$.01 and equal to or less than \$10,000. For new click-wrap agreements, submit a copy of the proposed click-wrap agreement, license agreement or terms of use, the quote you were provided (if applicable), a copy of the State’s Contract Rider with proof it was sent to and agreed to by the Contractor, and a completed Click-wrap Agreement Approval Request in Edison as a Click-wrap e-Form. For additional guidance, please see:

- The e-Forms Job Aid that is available online at the following: <https://www.teamtn.gov/cpo/learning-development/cpo-job-aids.html>.
- The State’s Contract Rider Template (agreed to by the contractor). Please make sure to use the most recent version of the State’s Contract Rider, available on TEAM TN at the following: <https://www.teamtn.gov/cpo>.
- The Letter of Adhesion (“LOA”) Template, that the State Agency must complete and send to the Contractor IF: (1) the Supplier does NOT agree to the State’s Contract Rider; (2) State Data of any kind is **NOT** involved; and (3) documented response by the Domain Information Security Officer or designee okay to proceed with Click-Wrap process. Please make sure to use the most recent version of the State’s LOA Template, available on TEAM TN at the following: <https://www.teamtn.gov/cpo>
- “**State Data**” is any and all data that can be accessed, processed, generated, including derivative works, stored, or hosted by the Contractor in performance of this Contract.

If Contractor doesn’t agree to State’s Rider AND State Data is involved, the State cannot proceed with the Click-Wrap request.

If this is a renewal, please also include a copy of the previously approved click-wrap agreement. Approved Click-Wrap Agreement Requests and supporting documents (including email confirmation that the State Agency sent the Contract Rider and that it was agreed to by the Contractor. In the event of a click-wrap agreement not involving State Data, the requesting agency must send a Letter of Adhesion if the contractor declines the State’s Rider.

<p>APPROVED*</p> <p>[Upload this Click-Wrap Agreement Approval Request to e-Forms in Edison. Approval will be captured in Edison Workflow.]</p>	<p>APPROVED</p> <p>[Upload this Click-Wrap Agreement Approval Request to e-Forms in Edison. Approval will be captured in Edison Workflow.]</p>
<p>CENTRAL PROCUREMENT OFFICE</p> <p style="text-align: right;">DATE</p>	<p>STRATEGIC TECHNOLOGY SOLUTIONS</p> <p style="text-align: right;">DATE</p>

* The Agency signatory must have signing authority. Please sign and: (1) send directly to the Contractor at the Contractor’s email address; (2) retain a copy for your records; and (3) upload a copy of the signed Rider; (4) and in the case where the Contractor declines the State’s rider and the click-wrap agreement does not involve State Data, a copy of the LOA sent to the contractor; and (5) this Click Wrap Approval Request document into Edison.

If the proposed Click Wrap Agreement Request is stamped DENIED an accompanying explanation will be provided in the box labelled “Denial Explanation” located at the bottom of this form, which may contain additional instructions.

Agency Tracking #	
1. Procuring Agency	
2. Agency Contact (Include name, email address and phone number)	

3. Contractor Name and ID # (Also include both the developer and the reseller if obtaining via a third party)	
4. Contractor Contact (Include name and email address to where proposed changes can be sent. If buying from a reseller, please provide the reseller contact information.)	
5. Click-wrap agreement's proposed Effective Date (This is the anticipated date for entering into the click-wrap agreement.)	
6. Click-wrap agreement's proposed End Date	
7. Name and description of goods or services (Please be specific, i.e. what the product will be used for, whether anything will be downloaded onto State servers or whether data will be transmitted to or accessed by third parties).	
8. Are these goods or services currently available on a statewide or agency term contract? If YES, please explain why the current contract is not being used for this procurement.	<input type="checkbox"/> NO <input type="checkbox"/> YES,
9. Maximum Contract Cost – with ALL options to extend exercised. Note: the Click-Wrap Approval process shall not be used if the Maximum Contract Cost is over \$10,000.	\$
10. State Data Involvement - "State Data" is any and all data that can be accessed, processed, generated, including derivative works, stored, or hosted by the Contractor in performance of this Contract. If none, select N/A. If yes, please provide the type of data involved (e.g., non-confidential State Data, Protected Health Information (PHI) protected under HIPAA, Payment Card Industry (PCI), Federal Tax Information (FTI), Family Educational Rights and Privacy Act (FERPA), Criminal Justice Information Services (CJIS), Center for Medicare and Medicaid (CMS), Social Security Administration (SSA), Personally Identifiable Information (PII), or other confidential State Data).	<input type="checkbox"/> N/A <input type="checkbox"/> YES,
11. Additional STS Approvals – Please identify any STS Endorsements or Exception Requests that have been submitted for this product/service. If this does not apply to your request, please leave blank.	(1) Endorsement or Exception Request # (2) Date submitted (3) Current Status (circle one) [Planned] [In Progress] [Completed]
For Renewals Only	

<p>Confirm that there is a valid renewal option remaining in the contract and confirm that there has been no other change to the agreement’s terms and conditions. – If there is not a valid renewal or extension option remaining in the agreement, submit as a new click-wrap agreement or contract instead. (Note: the term cannot exceed sixty (60) months without an approved Rule Exception Request and Contract Amendment.)</p>	<p>Confirm that all necessary due diligence has been performed and it is in the State’s best interest to renew or extend the contract. – Considering such items as contractor performance, pricing, etc.</p>	<p>Confirm this renewal or extension does not increase the total dollar value above amounts approved (i.e., total dollar amount of purchase between \$0.01 - \$10,000).</p>
<p>YES <input type="checkbox"/></p>	<p>YES <input type="checkbox"/></p>	<p>YES <input type="checkbox"/></p>
<p>Denial Explanation (for CPO/STS use only)</p>		
Empty space for denial explanation		

**CLICK-WRAP CONTRACT RIDER
TEMPLATE**

REDLINE

CLICK-WRAP AGREEMENTS CONTRACT RIDER TEMPLATE

Procurement professionals shall complete text fields and follow, replace, or otherwise address red instructional text (e.g., **State Agency Name**, **amount**, **will/will not**) as indicated with appropriate font and color. Please direct any questions regarding completing the Business Continuity and Disaster Recovery section, to the following contact: AG_DR@tn.gov.

Add clear, non-conflicting terms and conditions as appropriate.

Terms that are included in the FA (fee for goods or services) Template may be added and re-numbered as appropriate. Please refer to TEAM TN for the most recent version of the FA Template for optional terms and conditions.

Please review the most recent job aid available on [TEAM TN](#) before submitting the Click-Wrap Approval Request to ensure all prior authorization and documentation obtained. (TN > CPO > Learning & Development > CPO Job Aids > Edison E-Forms for more information).

**STATE OF TENNESSEE
CONTRACT RIDER
STATE AGENCY NAME
AND
CONTRACTOR LEGAL ENTITY NAME**

This Contract Rider, by and between the State of Tennessee, **State Agency Name** ("State") and **Contractor Legal Entity Name** ("Contractor") is part of the contract described below:

Contract Reference:

1. Conflicting Terms and Conditions. In the event of a conflict between any of the terms and conditions in this State of Tennessee Contract Rider and any other click-wrap agreement, the terms and conditions in this State of Tennessee Contract Rider will prevail and any other terms and conditions shall be subordinate.
2. Total Click-Wrap Agreement Amount. In no event shall the liability of the State under this click-wrap agreement exceed the Total click-wrap agreement amount ("Maximum Liability").
3. Term of Click-Wrap Agreement. This Contract shall be effective on **DATE** ("Effective Date") and extend for a period of **number (#)** months. The State shall have no obligation for goods or services provided by the Contractor prior to the Effective Date. In no event shall the Term of the click-wrap agreement exceed sixty months.
4. Modification, Amendment or Change Order. This click-wrap agreement may be modified only by a written amendment or change order signed by the State and the Contractor.
5. Limitation of Liability. The State shall have no liability except as specifically provided in this click-wrap agreement. In no event shall the State be liable to the Contractor or any other party for any lost revenues, lost profits, loss of business, decrease in the value of any securities or cash position, time, money, goodwill, or any indirect, special, incidental, punitive, exemplary or consequential damages of any nature, whether based on warranty, contract, statute, regulation, tort (including but not limited to negligence), or any other legal theory that may arise. The State's total liability under this click-wrap agreement or otherwise shall under no circumstances exceed the Maximum Liability.
6. Limitation of Contractor's Liability. The Contractor's liability for all claims arising under this click-wrap agreement shall be limited to an amount equal to two (2) times the Maximum Liability. In no event shall this Section limit the Contractor's liability for intentional torts, criminal acts, fraudulent conduct, or omissions that result in personal injuries or death.
7. Termination for Cause or Convenience. If the Contractor fails to properly perform its obligations under this click-wrap agreement in a timely or proper manner, or if the Contractor materially violates any terms of this click-wrap agreement ("Breach Condition"), the State shall have the right to immediately terminate the Contract and withhold payments in excess of compensation for completed services or provided goods. Notwithstanding the above, the Contractor shall not be relieved of liability to the State for damages sustained by virtue of any Breach Condition and the State may seek other remedies allowed at law or in equity for breach of this click-wrap agreement. Notwithstanding the foregoing, the State reserves the right to terminate this agreement at any time giving thirty days written notice.
8. Subject to Funds Availability. The State's payment of this click-wrap agreement is subject to the appropriation and availability of State or federal funds. In the event that funds are not

appropriated or are otherwise unavailable, the State reserves the right to terminate or suspend this click-wrap agreement, effective immediately, upon written notice to the Contractor. If the State terminates or suspends this click-wrap agreement due to lack of funds availability, the Contractor shall be entitled to compensation for all conforming goods requested and accepted by the State and for all satisfactory and authorized services completed as of the termination date.

9. Payment. A payment by the State shall not prejudice the State's right to object to or question any payment, invoice, or other matter. A payment by the State shall not be construed as acceptance of goods delivered, any part of the services provided, or as approval of any amount invoiced.
10. Nondiscrimination. The Contractor hereby agrees, warrants, and assures that no person shall be excluded from participation in, be denied benefits of, or be otherwise subjected to discrimination in the performance of this click-wrap agreement or in the employment practices of the Contractor on the grounds of handicap or disability, age, race, creed, color, religion, sex, national origin, or any other classification protected by federal or state law. The Contractor shall, upon request, show proof of nondiscrimination and shall post in conspicuous places, available to all employees and applicants, notices of nondiscrimination.
11. Prohibition of Illegal Immigrants. The requirements of Tenn. Code Ann. § 12-3-309 addressing the use of illegal immigrants in the performance of any contract to supply goods or services to the state of Tennessee, shall be a material provision of this click-wrap agreement, a breach of which shall be grounds for monetary and other penalties, up to and including termination of this Contract. Contractor does hereby attest, certify, warrant, and assure that it shall not knowingly utilize the services of an unauthorized immigrant in the performance of this Agreement and shall not knowingly utilize the services of a subcontractor who will utilize the services of an unauthorized immigrant in the performance of this Agreement.
12. Tennessee Department of Revenue Registration. The Contractor shall comply with all applicable registration requirements contained in Tenn. Code Ann. §§ 67-6-601 – 608. Compliance with applicable registration requirements is a material requirement of this click-wrap agreement.
13. Debarment and Suspension. The Contractor certifies, to the best of its knowledge and belief, that it, its current and future principals, its current and future subcontractors and their principals:
 - a. are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any federal or state department or agency;
 - b. have not within a three (3) year period preceding this Contract been convicted of, or had a civil judgment rendered against them from commission of fraud, or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, state, or local) transaction or grant under a public transaction; violation of federal or state antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification, or destruction of records, making false statements, or receiving stolen property;
 - c. are not presently indicted or otherwise criminally or civilly charged by a government entity (federal, state, or local) with commission of any of the offenses detailed in section b. of this certification; and
 - d. have not within a three (3) year period preceding this Contract had one or more public transactions (federal, state, or local) terminated for cause or default.

The Contractor shall provide immediate written notice to the State if at any time it learns that there was an earlier failure to disclose information or that due to changed circumstances, its principals or the principals of its subcontractors are excluded, disqualified, or presently fall under any of the prohibitions of sections a-d.
14. Force Majeure. "Force Majeure Event" means fire, flood, earthquake, elements of nature or acts of God, wars, riots, civil disorders, rebellions or revolutions, acts of terrorism or any other similar cause beyond the reasonable control of the Party except to the extent that the non-performing

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

15. State and Federal Compliance. The Contractor shall comply with all applicable state and federal laws and regulations in the provision of goods or services under this click-wrap agreement.
16. Governing Law. This click-wrap agreement shall be governed by and construed in accordance with the laws of the State of Tennessee. The Tennessee Claims Commission or the state or federal courts in Tennessee shall be the venue for all claims, disputes, or disagreements arising under this click-wrap agreement. The Contractor acknowledges and agrees that any rights, claims, or remedies against the State of Tennessee or its employees arising under this click-wrap agreement shall be subject to and limited to those rights and remedies available under Tenn. Code Ann. §§ 9-8-101 through 9-8-407.
17. Prohibited Contract Terms. The prohibited contract terms and conditions enumerated in Tenn. Code Ann. § 12-3-515, shall be a material provision of this click-wrap agreement. The Contractor acknowledges, understands, and agrees that the inclusion of a term or condition prohibited by Tenn. Code Ann. § 12-3-515, shall be null and void and the click-wrap agreement shall be enforceable as if the click-wrap agreement did not contain such term or condition.
18. Entire Agreement. This Contract Rider and Click-Wrap Agreement contains the entire understanding between the State and the Contractor relating to this subject matter. This Contract Rider supersedes any and all prior understandings, representations, negotiations, and agreements between the State and the Contractor, whether written or oral, regarding the express terms of this Contract Rider.
19. Iran Divestment Act. The requirements of Tenn. Code Ann. § 12-12-101, *et seq.*, addressing contracting with persons with investment activities in Iran, shall be a material provision of this Contract Rider. The Contractor agrees, under penalty of perjury, that to the best of its knowledge and belief that it is not on the list created pursuant to Tenn. Code Ann. § 12-12-106.
20. Federal Awards Procurement Standards. If applicable, Contractor agrees to comply with the requirements of the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards including, but not limited to the Procurement Standards at 2 C.F.R. §§ 200.317 to 200.327.

21. Boycott of Israel. The Contractor certifies that it is not currently engaged in, and covenants that it will not, for the duration of the click-wrap agreement, engage in a Boycott of Israel, as that term is defined in Tenn. Code Ann. § 12-4-119.
22. Hold Harmless / Indemnity. Contractor agrees to indemnify and hold harmless the State as well as its officers, agents, and employees from and against any and all claims, liabilities, losses, and causes of action which may arise, accrue, or result to any person, firm, corporation, or other entity which may be injured or damaged as a result of acts, omissions, or negligence on the part of Contractor, its employees, or any person acting for or on its or their behalf relating to this Agreement. Contractor further agrees it shall be liable for the reasonable cost of attorneys' fees, court costs, expert witness fees, and other litigation expenses for the State to enforce the terms of this Agreement. In the event of any suit or claim, the Parties shall give each other immediate notice and provide all necessary assistance to respond. The failure of the State to give notice shall only relieve Contractor of its obligations under this Section to the extent that Contractor can demonstrate actual prejudice arising from the failure to give notice. This Section shall not grant Contractor, through its attorneys, the right to represent the State in any legal matter, as the right to represent the State is governed by Tenn. Code Ann. § 8-6-106.
23. Intellectual Property Indemnity. Contractor agrees to indemnify and hold harmless the State, as well as its officers, agents, and employees from and against any and all claims or suits which may be brought against the State concerning or arising out of any claim of an alleged patent, copyright, trade secret or other intellectual property infringement. In any such claim or action brought against the State, Contractor shall satisfy and indemnify the State for the amount of any settlement or final judgment, and Contractor shall be responsible for all legal or other fees or expenses incurred by the State arising from any such claim. The State shall give Contractor notice of any such claim or suit, however, the failure of the State to give such notice shall only relieve Contractor of its obligations under this Section to the extent Contractor can demonstrate actual prejudice arising from the State's failure to give notice. This Section shall not grant Contractor, through its attorneys, the right to represent the State in any legal matter, as provided in Tenn. Code Ann. § 8-6-106.
24. Required Approvals. The State is not bound by this Contract until it is duly approved by the Parties and all appropriate State officials in accordance with applicable Tennessee laws and regulations. Depending upon the specifics of this Contract, this may include approvals by the Commissioner of Finance and Administration, the Commissioner of Human Resources, the Comptroller of the Treasury, and the Chief Procurement Officer. Approvals shall be evidenced by a signature or electronic approval.
25. Automatic Injunctive Relief Prohibited. Any provision that would entitle the Contractor to an injunction against the State without having to prove the elements required to obtain an injunction against the State in accordance with applicable law is void and unenforceable.
26. Records. The Contractor shall maintain documentation for all charges under this Contract. The books, records, and documents of the Contractor, for work performed or money received under this Contract, shall be maintained for a period of five (5) full years from the date of the final payment and shall be subject to audit at any reasonable time and upon reasonable notice by the State, the Comptroller of the Treasury, or their duly appointed representatives. The financial statements shall be prepared in accordance with generally accepted accounting principles.
27. Monitoring. The Contractor's activities conducted and records maintained pursuant to this Contract shall be subject to monitoring and evaluation by the State, the Comptroller of the Treasury, or their duly appointed representatives.

Data Security Related Terms – The following are required only if applicable:

28. Comptroller Audit Requirements.

To the extent that Contractor or any subcontractors will host State services or State ~~eD~~Data in the cloud (e.g., SaaS, IaaS, PaaS) the following shall apply:

~~When requested by the State or the Comptroller of the Treasury, the Contractor must provide the State or the Comptroller of the Treasury with a detailed written description of the Contractor's information technology control environment, including a description of general controls and application controls. The Contractor must also assist the State or the Comptroller of the Treasury with obtaining a detailed written description of the information technology control environment for any third or fourth parties, or Subcontractors, used by the Contractor to process State data and/or provide services under this Contract.~~

~~Contractor will maintain and cause its Subcontractors to maintain a complete audit trail of all transactions and activities in connection with this Contract, including all information technology logging and scanning conducted within the Contractor's and Subcontractor's information technology control environment. Upon reasonable notice and at any reasonable time, the Contractor grants the State or the Comptroller of the Treasury with the right to audit the Contractor's information technology control environment, including general controls and application controls. The audit may include testing the general and application controls within the Contractor's information technology control environment and may also include testing general and application controls for any third or fourth parties, or Subcontractors, used by the Contractor to process State data and/or provide services under this Contract. The audit may include the Contractor's and Subcontractor's compliance with the State's Enterprise Information Security Policy and all applicable requirements, laws, regulations, or policies.~~

~~Upon reasonable notice and at any reasonable time, the Contractor and Subcontractor(s) agree to allow the State, the Comptroller of the Treasury, or their duly appointed representatives to perform information technology control audits of the Contractor and all Subcontractors used by the Contractor. Contractor will provide to the State, the Comptroller of the Treasury, or their duly appointed representatives access to Contractor and Subcontractor(s) personnel for the purpose of performing the information technology control audit. The audit may include interviews with technical and management personnel, physical or virtual inspection of controls, and review of paper or electronic documentation.~~

~~The Contractor must have a process for correcting control deficiencies that were identified in the State's or Comptroller of the Treasury's information technology audit. For any audit issues identified, the Contractor and Subcontractor(s) shall submit a corrective action plan to the State or the Comptroller of the Treasury which addresses the actions taken, or to be taken, and the anticipated completion date in response to each of the audit issues and related recommendations of the State or the Comptroller of the Treasury. The corrective action plan shall be provided to the State or the Comptroller of the Treasury upon request from the State or Comptroller of the Treasury and within 30 days from the issuance of the audit report or communication of the audit issues and recommendations. Upon request from the State or Comptroller of the Treasury, the Contractor and Subcontractor(s) shall provide documentation and evidence that the audit issues were corrected.~~

~~Each party shall bear its own expenses incurred while conducting the information technology controls audit.~~

Upon reasonable notice and at any reasonable time, the Contractor agrees to allow the Comptroller of the Treasury, or the Comptroller's duly appointed representatives, to perform information technology control audits of the Contractor's information technology hosting and processing environment used by the Contractor to provide services under this Contract. The audit may evaluate whether the Contractor has implemented appropriate privacy and security controls consistent with NIST Special Publication 800-53, including controls generally classified as general controls and application controls. The audit may also assess whether those controls are designed

and operating effectively and whether the Contractor is complying with applicable policies, laws, and regulations.

For purposes of this section:

General Controls are policies, procedures, and technical mechanisms that support the overall operation and integrity of information systems and applications, including areas such as access security, change management, system development, backup and recovery, and system maintenance.

Application Controls are the automated or manual controls built into specific applications to ensure the completeness, accuracy, authorization, and validity of data and transactions processed by those applications.

The audit may include, but is not limited to:

- 1) Review and evaluation of independent assurance deliverables required under Contract Section 29.aD.a.(4). to determine whether the Contractor's or Subcontractor's control environment and related safeguards are designed and operating effectively;
- 2) Review of documentation describing the Contractor's information technology control environment, policies, and procedures;
- 3) Interviews with technical and management personnel responsible for implementing, monitoring, and maintaining information technology controls;
- 4) Inspection of technical, administrative, or physical controls implemented to protect State Data and support service delivery under this Contract;
- 5) Review of relevant transaction logs, audit trails, vulnerability scans, or other supporting evidence necessary to verify compliance with applicable control requirements; and
- 6) Performance of other audit procedures deemed necessary by the Comptroller of the Treasury to verify compliance with applicable federal or state laws, regulations, or policies, or to assess the adequacy and effectiveness of the Contractor's control environment.

The Contractor shall ensure that its Subcontractors cooperate and provide reasonable access to information or personnel necessary for the audit to the extent such information pertains to the services provided under this Contract.

The Contractor must have a process for correcting control deficiencies that were identified in the Comptroller of the Treasury's information technology audit. For any audit issues identified, the Contractor shall submit a corrective action plan to the Comptroller of the Treasury which addresses the actions taken, or to be taken, and the anticipated completion date in response to each of the audit issues and related recommendations of the Comptroller of the Treasury. The corrective action plan shall be provided to the Comptroller of the Treasury upon request from the Comptroller of the Treasury and within 30 days from the issuance of the audit report or communication of the audit issues and recommendations. Upon request from the Comptroller of the Treasury, the Contractor shall provide documentation and evidence that the audit issues were corrected.

Each party shall bear its own expenses incurred while conducting the information technology controls audit.

29. Information Technology Security Requirements (State Data, Audit, and Other Requirements).

To the extent that Contractor shall have access to State eData,

- a. “State Data” is any and all data that can be accessed, processed, generated, including derivative works, stored, or hosted by the Contractor in performance of this Contract. The Contractor shall protect State eData as follows:

- (1) The Contractor shall ensure that all State eData is housed in the continental United States, inclusive of backup data. All State eData must remain in the United States, regardless of whether the data is processed, stored, in-transit, or at rest. Access to State eData shall be limited to US-based (onshore) resources only.

All system and application administration must be performed in the continental United States. Configuration or development of software and code is permitted outside of the United States. However, software applications designed, developed, manufactured, or supplied by persons owned or controlled by, or subject to the jurisdiction or direction of, a foreign adversary, which the U.S. Secretary of Commerce acting pursuant to 15 CFR-C.F.R. § 7 has defined to include the People’s Republic of China, among others are prohibited. Any testing of code outside of the United States must use fake data. A copy of production data may not be transmitted or used outside the United States.

- (2) The Contractor shall encrypt State eData at rest and in transit using the current version of Federal Information Processing Standard (“FIPS”) 140-2 or 140-3 (or current applicable version) validated encryption technologies. The State shall control all access to encryption keys. The Contractor shall provide installation and maintenance support at no cost to the State.

- ~~(3) The Contractor and any Subcontractor used by the Contractor to host State data, including data-center vendors, shall be subject to an annual engagement by a licensed CPA firm in accordance with the standards of the American Institute of Certified Public Accountants (“AICPA”) for a System and Organization Controls for service organizations (“SOC”) 2 Type 2 examination. The scope of the SOC 2 Type 2 examination engagement must include the Security, Availability, Confidentiality, and Processing Integrity Trust Services Criteria. In addition, the Contractor services that are part of this Contract, including any processing or storage services, must be included in the scope of the SOC 2 Type 2 examination engagement(s). The Contractor shall maintain, obtain, or undergo at least one of the following third-party information security certification(s), authorization(s), examination(s), assessments, or audit(s) for both the Contractor and the Contractor’s processing environment containing State Data. The Contractor shall ensure that each certification, authorization, examination, or assessment remains current and valid throughout the term of the Contract.~~

- i. **ISO/IEC 27001:2022 Certification** – The Contractor and Contractor’s processing environment containing State Data shall be currently compliant with the most recent version of the International Organization for Standardization (ISO) and International Electrotechnical Commission (IEC) 27001:2022 standards. Annual surveillance and recertification audits shall be performed by a certification body accredited by the ANSI-ASQ National Accreditation Board (ANAB);
- ii. **FedRAMP Authorization** - The Contractor and Contractor’s processing environment containing State Data shall maintain an active Federal Risk and Authorization Management Program (FedRAMP) Moderate or higher Authorization to Operate as issued by a federal agency or the FedRAMP Program Management Office;
- iii. **GovRAMP Authorization** - The Contractor and Contractor’s processing environment containing State Data shall maintain authorization by the Government Risk and Authorization Management Program (GovRAMP) and undergo an annual audit performed by a GovRAMP-approved Third Party Assessment Organization (3PAO);

- iv. **SOC 2 Type II Examination** - The Contractor and Contractor's processing environment containing State Data shall be subject to an annual engagement by a CPA firm in accordance with the standards of the American Institute of Certified Public Accountants (AICPA) for a System and Organization Controls for service organizations (SOC) Type II examination that includes the Security, Availability, and Confidentiality Trust Services Criteria;
- v. **HITRUST Certification** - The Contractor and Contractor's processing environment containing State Data shall maintain a current HITRUST risk-based 2-year (r2) validated assessment issued under the HITRUST Common Security Framework and performed by an authorized HITRUST External Assessor Organization; or
- ~~i-vi.~~ **NIST Audit** - The Contractor and Contractor's processing environment containing State Data shall undergo an annual independent audit assessing compliance with the privacy and security controls established in the National Institute of Standards and Technology (NIST) Special Publication 800-53. The audit shall be conducted by a qualified independent assessor, which may include a reputable CPA firm, cybersecurity firm, or other organization with demonstrated expertise in assessing NIST control compliance. The audit must evaluate compliance with the security controls defined in the NIST Special Publication 800-53B moderate-impact security control baseline or a higher-impact baseline.

~~(3) The Contractor must annually review its SOC 2 Type 2 examination reports. Within 30 days of receipt of the examination report, or upon request from the State or the Comptroller of the Treasury, the Contractor must provide the State or the Comptroller of the Treasury a non-redacted copy of the Contractor's SOC 2 Type 2 examination report(s). The Contractor must review the annual SOC 2 Type 2 examination reports for each of its Subcontractors and must also assist the State or Comptroller of the Treasury with obtaining a non-redacted copy of any SOC examination reports for each of its Subcontractors, including data centers used by the Contractor to host or process State data.~~

~~If the Contractor's SOC 2 Type 2 examination report includes a modified opinion, meaning that the opinion is qualified, adverse, or disclaimed, the Contractor must share the SOC report and the Contractor's plan to address the modified opinion with the State or the Comptroller of the Treasury within 30 days of the Contractor's receipt of the SOC report or upon request from the State or the Comptroller of the Treasury. If any Subcontractor(s) SOC 2 Type 2 examination report includes a modified opinion, the Contractor must assist the State or Comptroller of the Treasury with obtaining the Subcontractor(s) SOC report and the Subcontractor(s) plan to address the modified opinion.~~

~~The Contractor must have a process for correcting control deficiencies that were identified in the SOC 2 Type 2 examination, including follow-up documentation providing evidence of such corrections. Within 30 days of receipt of the examination report, or upon request from the State or the Comptroller of the Treasury, the Contractor must provide the State or the Comptroller of the Treasury with a corrective action plan and evidence of correcting the control deficiencies. The Contractor must require each of its Subcontractors, including data centers used by the Contractor to host State data, to have a process for correcting control deficiencies identified in their SOC examination reports and must assist the State or Comptroller of the Treasury with obtaining a corrective action plan and obtaining evidence of correcting control deficiencies identified in Subcontractor(s) SOC reports.~~

~~(4) No additional funding shall be allocated for these examinations as they are included in the Maximum Liability of this Contract. Upon request by the State or the Comptroller of the Treasury, and within thirty (30) days of completion or receipt of any certification, authorization, examination, assessment, or audit required under Contract Rider Section 29,a.(3) the Contractor shall provide the State or the Comptroller of the Treasury with the~~

following documentation and deliverables. The Contractor shall ensure that all documentation remains current, complete, and accurate throughout the term of the Contract.

i. ISO/IEC 27001:2022 Certification

- 1) The ISO/IEC 27001:2022 assessment report in its entirety;
- 2) The certification letter issued by the accredited certification body;
- 3) The Statement of Applicability (SOA) in its entirety, including specific clauses, control categories, control objectives, and implemented controls;
- 4) A written disclosure and rationale for all controls listed as “excluded” in the SOA; and
- 5) Evidence that annual surveillance and recertification audits were performed by a certification body accredited by the ANSI-ASQ National Accreditation Board.

ii. FedRAMP Authorization

- 1) The FedRAMP Authorization Letter (Authorization to Operate);
- 2) The System Security Plan in its entirety;
- 3) The Security Assessment Plan;
- 4) The Security Assessment Report in its entirety prepared by the FedRAMP-approved Third-Party Assessment Organization; and
- 5) The current Plan of Action and Milestones documenting all known control weaknesses and remediation status, which the Contractor shall maintain or cause to maintain in a current and accurate state throughout the term of the Contract.

iii. GovRAMP Authorization

- 1) The GovRAMP Authorization Letter or equivalent documentation issued by the GovRAMP Program Office;
- 2) The System Security Plan in its entirety;
- 3) The Security Assessment Plan;
- 4) The Security Assessment Report in its entirety prepared by the GovRAMP-approved Third-Party Assessment Organization; and
- 5) The current Plan of Action and Milestones documenting all known control weaknesses and remediation status, which the Contractor shall maintain or cause to maintain in a current and accurate state throughout the term of the Contract.

iv. SOC 2 Type II Examination

- 1) The SOC 2 Type II examination report in its entirety;
- 2) A corrective action plan describing each identified deficiency, planned remediation steps, and anticipated completion dates; and
- 3) If any SOC examination report for the Contractor or any Subcontractor supporting this Contract includes a modified opinion, meaning the opinion is qualified, adverse, or disclaimed, the Contractor shall notify the State of the modified opinion within thirty (30) days of receipt and provide the Contractor’s plan of corrective action.

v. HITRUST Certification

- 1) The current HITRUST assessment report in its entirety;
- 2) The HITRUST Certification Letter for the current [r2] Validated Assessment, issued by HITRUST Alliance after validation by an Authorized HITRUST External Assessor Organization, the letter must show assessment type, scope, and certification dates; and
- 3) A corrective action plan describing each identified deficiency, planned remediation steps, and anticipated completion dates.

vi. NIST Audit

- 1) The audit report in its entirety;
- 2) A corrective action plan describing each identified deficiency, planned remediation steps, and anticipated completion dates.

Upon request by the State or the Comptroller of the Treasury, the Contractor shall also provide current Subcontractor certifications, reports, and related deliverables pertaining to services provided under this Contract within thirty (30) days. If any certification, authorization, examination, or assessment required under this Contract for any

Subcontractor supporting this Contract lapses, expires, is suspended, or is revoked, the Contractor shall notify the State in writing within five (5) business days of learning of the status change and provide: (i) the effective date and reason; (ii) the services and State Data affected; and (iii) the Contractor's corrective action plan and interim risk mitigations.

No additional funding shall be allocated for these examinations as they are included in the Maximum Liability of this Contract.

~~(4)~~(5) The Contractor must annually perform Penetration Tests and Vulnerability Assessments against its Processing Environment per the NIST 800-115 definition. "Processing Environment" shall mean the combination of software and hardware on which the Application runs. "Application" shall mean the computer code that supports and accomplishes the State's requirements as set forth in this Contract. "Penetration Tests" shall be in the form of attacks on the Contractor's computer system, with the purpose of discovering security weaknesses which have the potential to gain access to the Processing Environment's features and data. The "Vulnerability Assessment" shall be designed and executed to define, identify, and classify the security holes (vulnerabilities) in the Processing Environment. The Contractor shall allow the State, at its option, to perform Penetration Tests and Vulnerability Assessments on the Processing Environment. The Contractor shall provide a letter of attestation on its processing environment that penetration tests and vulnerability assessments has been performed on an annual basis and taken corrective action to evaluate and address any findings.

In the event of an unauthorized disclosure or unauthorized access to State eData, the State Strategic Technology Solutions (STS) Security Incident Response Team (SIRT) must be notified and engaged by calling the State Customer Care Center (CCC) at 615-741-1001. Any such event must be reported by the Contractor within twenty-four (24) hours after the unauthorized disclosure has come to the attention of the Contractor.

~~(5)~~(6) If a breach has been confirmed a fully un-modified third-party forensics report must be supplied to the State and through the STS SIRT. This report must include indicators of compromise (IOCs) as well as plan of actions for remediation and restoration. Contractor shall take all necessary measures to halt any further Unauthorized Disclosures.

~~(6)~~(7) Upon State request, the Contractor shall provide a copy of all State eData it holds. The Contractor shall provide such data on media and in a format determined by the State

~~(7)~~(8) Upon termination of this Contract and in consultation with the State, the Contractor shall destroy, and ensure all subcontractors shall destroy, all State eData it holds (including any copies such as backups) in accordance with the current version of National Institute of Standards and Technology ("NIST") Special Publication 800-88. The Contractor shall provide a written confirmation of destruction to the State within ten (10) business days after destruction.

b. Minimum Requirements

(2) ~~The Contractor and all data centers used by the Contractor to host State data, including those of all Subcontractors, must comply with the State's Enterprise Information Security Policies as amended periodically. The State's Enterprise Information Security Policies document is found at the following URL: <https://www.tn.gov/finance/strategic-technology-solutions/strategic-technology-solutions/sts-security-policies.html>. The Contractor shall implement and maintain privacy and security controls that follow the guidelines set forth in NIST 800-53, "Security and Privacy Controls for Federal Information Systems and Organizations," as amended from time to time. The Contractor shall meet~~

annually, or as otherwise agreed, with the State to review the implementation of this Section. Upon request from the State or the Comptroller of the Treasury, the Contractor must provide the State or the Comptroller of the Treasury with a System Security Plan that describes how the Contractor implemented privacy and security controls within NIST 800-53.

- (3) The Contractor agrees to maintain the Application so that it will run on a current, manufacturer-supported Operating System. "Operating System" shall mean the software that supports a computer's basic functions, such as scheduling tasks, executing applications, and controlling peripherals.
- (4) If the Application requires middleware or database software, Contractor shall maintain middleware and database software versions that are always fully compatible with current versions of the Operating System and Application to ensure that security vulnerabilities are not introduced.
- (5) In the event of drive/media failure, if the drive/media is replaced, it remains with the State and it is the State's responsibility to destroy the drive/media, or the Contractor shall provide written confirmation of the sanitization/destruction of data according to NIST 800-88.

c. Business Continuity Requirements. The Contractor shall maintain set(s) of documents, instructions, and procedures which enable the Contractor to respond to accidents, disasters, emergencies, or threats without any stoppage or hindrance in its key operations ("Business Continuity Requirements"). Business Continuity Requirements shall include:

~~(1) "Disaster Recovery Capabilities" refer to the actions the Contractor takes to meet the Recovery Point and Recovery Time Objectives defined below. Disaster Recovery Capabilities shall meet the following objectives:~~

~~i. Recovery Point Objective ("RPO"). The RPO is defined as the maximum targeted period in which data might be lost from an IT service due to a major incident~~

~~[NUMBER OF HOURS/MINUTES]~~

~~ii. Recovery Time Objective ("RTO"). The RTO is defined as the targeted duration of time and a service level within which a business process must be restored after a disaster (or disruption) in order to avoid unacceptable consequences associated with a break in business continuity.~~

~~[NUMBER OF HOURS/MINUTES]~~

~~The Contractor and the Subcontractor(s) shall maintain a documented Disaster Recovery plan and shall share this document with the State when requested. The Contractor and the Subcontractor(s) shall perform at least one Disaster Recovery Test every three hundred sixty-five (365) days. A "Disaster Recovery Test" shall mean the process of verifying the success of the restoration procedures that are executed after a critical IT failure or disruption occurs. The Disaster Recovery Test shall use actual State Data Sets that mirror production data, and success shall be defined as the Contractor verifying that the Contractor can meet the State's RPO and RTO requirements. A "Data Set" is defined as a collection of related sets of information that is composed of separate elements but can be manipulated as a unit by a computer. The Contractor~~

~~shall provide written confirmation to the State after each Disaster Recovery Test that its Disaster Recovery Capabilities meet the RPO and RTO requirements.~~

(1) Disaster Recovery Capabilities

~~Disaster Recovery Capabilities refer to the actions the Contractor takes to meet the **Recovery Point Objective (RPO)** and **Recovery Time Objective (RTO)** defined below. Disaster Recovery Capabilities shall comply with **NIST SP 800-53 Rev. 5, Contingency Planning (CP) controls, (moderate baseline controls)** including CP-1 through CP-10, as applicable, and shall ensure continuity of operations for critical systems and services.~~

i. Recovery Point Objective (RPO)

~~The RPO is defined as the maximum targeted period in which data might be lost from an IT service due to a major incident: **Hours/Minutes**~~

ii. Recovery Time Objective (RTO)

~~The RTO is defined as the targeted duration of time and service level within which a business process must be restored after a disruption in order to avoid unacceptable consequences: **Hours/Minutes**~~

(2) Disaster Recovery Plan

~~The Contractor and Subcontractor(s) shall maintain a documented **Disaster Recovery Plan** aligned with NIST SP 800-53 CP controls (e.g., CP-2: Contingency Plan, CP-4: Contingency Plan Testing, CP-6: Alternate Storage Site). The plan shall include, at minimum:~~

- ~~i. Identification and prioritization of critical systems, applications, and dependencies~~
- ~~ii. Backup and restoration procedures~~
- ~~iii. Roles, responsibilities, and communication protocols~~
- ~~iv. Periodic review and maintenance procedures~~

~~The Contractor shall provide a **summary** of the Disaster Recovery Plan to the State upon request.~~

(3) Disaster Recovery Testing

~~The Contractor and Subcontractor(s) shall perform at least **one Disaster Recovery Test every 365 days**. A **Disaster Recovery Test** shall verify the effectiveness of restoration procedures executed after a critical IT failure or disruption. **Success shall be defined as demonstrating the ability to meet the State's RPO and RTO objectives.**~~

(4) Reporting

~~The Contractor shall provide **written confirmation** to the State after each Disaster Recovery Test, verifying that the Contractor's Disaster Recovery Capabilities meet the RPO and RTO requirements.~~

30. **Confidentiality of Records**. Strict standards of confidentiality of records and information shall be maintained in accordance with the requirements of this Contract and applicable state and federal law. All material, information, and data regardless of form, medium or method of communication, that the Contractor will have access to, acquire, or is provided to the Contractor by the State or acquired by the Contractor on behalf of the State shall be regarded as "Confidential Information." The State grants the Contractor a limited license to use the Confidential Information but only to perform its obligations under the Contract. Nothing in this Section shall permit Contractor to disclose any Confidential Information, regardless of whether it has been disclosed or made available to the Contractor due to intentional or negligent actions or inactions of agents of the State or third parties. Confidential Information shall not be disclosed except as required under state or federal law or otherwise authorized in writing by the State. Contractor shall take all necessary steps to safeguard the confidentiality of such Confidential Information in conformance with the requirements of this contract and with applicable state and federal law.

As long as the Contractor maintains State Confidential Information, the obligations set forth in this Section shall survive the termination of this Contract.

31. **FERPA and DATAA.**

To the extent, Contractor may have access to educational records and student information or data,

Contractor shall comply with the Family Educational Rights and Privacy Act of 1974 (20 U.S.C. 1232(g)) and its accompanying regulations (34 C.F.R. § 99) (“FERPA”). Contractor warrants that it is familiar with FERPA requirements and that it will comply with these requirements in the performance of its duties herein. Contractor agrees to cooperate with the State, as required by FERPA, in the performance of its duties for the State. Contractor agrees to maintain the confidentiality of all education records and student information. Contractor shall only use such records and information for the exclusive purpose of performing its duties under this Agreement. The obligations set forth in this Section shall survive the termination of this Agreement. Contractor shall also comply with Tenn. Code Ann. § 49-1-701, *et seq.*, known as the “Data Accessibility, Transparency and Accountability Act,” and any accompanying administrative rules or regulations (collectively “DATAA”). Contractor agrees to maintain the confidentiality of all records containing student and de-identified data, as this term is defined in DATAA, in any databases, to which the State has granted Contractor access, and to only use such data for the exclusive purpose of performing its duties under this Agreement. Any instances of unauthorized disclosure of data containing personally identifiable information in violation of FERPA or DATAA that come to the attention of the Contractor shall be reported to the State within twenty-four (24) hours. Contractor shall indemnify and hold harmless State, its employees, agents and representatives, from and against any and all claims, liabilities, losses, or causes of action that may arise, accrue, or result to any person or entity that is injured or damaged as a result of Contractor’s failure to comply with this section.

32. **HIPAA Compliance.**

To the extent Contractor has access to protected health information, Contractor shall comply with its obligations under the Health Insurance Portability and Accountability Act of 1996 (“HIPAA”), Health Information Technology for Economic and Clinical Health (“HITECH”) Act and any other relevant laws and regulations regarding privacy (collectively the “Privacy Rules”). These obligations shall survive the termination of this Agreement. Contractor warrants to the State that it is familiar with the requirements of the Privacy Rules, and will comply with all applicable requirements. Contractor warrants that it will cooperate with the State, including cooperation and coordination with State privacy officials and other compliance officers required by the Privacy Rules, in the course its performance so that both parties will follow the Privacy Rules. Contractor will sign documents, including but not limited to business associate agreements, as required by the Privacy Rules and that are reasonably necessary to keep the State and Contractor in compliance with the Privacy Rules. This provision shall not apply if information received or delivered by the parties is not “protected health information” as defined by the Privacy Rules, or if the Privacy Rules permit the parties to receive or deliver the information without entering into a business associate agreement or signing another document. The Contractor will indemnify the State and hold it harmless for any violation by the Contractor or its subcontractors of the Privacy Rules. This includes the costs of responding to a breach of protected health information, the costs of responding to a government enforcement action related to the breach, and any fines, penalties, or damages paid by the State because of the violation.

33. **Personally Identifiable Information.**

To the extent Contractor may have access to Personally Identifiable Information (“PII”) held by the State while performing its obligations under this Agreement, Contractor shall comply with all applicable laws, rules and regulations. “PII” includes “Nonpublic Personal Information” as that term is defined in Title V of the Gramm-Leach-Bliley Act of 1999 or any successor federal statute, and the rules and regulations thereunder, all as may be amended or supplemented from time to

time (“GLBA”) and personally identifiable information and other data protected under any other applicable laws, rule or regulation of any jurisdiction relating to disclosure or use of personal information (“Privacy Laws”). Contractor agrees it shall not do or omit to do anything which would cause the State to be in breach of any Privacy Laws. Contractor shall, and shall cause its employees, agents and representatives to: (i) keep PII confidential and may use and disclose PII only as necessary to carry out those specific aspects of the purpose for which the PII was disclosed to Contractor and in accordance with this Agreement, GLBA and Privacy Laws; and (ii) implement and maintain appropriate technical and organizational measures regarding information security to: (A) ensure the security and confidentiality of PII; (B) protect against any threats or hazards to the security or integrity of PII; and (C) prevent unauthorized access to or use of PII. Contractor shall immediately notify State: (1) of any disclosure or use of any PII by Contractor or any of its employees, agents and representatives in breach of this Contract; and (2) of any disclosure of any PII to Contractor or its employees, agents and representatives where the purpose of such disclosure is not known to Contractor or its employees, agents and representatives. The State reserves the right to review Contractor’s policies and procedures used to maintain the security and confidentiality of PII Upon termination or expiration of the Agreement or at the State’s direction at any time in its sole discretion, whichever is earlier, Contractor shall timely return to the State any and all PII which it has received under this Agreement and shall destroy all records of such PII subject to retention of such records within Contractor backups per Contractor backup lifecycle policies and procedures. Contractor shall report to the State any instances of unauthorized access to or potential disclosure of PII in the custody or control of Contractor (“Unauthorized Disclosure”) that come to the attention of Contractor. Any such report shall be made by the Contractor within twenty-four (24) hours after the Unauthorized Disclosure has come to the attention of Contractor. Contractor shall take all necessary measures to halt any further Unauthorized Disclosures. Contractor shall bear the cost of legally required notification to all individuals affected by the Unauthorized Disclosure, including individual letters and public notice. The remedies set forth in this Section are not exclusive and are in addition to any claims or remedies available to this State under this Agreement or otherwise available at law. The obligations set forth in this Section shall survive the termination of this Agreement.

Contractor: _____

Signature

Name and Title

Date

**CLICK-WRAP CONTRACT RIDER
TEMPLATE**

CLEAN

CLICK-WRAP AGREEMENTS CONTRACT RIDER TEMPLATE

Procurement professionals shall complete text fields and follow, replace, or otherwise address red instructional text (e.g., **State Agency Name**, **amount**, **will/will not**) as indicated with appropriate font and color. Please direct any questions regarding completing the Business Continuity and Disaster Recovery section, to the following contact: AG_DR@tn.gov.

Add clear, non-conflicting terms and conditions as appropriate.

Terms that are included in the FA (fee for goods or services) Template may be added and re-numbered as appropriate. Please refer to TEAM TN for the most recent version of the FA Template for optional terms and conditions.

Please review the most recent job aid available on [TEAM TN](#) before submitting the Click-Wrap Approval Request to ensure all prior authorization and documentation obtained. (TN > CPO > Learning & Development > CPO Job Aids > Edison E-Forms for more information).

**STATE OF TENNESSEE
CONTRACT RIDER
STATE AGENCY NAME
AND
CONTRACTOR LEGAL ENTITY NAME**

This Contract Rider, by and between the State of Tennessee, **State Agency Name** (“State”) and **Contractor Legal Entity Name** (“Contractor”) is part of the contract described below:

Contract Reference:

1. Conflicting Terms and Conditions. In the event of a conflict between any of the terms and conditions in this State of Tennessee Contract Rider and any other click-wrap agreement, the terms and conditions in this State of Tennessee Contract Rider will prevail and any other terms and conditions shall be subordinate.
2. Total Click-Wrap Agreement Amount. In no event shall the liability of the State under this click-wrap agreement exceed the Total click-wrap agreement amount (“Maximum Liability”).
3. Term of Click-Wrap Agreement. This Contract shall be effective on **DATE** (“Effective Date”) and extend for a period of **number (#)** months. The State shall have no obligation for goods or services provided by the Contractor prior to the Effective Date. In no event shall the Term of the click-wrap agreement exceed sixty months.
4. Modification, Amendment or Change Order. This click-wrap agreement may be modified only by a written amendment or change order signed by the State and the Contractor.
5. Limitation of Liability. The State shall have no liability except as specifically provided in this click-wrap agreement. In no event shall the State be liable to the Contractor or any other party for any lost revenues, lost profits, loss of business, decrease in the value of any securities or cash position, time, money, goodwill, or any indirect, special, incidental, punitive, exemplary or consequential damages of any nature, whether based on warranty, contract, statute, regulation, tort (including but not limited to negligence), or any other legal theory that may arise. The State’s total liability under this click-wrap agreement or otherwise shall under no circumstances exceed the Maximum Liability.
6. Limitation of Contractor’s Liability. The Contractor’s liability for all claims arising under this click-wrap agreement shall be limited to an amount equal to two (2) times the Maximum Liability. In no event shall this Section limit the Contractor’s liability for intentional torts, criminal acts, fraudulent conduct, or omissions that result in personal injuries or death.
7. Termination for Cause or Convenience. If the Contractor fails to properly perform its obligations under this click-wrap agreement in a timely or proper manner, or if the Contractor materially violates any terms of this click-wrap agreement (“Breach Condition”), the State shall have the right to immediately terminate the Contract and withhold payments in excess of compensation for completed services or provided goods. Notwithstanding the above, the Contractor shall not be relieved of liability to the State for damages sustained by virtue of any Breach Condition and the State may seek other remedies allowed at law or in equity for breach of this click-wrap agreement. Notwithstanding the foregoing, the State reserves the right to terminate this agreement at any time giving thirty days written notice.
8. Subject to Funds Availability. The State’s payment of this click-wrap agreement is subject to the appropriation and availability of State or federal funds. In the event that funds are not

appropriated or are otherwise unavailable, the State reserves the right to terminate or suspend this click-wrap agreement, effective immediately, upon written notice to the Contractor. If the State terminates or suspends this click-wrap agreement due to lack of funds availability, the Contractor shall be entitled to compensation for all conforming goods requested and accepted by the State and for all satisfactory and authorized services completed as of the termination date.

9. Payment. A payment by the State shall not prejudice the State's right to object to or question any payment, invoice, or other matter. A payment by the State shall not be construed as acceptance of goods delivered, any part of the services provided, or as approval of any amount invoiced.
10. Nondiscrimination. The Contractor hereby agrees, warrants, and assures that no person shall be excluded from participation in, be denied benefits of, or be otherwise subjected to discrimination in the performance of this click-wrap agreement or in the employment practices of the Contractor on the grounds of handicap or disability, age, race, creed, color, religion, sex, national origin, or any other classification protected by federal or state law. The Contractor shall, upon request, show proof of nondiscrimination and shall post in conspicuous places, available to all employees and applicants, notices of nondiscrimination.
11. Prohibition of Illegal Immigrants. The requirements of Tenn. Code Ann. § 12-3-309 addressing the use of illegal immigrants in the performance of any contract to supply goods or services to the state of Tennessee, shall be a material provision of this click-wrap agreement, a breach of which shall be grounds for monetary and other penalties, up to and including termination of this Contract. Contractor does hereby attest, certify, warrant, and assure that it shall not knowingly utilize the services of an unauthorized immigrant in the performance of this Agreement and shall not knowingly utilize the services of a subcontractor who will utilize the services of an unauthorized immigrant in the performance of this Agreement.
12. Tennessee Department of Revenue Registration. The Contractor shall comply with all applicable registration requirements contained in Tenn. Code Ann. §§ 67-6-601 – 608. Compliance with applicable registration requirements is a material requirement of this click-wrap agreement.
13. Debarment and Suspension. The Contractor certifies, to the best of its knowledge and belief, that it, its current and future principals, its current and future subcontractors and their principals:
 - a. are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any federal or state department or agency;
 - b. have not within a three (3) year period preceding this Contract been convicted of, or had a civil judgment rendered against them from commission of fraud, or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, state, or local) transaction or grant under a public transaction; violation of federal or state antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification, or destruction of records, making false statements, or receiving stolen property;
 - c. are not presently indicted or otherwise criminally or civilly charged by a government entity (federal, state, or local) with commission of any of the offenses detailed in section b. of this certification; and
 - d. have not within a three (3) year period preceding this Contract had one or more public transactions (federal, state, or local) terminated for cause or default.

The Contractor shall provide immediate written notice to the State if at any time it learns that there was an earlier failure to disclose information or that due to changed circumstances, its principals or the principals of its subcontractors are excluded, disqualified, or presently fall under any of the prohibitions of sections a-d.
14. Force Majeure. "Force Majeure Event" means fire, flood, earthquake, elements of nature or acts of God, wars, riots, civil disorders, rebellions or revolutions, acts of terrorism or any other similar cause beyond the reasonable control of the Party except to the extent that the non-performing

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

15. State and Federal Compliance. The Contractor shall comply with all applicable state and federal laws and regulations in the provision of goods or services under this click-wrap agreement.
16. Governing Law. This click-wrap agreement shall be governed by and construed in accordance with the laws of the State of Tennessee. The Tennessee Claims Commission or the state or federal courts in Tennessee shall be the venue for all claims, disputes, or disagreements arising under this click-wrap agreement. The Contractor acknowledges and agrees that any rights, claims, or remedies against the State of Tennessee or its employees arising under this click-wrap agreement shall be subject to and limited to those rights and remedies available under Tenn. Code Ann. §§ 9-8-101 through 9-8-407.
17. Prohibited Contract Terms. The prohibited contract terms and conditions enumerated in Tenn. Code Ann. § 12-3-515, shall be a material provision of this click-wrap agreement. The Contractor acknowledges, understands, and agrees that the inclusion of a term or condition prohibited by Tenn. Code Ann. § 12-3-515, shall be null and void and the click-wrap agreement shall be enforceable as if the click-wrap agreement did not contain such term or condition.
18. Entire Agreement. This Contract Rider and Click-Wrap Agreement contains the entire understanding between the State and the Contractor relating to this subject matter. This Contract Rider supersedes any and all prior understandings, representations, negotiations, and agreements between the State and the Contractor, whether written or oral, regarding the express terms of this Contract Rider.
19. Iran Divestment Act. The requirements of Tenn. Code Ann. § 12-12-101, *et seq.*, addressing contracting with persons with investment activities in Iran, shall be a material provision of this Contract Rider. The Contractor agrees, under penalty of perjury, that to the best of its knowledge and belief that it is not on the list created pursuant to Tenn. Code Ann. § 12-12-106.
20. Federal Awards Procurement Standards. If applicable, Contractor agrees to comply with the requirements of the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards including, but not limited to the Procurement Standards at 2 C.F.R. §§ 200.317 to 200.327.

21. Boycott of Israel. The Contractor certifies that it is not currently engaged in, and covenants that it will not, for the duration of the click-wrap agreement, engage in a Boycott of Israel, as that term is defined in Tenn. Code Ann. § 12-4-119.
22. Hold Harmless / Indemnity. Contractor agrees to indemnify and hold harmless the State as well as its officers, agents, and employees from and against any and all claims, liabilities, losses, and causes of action which may arise, accrue, or result to any person, firm, corporation, or other entity which may be injured or damaged as a result of acts, omissions, or negligence on the part of Contractor, its employees, or any person acting for or on its or their behalf relating to this Agreement. Contractor further agrees it shall be liable for the reasonable cost of attorneys' fees, court costs, expert witness fees, and other litigation expenses for the State to enforce the terms of this Agreement. In the event of any suit or claim, the Parties shall give each other immediate notice and provide all necessary assistance to respond. The failure of the State to give notice shall only relieve Contractor of its obligations under this Section to the extent that Contractor can demonstrate actual prejudice arising from the failure to give notice. This Section shall not grant Contractor, through its attorneys, the right to represent the State in any legal matter, as the right to represent the State is governed by Tenn. Code Ann. § 8-6-106.
23. Intellectual Property Indemnity. Contractor agrees to indemnify and hold harmless the State, as well as its officers, agents, and employees from and against any and all claims or suits which may be brought against the State concerning or arising out of any claim of an alleged patent, copyright, trade secret or other intellectual property infringement. In any such claim or action brought against the State, Contractor shall satisfy and indemnify the State for the amount of any settlement or final judgment, and Contractor shall be responsible for all legal or other fees or expenses incurred by the State arising from any such claim. The State shall give Contractor notice of any such claim or suit, however, the failure of the State to give such notice shall only relieve Contractor of its obligations under this Section to the extent Contractor can demonstrate actual prejudice arising from the State's failure to give notice. This Section shall not grant Contractor, through its attorneys, the right to represent the State in any legal matter, as provided in Tenn. Code Ann. § 8-6-106.
24. Required Approvals. The State is not bound by this Contract until it is duly approved by the Parties and all appropriate State officials in accordance with applicable Tennessee laws and regulations. Depending upon the specifics of this Contract, this may include approvals by the Commissioner of Finance and Administration, the Commissioner of Human Resources, the Comptroller of the Treasury, and the Chief Procurement Officer. Approvals shall be evidenced by a signature or electronic approval.
25. Automatic Injunctive Relief Prohibited. Any provision that would entitle the Contractor to an injunction against the State without having to prove the elements required to obtain an injunction against the State in accordance with applicable law is void and unenforceable.
26. Records. The Contractor shall maintain documentation for all charges under this Contract. The books, records, and documents of the Contractor, for work performed or money received under this Contract, shall be maintained for a period of five (5) full years from the date of the final payment and shall be subject to audit at any reasonable time and upon reasonable notice by the State, the Comptroller of the Treasury, or their duly appointed representatives. The financial statements shall be prepared in accordance with generally accepted accounting principles.
27. Monitoring. The Contractor's activities conducted and records maintained pursuant to this Contract shall be subject to monitoring and evaluation by the State, the Comptroller of the Treasury, or their duly appointed representatives.

Data Security Related Terms – The following are required only if applicable:

28. Comptroller Audit Requirements.

To the extent that Contractor or any subcontractors will host State services or State Data in the cloud (e.g., SaaS, IaaS, PaaS) the following shall apply:

Upon reasonable notice and at any reasonable time, the Contractor agrees to allow the Comptroller of the Treasury, or the Comptroller's duly appointed representatives, to perform information technology control audits of the Contractor's information technology hosting and processing environment used by the Contractor to provide services under this Contract. The audit may evaluate whether the Contractor has implemented appropriate privacy and security controls consistent with NIST Special Publication 800-53, including controls generally classified as general controls and application controls. The audit may also assess whether those controls are designed and operating effectively and whether the Contractor is complying with applicable policies, laws, and regulations.

For purposes of this section:

General Controls are policies, procedures, and technical mechanisms that support the overall operation and integrity of information systems and applications, including areas such as access security, change management, system development, backup and recovery, and system maintenance.

Application Controls are the automated or manual controls built into specific applications to ensure the completeness, accuracy, authorization, and validity of data and transactions processed by those applications.

The audit may include, but is not limited to:

- 1) Review and evaluation of independent assurance deliverables required under Contract Section 29.a(4). to determine whether the Contractor's or Subcontractor's control environment and related safeguards are designed and operating effectively;
- 2) Review of documentation describing the Contractor's information technology control environment, policies, and procedures;
- 3) Interviews with technical and management personnel responsible for implementing, monitoring, and maintaining information technology controls;
- 4) Inspection of technical, administrative, or physical controls implemented to protect State Data and support service delivery under this Contract;
- 5) Review of relevant transaction logs, audit trails, vulnerability scans, or other supporting evidence necessary to verify compliance with applicable control requirements; and
- 6) Performance of other audit procedures deemed necessary by the Comptroller of the Treasury to verify compliance with applicable federal or state laws, regulations, or policies, or to assess the adequacy and effectiveness of the Contractor's control environment.

The Contractor shall ensure that its Subcontractors cooperate and provide reasonable access to information or personnel necessary for the audit to the extent such information pertains to the services provided under this Contract.

The Contractor must have a process for correcting control deficiencies that were identified in the Comptroller of the Treasury's information technology audit. For any audit issues identified, the Contractor shall submit a corrective action plan to the Comptroller of the Treasury which addresses the actions taken, or to be taken, and the anticipated completion date in response to each of the audit issues and related recommendations of the Comptroller of the Treasury. The corrective action plan shall be provided to the Comptroller of the Treasury upon request from the Comptroller of the Treasury and within 30 days from the issuance of the audit report or communication of the audit issues and recommendations. Upon request from the Comptroller of

the Treasury, the Contractor shall provide documentation and evidence that the audit issues were corrected.

Each party shall bear its own expenses incurred while conducting the information technology controls audit.

29. **Information Technology Security Requirements (State Data, Audit, and Other Requirements).**

To the extent that Contractor shall have access to State Data,

- a. **“State Data”** is any and all data that can be accessed, processed, generated, including derivative works, stored, or hosted by the Contractor in performance of this Contract.” The Contractor shall protect State Data as follows:
- (1) The Contractor shall ensure that all State Data is housed in the continental United States, inclusive of backup data. All State Data must remain in the United States, regardless of whether the data is processed, stored, in-transit, or at rest. Access to State Data shall be limited to US-based (onshore) resources only.

All system and application administration must be performed in the continental United States. Configuration or development of software and code is permitted outside of the United States. However, software applications designed, developed, manufactured, or supplied by persons owned or controlled by, or subject to the jurisdiction or direction of, a foreign adversary, which the U.S. Secretary of Commerce acting pursuant to 15 C.F.R. § 7 has defined to include the People’s Republic of China, among others are prohibited. Any testing of code outside of the United States must use fake data. A copy of production data may not be transmitted or used outside the United States.

- (2) The Contractor shall encrypt State Data at rest and in transit using the current version of Federal Information Processing Standard (“FIPS”) 140-2 or 140-3 (or current applicable version) validated encryption technologies. The State shall control all access to encryption keys. The Contractor shall provide installation and maintenance support at no cost to the State.
- (3) The Contractor shall maintain, obtain, or undergo at least one of the following third-party information security **certification(s), authorization(s), examination(s), assessments, or audit(s)** for both the Contractor **and** the Contractor’s processing environment containing State Data. The Contractor shall ensure that **each certification, authorization, examination, or assessment** remains current and valid throughout the term of the Contract.
- i. **ISO/IEC 27001:2022 Certification** – The Contractor and Contractor’s processing environment containing State Data shall be currently compliant with the most recent version of the International Organization for Standardization (ISO) and International Electrotechnical Commission (IEC) 27001:2022 standards. Annual surveillance and recertification audits shall be performed by a certification body accredited by the ANSI-ASQ National Accreditation Board (ANAB);
 - ii. **FedRAMP Authorization** - The Contractor and Contractor’s processing environment containing State Data shall maintain an active Federal Risk and Authorization Management Program (FedRAMP) Moderate or higher Authorization to Operate as issued by a federal agency or the FedRAMP Program Management Office;
 - iii. **GovRAMP Authorization** - The Contractor and Contractor’s processing environment containing State Data shall maintain authorization by the Government Risk and

Authorization Management Program (GovRAMP) and undergo an annual audit performed by a GovRAMP-approved Third Party Assessment Organization (3PAO);

- iv. **SOC 2 Type II Examination** - The Contractor and Contractor's processing environment containing State Data shall be subject to an annual engagement by a CPA firm in accordance with the standards of the American Institute of Certified Public Accountants (AICPA) for a System and Organization Controls for service organizations (SOC) Type II examination that includes the Security, Availability, and Confidentiality Trust Services Criteria;
 - v. **HITRUST Certification** - The Contractor and Contractor's processing environment containing State Data shall maintain a current HITRUST risk-based 2-year (r2) validated assessment issued under the HITRUST Common Security Framework and performed by an authorized HITRUST External Assessor Organization; or
 - vi. **NIST Audit** - The Contractor and Contractor's processing environment containing State Data shall undergo an annual independent audit assessing compliance with the privacy and security controls established in the National Institute of Standards and Technology (NIST) Special Publication 800-53. The audit shall be conducted by a qualified independent assessor, which may include a reputable CPA firm, cybersecurity firm, or other organization with demonstrated expertise in assessing NIST control compliance. The audit must evaluate compliance with the security controls defined in the NIST Special Publication 800-53B moderate-impact security control baseline or a higher-impact baseline.
- (4) Upon request by the State or the Comptroller of the Treasury, and within thirty (30) days of completion or receipt of **any certification, authorization, examination, assessment, or audit** required under Contract Rider Section 29.a.(3) the Contractor shall provide the State or the Comptroller of the Treasury with the following documentation and deliverables. The Contractor shall ensure that all documentation remains current, complete, and accurate throughout the term of the Contract.
- i. **ISO/IEC 27001:2022 Certification**
 - 1) The ISO/IEC 27001:2022 assessment report in its entirety;
 - 2) The certification letter issued by the accredited certification body;
 - 3) The Statement of Applicability (SOA) in its entirety, including specific clauses, control categories, control objectives, and implemented controls;
 - 4) A written disclosure and rationale for all controls listed as "excluded" in the SOA; and
 - 5) Evidence that annual surveillance and recertification audits were performed by a certification body accredited by the ANSI-ASQ National Accreditation Board.
 - ii. **FedRAMP Authorization**
 - 1) The FedRAMP Authorization Letter (Authorization to Operate);
 - 2) The System Security Plan in its entirety;
 - 3) The Security Assessment Plan;
 - 4) The Security Assessment Report in its entirety prepared by the FedRAMP-approved Third-Party Assessment Organization; and
 - 5) The current Plan of Action and Milestones documenting all known control weaknesses and remediation status, which the Contractor shall maintain or cause to maintain in a current and accurate state throughout the term of the Contract.
 - iii. **GovRAMP Authorization**
 - 1) The GovRAMP Authorization Letter or equivalent documentation issued by the GovRAMP Program Office;
 - 2) The System Security Plan in its entirety;
 - 3) The Security Assessment Plan;

- 4) The Security Assessment Report in its entirety prepared by the GovRAMP-approved Third-Party Assessment Organization; and
 - 5) The current Plan of Action and Milestones documenting all known control weaknesses and remediation status, which the Contractor shall maintain or cause to maintain in a current and accurate state throughout the term of the Contract.
- iv. SOC 2 Type II Examination**
- 1) The SOC 2 Type II examination report in its entirety;
 - 2) A corrective action plan describing each identified deficiency, planned remediation steps, and anticipated completion dates; and
 - 3) If any SOC examination report for the Contractor or any Subcontractor supporting this Contract includes a modified opinion, meaning the opinion is qualified, adverse, or disclaimed, the Contractor shall notify the State of the modified opinion within thirty (30) days of receipt and provide the Contractor's plan of corrective action.
- v. HITRUST Certification**
- 1) The current HITRUST assessment report in its entirety;
 - 2) The HITRUST Certification Letter for the current [r2] Validated Assessment, issued by HITRUST Alliance after validation by an Authorized HITRUST External Assessor Organization, the letter must show assessment type, scope, and certification dates; and
 - 3) A corrective action plan describing each identified deficiency, planned remediation steps, and anticipated completion dates.
- vi. NIST Audit**
- 1) The audit report in its entirety;
 - 2) A corrective action plan describing each identified deficiency, planned remediation steps, and anticipated completion dates.

Upon request by the State or the Comptroller of the Treasury, the Contractor shall also provide current Subcontractor certifications, reports, and related deliverables pertaining to services provided under this Contract within thirty (30) days. If any certification, authorization, examination, or assessment required under this Contract for any Subcontractor supporting this Contract lapses, expires, is suspended, or is revoked, the Contractor shall notify the State in writing within five (5) business days of learning of the status change and provide: (i) the effective date and reason; (ii) the services and State Data affected; and (iii) the Contractor's corrective action plan and interim risk mitigations.

- (5) No additional funding shall be allocated for these examinations as they are included in the Maximum Liability of this Contract. The Contractor must annually perform Penetration Tests and Vulnerability Assessments against its Processing Environment per the NIST 800-115 definition. "Processing Environment" shall mean the combination of software and hardware on which the Application runs. "Application" shall mean the computer code that supports and accomplishes the State's requirements as set forth in this Contract. "Penetration Tests" shall be in the form of attacks on the Contractor's computer system, with the purpose of discovering security weaknesses which have the potential to gain access to the Processing Environment's features and data. The "Vulnerability Assessment" shall be designed and executed to define, identify, and classify the security holes (vulnerabilities) in the Processing Environment. The Contractor shall allow the State, at its option, to perform Penetration Tests and Vulnerability Assessments on the Processing Environment. The Contractor shall provide a letter of attestation on its processing environment that penetration tests and vulnerability assessments has been performed on an annual basis and taken corrective action to evaluate and address any findings.

In the event of an unauthorized disclosure or unauthorized access to State Data, the State Strategic Technology Solutions (STS) Security Incident Response Team (SIRT) must be notified and engaged by calling the State Customer Care Center (CCC) at 615-741-1001. Any such event must be reported by the Contractor within twenty-four (24) hours after the unauthorized disclosure has come to the attention of the Contractor.

- (6) If a breach has been confirmed a fully un-modified third-party forensics report must be supplied to the State and through the STS SIRT. This report must include indicators of compromise (IOCs) as well as plan of actions for remediation and restoration. Contractor shall take all necessary measures to halt any further Unauthorized Disclosures.
- (7) Upon State request, the Contractor shall provide a copy of all State Data it holds. The Contractor shall provide such data on media and in a format determined by the State
- (8) Upon termination of this Contract and in consultation with the State, the Contractor shall destroy, and ensure all subcontractors shall destroy, all State Data it holds (including any copies such as backups) in accordance with the current version of National Institute of Standards and Technology ("NIST") Special Publication 800-88. The Contractor shall provide a written confirmation of destruction to the State within ten (10) business days after destruction.

b. Minimum Requirements

- (2) The Contractor shall implement and maintain privacy and security controls that follow the guidelines set forth in NIST 800-53, "Security and Privacy Controls for Federal Information Systems and Organizations," as amended from time to time. The Contractor shall meet annually, or as otherwise agreed, with the State to review the implementation of this Section. Upon request from the State or the Comptroller of the Treasury, the Contractor must provide the State or the Comptroller of the Treasury with a System Security Plan that describes how the Contractor implemented privacy and security controls within NIST 800-53.
- (3) The Contractor agrees to maintain the Application so that it will run on a current, manufacturer-supported Operating System. "Operating System" shall mean the software that supports a computer's basic functions, such as scheduling tasks, executing applications, and controlling peripherals.
- (4) If the Application requires middleware or database software, Contractor shall maintain middleware and database software versions that are always fully compatible with current versions of the Operating System and Application to ensure that security vulnerabilities are not introduced.
- (5) In the event of drive/media failure, if the drive/media is replaced, it remains with the State and it is the State's responsibility to destroy the drive/media, or the Contractor shall provide written confirmation of the sanitization/destruction of data according to NIST 800-88.

c. Business Continuity Requirements. The Contractor shall maintain set(s) of documents, instructions, and procedures which enable the Contractor to respond to accidents, disasters, emergencies, or threats without any stoppage or hindrance in its key operations ("Business Continuity Requirements"). Business Continuity Requirements shall include:

(1) Disaster Recovery Capabilities

Disaster Recovery Capabilities refer to the actions the Contractor takes to meet the **Recovery Point Objective (RPO)** and **Recovery Time Objective (RTO)** defined below. Disaster Recovery Capabilities shall comply with **NIST SP 800-53 Rev. 5, Contingency Planning (CP) controls,**

(moderate baseline controls) including CP-1 through CP-10, as applicable, and shall ensure continuity of operations for critical systems and services.

i. Recovery Point Objective (RPO)

The RPO is defined as the maximum targeted period in which data might be lost from an IT service due to a major incident: **_ Hours/Minutes**

ii. Recovery Time Objective (RTO)

The RTO is defined as the targeted duration of time and service level within which a business process must be restored after a disruption in order to avoid unacceptable consequences: **_ Hours/Minutes**

(2) Disaster Recovery Plan

The Contractor and Subcontractor(s) shall maintain a documented **Disaster Recovery Plan** aligned with NIST SP 800-53 CP controls (e.g., CP-2: Contingency Plan, CP-4: Contingency Plan Testing, CP-6: Alternate Storage Site). The plan shall include, at minimum:

i. Identification and prioritization of critical systems, applications, and dependencies

ii. Backup and restoration procedures

iii. Roles, responsibilities, and communication protocols

iv. Periodic review and maintenance procedures

The Contractor shall provide a **summary** of the Disaster Recovery Plan to the State upon request.

(3) Disaster Recovery Testing

The Contractor and Subcontractor(s) shall perform at least **one Disaster Recovery Test every 365 days**. A **Disaster Recovery Test** shall verify the effectiveness of restoration procedures executed after a critical IT failure or disruption. **Success shall be defined as demonstrating the ability to meet the State's RPO and RTO objectives.**

(4) Reporting

The Contractor shall provide **written confirmation** to the State after each Disaster Recovery Test, verifying that the Contractor's Disaster Recovery Capabilities meet the RPO and RTO requirements.

30. **Confidentiality of Records.** Strict standards of confidentiality of records and information shall be maintained in accordance with the requirements of this Contract and applicable state and federal law. All material, information, and data regardless of form, medium or method of communication, that the Contractor will have access to, acquire, or is provided to the Contractor by the State or acquired by the Contractor on behalf of the State shall be regarded as "Confidential Information." The State grants the Contractor a limited license to use the Confidential Information but only to perform its obligations under the Contract. Nothing in this Section shall permit Contractor to disclose any Confidential Information, regardless of whether it has been disclosed or made available to the Contractor due to intentional or negligent actions or inactions of agents of the State or third parties. Confidential Information shall not be disclosed except as required under state or federal law or otherwise authorized in writing by the State. Contractor shall take all necessary steps to safeguard the confidentiality of such Confidential Information in conformance with the requirements of this contract and with applicable state and federal law.

As long as the Contractor maintains State Confidential Information, the obligations set forth in this Section shall survive the termination of this Contract.

31. **FERPA and DATAA.**

To the extent, Contractor may have access to educational records and student information or data,

Contractor shall comply with the Family Educational Rights and Privacy Act of 1974 (20 U.S.C. 1232(g)) and its accompanying regulations (34 C.F.R. § 99) (“FERPA”). Contractor warrants that it is familiar with FERPA requirements and that it will comply with these requirements in the performance of its duties herein. Contractor agrees to cooperate with the State, as required by FERPA, in the performance of its duties for the State. Contractor agrees to maintain the confidentiality of all education records and student information. Contractor shall only use such records and information for the exclusive purpose of performing its duties under this Agreement. The obligations set forth in this Section shall survive the termination of this Agreement. Contractor shall also comply with Tenn. Code Ann. § 49-1-701, *et seq.*, known as the “Data Accessibility, Transparency and Accountability Act,” and any accompanying administrative rules or regulations (collectively “DATAA”). Contractor agrees to maintain the confidentiality of all records containing student and de-identified data, as this term is defined in DATAA, in any databases, to which the State has granted Contractor access, and to only use such data for the exclusive purpose of performing its duties under this Agreement. Any instances of unauthorized disclosure of data containing personally identifiable information in violation of FERPA or DATAA that come to the attention of the Contractor shall be reported to the State within twenty-four (24) hours. Contractor shall indemnify and hold harmless State, its employees, agents and representatives, from and against any and all claims, liabilities, losses, or causes of action that may arise, accrue, or result to any person or entity that is injured or damaged as a result of Contractor’s failure to comply with this section.

32. HIPAA Compliance.

To the extent Contractor has access to protected health information, Contractor shall comply with its obligations under the Health Insurance Portability and Accountability Act of 1996 (“HIPAA”), Health Information Technology for Economic and Clinical Health (“HITECH”) Act and any other relevant laws and regulations regarding privacy (collectively the “Privacy Rules”). These obligations shall survive the termination of this Agreement. Contractor warrants to the State that it is familiar with the requirements of the Privacy Rules, and will comply with all applicable requirements. Contractor warrants that it will cooperate with the State, including cooperation and coordination with State privacy officials and other compliance officers required by the Privacy Rules, in the course its performance so that both parties will follow the Privacy Rules. Contractor will sign documents, including but not limited to business associate agreements, as required by the Privacy Rules and that are reasonably necessary to keep the State and Contractor in compliance with the Privacy Rules. This provision shall not apply if information received or delivered by the parties is not “protected health information” as defined by the Privacy Rules, or if the Privacy Rules permit the parties to receive or deliver the information without entering into a business associate agreement or signing another document. The Contractor will indemnify the State and hold it harmless for any violation by the Contractor or its subcontractors of the Privacy Rules. This includes the costs of responding to a breach of protected health information, the costs of responding to a government enforcement action related to the breach, and any fines, penalties, or damages paid by the State because of the violation.

33. Personally Identifiable Information.

To the extent Contractor may have access to Personally Identifiable Information (“PII”) held by the State while performing its obligations under this Agreement, Contractor shall comply with all applicable laws, rules and regulations. “PII” includes “Nonpublic Personal Information” as that term is defined in Title V of the Gramm-Leach-Bliley Act of 1999 or any successor federal statute, and the rules and regulations thereunder, all as may be amended or supplemented from time to time (“GLBA”) and personally identifiable information and other data protected under any other applicable laws, rule or regulation of any jurisdiction relating to disclosure or use of personal information (“Privacy Laws”). Contractor agrees it shall not do or omit to do anything which would cause the State to be in breach of any Privacy Laws. Contractor shall, and shall cause its employees, agents and representatives to: (i) keep PII confidential and may use and disclose PII

only as necessary to carry out those specific aspects of the purpose for which the PII was disclosed to Contractor and in accordance with this Agreement, GLBA and Privacy Laws; and (ii) implement and maintain appropriate technical and organizational measures regarding information security to: (A) ensure the security and confidentiality of PII; (B) protect against any threats or hazards to the security or integrity of PII; and (C) prevent unauthorized access to or use of PII. Contractor shall immediately notify State: (1) of any disclosure or use of any PII by Contractor or any of its employees, agents and representatives in breach of this Contract; and (2) of any disclosure of any PII to Contractor or its employees, agents and representatives where the purpose of such disclosure is not known to Contractor or its employees, agents and representatives. The State reserves the right to review Contractor's policies and procedures used to maintain the security and confidentiality of PII Upon termination or expiration of the Agreement or at the State's direction at any time in its sole discretion, whichever is earlier, Contractor shall timely return to the State any and all PII which it has received under this Agreement and shall destroy all records of such PII subject to retention of such records within Contractor backups per Contractor backup lifecycle policies and procedures. Contractor shall report to the State any instances of unauthorized access to or potential disclosure of PII in the custody or control of Contractor ("Unauthorized Disclosure") that come to the attention of Contractor. Any such report shall be made by the Contractor within twenty-four (24) hours after the Unauthorized Disclosure has come to the attention of Contractor. Contractor shall take all necessary measures to halt any further Unauthorized Disclosures. Contractor shall bear the cost of legally required notification to all individuals affected by the Unauthorized Disclosure, including individual letters and public notice. The remedies set forth in this Section are not exclusive and are in addition to any claims or remedies available to this State under this Agreement or otherwise available at law. The obligations set forth in this Section shall survive the termination of this Agreement.

Contractor: _____

Signature

Name and Title

Date

IT SECURITY OPTIONAL TEXT

NEW

REQUEST: Add the following as a new option to all applicable templates:

D.#. Information Technology Security Requirements (State Data, Audit, and Other Requirements).

- a. **“State Data”** is any and all data that can be accessed, processed, generated, including derivative works, stored, or hosted by the Contractor in performance of this Contract.” To the extent Contractor may have access to State Data, the Contractor shall protect State Data as follows:

QUANTUM READINESS APPROACH

NEW

REQUEST: Add the following to the RFQ Attachment C and RFP Attachment 6.2., Technical Response & Evaluation Guide Attachment Section C: Options and FA Contract Template Options

Option: C.#. Quantum Readiness Approach

Add the following row to the Section C table to require a narrative describing the Respondent’s quantum readiness approach.

	<p>C.#.</p>	<p>Provide a narrative demonstrating that all Respondent systems in which State Data will be hosted or processed use NIST Cryptographic Algorithm Validation Program (CAVP)-validated implementations of Federal Information Processing Standards (FIPS) 203 and 204 or 205; or, if the Respondent is not currently in compliance with FIPS 203 and 204 or 205 with respect to all such systems, provide a narrative describing the Respondent’s plan to achieve CAVP-validated compliance with FIPS 203 and 204 or 205 by the later of the Effective Date of any contract awarded to Respondent pursuant to this RFP, or January 1, 2030.</p> <p>In addition, Respondent shall describe its approach to cryptographic agility — including how its systems are architected to accommodate the adoption of additional NIST-standardized post-quantum cryptographic algorithms as CAVP-validated implementations become available (e.g., FIPS 206 and any future NIST PQC standards) — demonstrating Respondent’s capacity to maintain ongoing compliance with the evolving NIST post-quantum cryptography standard suite without requiring significant re-architecture.</p>		<p>NUMBER</p>	
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Quantum Computing Readiness

Add the following provision where the contractor’s systems must be in compliance with FIPS 203 and 204 or 205 as of the effective date and remain so for the entire term.

E.#. Quantum Computing Readiness. For the duration of the Term, including any renewals or extensions, Contractor shall maintain NIST Cryptographic Algorithm Validation Program (CAVP)-validated compliance with Federal Information Processing Standards (FIPS) 203 and 204 or 205 for all systems in which State Data is hosted or processed. Prior to the Effective Date, and thereafter at any time upon the State’s request, Contractor shall provide the State with NIST-issued CAVP certificates validating the Contractor’s compliance with FIPS 203 and 204 or 205. If

at any time during the Term the Contractor loses FIPS 203, 204, or 205 certification for any system in which State Data is hosted or processed, Contractor must immediately notify the State, in writing, of the non-compliance. Within five (5) business days of such notice, Contractor shall provide to the State a remediation plan to regain the relevant FIPS certification. The remediation plan must include a date by which the Contractor commits to have submitted for testing, at an NVLAP-accredited laboratory, those implementations for which FIPS 203, 204, or 205 certification was lost. The remediation plan shall be subject to the State's written approval, such approval not to be unreasonably withheld or delayed.

Quantum Computing Readiness – 2030 Target

Add the following provision where the contractor's systems must be in compliance with FIPS 203 and 204 or 205 by the year 2030 and thereafter, but not before.

E.#. Quantum Computing Readiness. All Contractor systems in which State Data is hosted or processed shall use NIST Cryptographic Algorithm Validation Program (CAVP)-validated implementations of Federal Information Processing Standards (FIPS) 203 and 204 or 205 by the Effective Date or January 1, 2030, whichever comes last. Prior to the Effective Date, the Contractor shall provide to the State a quantum computing readiness plan ("Plan") describing, in detail, the steps which the Contractor will take in order to achieve CAVP-validated compliance with FIPS 203 and 204 or 205 for all such systems by the later of the Effective Date or January 1, 2030. The Plan shall be subject to the State's written approval, such approval not to be unreasonably withheld or delayed.

On or before the Effective Date or January 1, 2030, whichever comes last, and thereafter at any time upon the State's request, Contractor shall provide the State with NIST-issued Cryptographic Algorithm Validation Program (CAVP) certificates validating the Contractor's compliance with FIPS 203 and 204 or 205 with respect to all systems in which State Data is hosted or processed. If at any time during the Term the Contractor loses FIPS 203, 204, or 205 certification for any such system, Contractor must immediately notify the State, in writing, of the non-compliance. Within five (5) business days of such notice, Contractor shall provide to the State a remediation plan to regain the relevant FIPS certification. The remediation plan must include a date by which the Contractor commits to have submitted for testing, at an NVLAP-accredited laboratory, those implementations for which FIPS 203, 204, or 205 certification was lost. The remediation plan shall be subject to the State's written approval, such approval not to be unreasonably withheld or delayed.

**STATE SPONSORED INSURANCE PLAN
ENROLLMENT**

NEW

REQUEST: Add to the following models or templates:

Endowment Grant (GE) Model:

- D.30. State Sponsored Insurance Plan Enrollment. The Grantee warrants that it will not enroll or permit its employees, officials, or employees of contractors to enroll or participate in a state sponsored health insurance plan through their employment, official, or contractual relationship with Grantee unless Grantee first demonstrates to the satisfaction of the Department of Finance and Administration that it and any contract entity satisfies the definition of a governmental or quasigovernmental entity as defined by federal law applicable to ERISA.

FA Template:

- D.37. State Sponsored Insurance Plan Enrollment. The Contractor warrants that it will not enroll or permit its employees, officials, or employees of subcontractors to enroll or participate in a state sponsored health insurance plan through their employment, official, or contractual relationship with Contractor unless Contractor first demonstrates to the satisfaction of the Department of Finance and Administration that it and any subcontract entity satisfies the definition of a governmental or quasigovernmental entity as defined by federal law applicable to ERISA.

Tennessee or Local, Federal Government (GU) Model:

- D.23. State Sponsored Insurance Plan Enrollment. The Contractor warrants that it will not enroll or permit its employees, officials, or employees of subcontractors to enroll or participate in a state sponsored health insurance plan through their employment, official, or contractual relationship with Contractor unless Contractor first demonstrates to the satisfaction of the Department of Finance and Administration that it and any subcontract entity satisfies the definition of a governmental or quasigovernmental entity as defined by federal law applicable to ERISA.

Interagency Agreement Model:

- D.7. State Sponsored Insurance Plan Enrollment. The Contracting State Agency warrants that it will not enroll or permit its contractors or employees of contractors to enroll or participate in a state sponsored health insurance plan through their employment, official, or contractual relationship with the Contracting State Agency unless the Contracting State Agency's contractor first demonstrates to the satisfaction of the Department of Finance and Administration that it satisfies the definition of a governmental or quasigovernmental entity as defined by federal law applicable to ERISA.

Interagency Agreement - Grant Model:

- D.10. State Sponsored Insurance Plan Enrollment. The Grantee warrants that it will not enroll or permit its contractors or employees of contractors to enroll or participate in a state sponsored health insurance plan through their employment, official, or contractual relationship with the contractor unless the Grantee's contractor first demonstrates to the satisfaction of the Department of Finance and Administration that it satisfies the definition of a governmental or quasigovernmental entity as defined by federal law applicable to ERISA.

**POLICY NUMBER 2015-010 STATEWIDE
PAYMENT CARD POLICY AND
PROCEDURES**

REDLINE

REQUEST: Revise Policy Number 2015-010, Central Procurement Office Statewide Payment Card Policy and Procedures as follows:

4.3. 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 Administration Team written notice within five (5) business days 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:

- Completing the Agency Coordinator training in Edison;
- Collaborating with the State Agency 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 support timely verification and allocation of transactions to the chart of accounts at least monthly;
- Ensuring that transactions are reconciled and supported by adequate documentation; and
- Ensuring that Cardholder Profiles permit MCC groups that a Cardholder needs to meet his or her job requirements.

A State Agency may designate up to two (2) alternates to this role in addition to the primary State Agency Coordinator. Any alternate must complete the same requirements as the primary State Agency Coordinator.

5. P-CARD SECURITY.

The security of each P-Card is the Cardholder's responsibility. Every precaution should be used to protect the account number from unauthorized access. The account number should never be left in a conspicuous place. In addition, the use of a digital wallet to store the P-Card is prohibited.

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.

7. P-CARD PROGRAM TRAINING.

All program participants must complete appropriate training. The following training is available in Edison and ~~encouraged~~required for all P-Card Program participants: To maintain their assigned roles, program participants must complete the required training on an annual basis.

Training:	Required by:	Recommended for:
Cardholder Training	Cardholders/Virtual P-Card Users	All P-Card Program Participants
	Cardholder Approvers	
	Cardholder Proxies	
	Cardholder Supervisors	
	State Agency Reconcilers	
Agency Coordinator Training	State Agency P-Card Program Coordinators	State Agency Fiscal Directors
	Cardholder Supervisors	

10. PROHIBITED PURCHASES AND TRANSACTIONS.

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.

10.1.Prohibited Purchases.

The following types of purchases, payments, or transactions are prohibited:

Prohibited Purchase Type		General Justification for Prohibition
1	Travel expenses	Travel expenses should comply with the Department of Finance and Administration - <u>Policy 8</u> , State Comprehensive Travel Regulations and are required to be processed through the Edison Expense Module for control and reporting purposes.

Prohibited Purchase Type		General Justification for Prohibition
2	Rental of passenger vehicles of any kind	Rental of passenger vehicles are typically made in connection with employee travel expenses, which are prohibited.
3	Telephone billings	State telephone billings are typically centrally managed and controlled by the Department of Finance and Administration.
4	Political publications of any sort	Purchase of political publications are prohibited by Department of Finance and Administration - <u>Policy 10, Organizational Dues, Subscriptions, and Sponsorships.</u>
5	State Utility billings and connection fees	State utility billings are typically centrally managed and controlled by Department of Environment & Conservation.
6	Payment to another State Agency	Payment to another State Agency is governed by and should follow Department of Finance and Administration - <u>Policy 18, Interunit Journals.</u>
7	Artifacts for historical or commemorative purposes (except for the State Museum)	These purchases must be processed through the Edison AP Module to ensure proper financial statement and asset management module recognition.
8	Employee moving expenses	These expenses must be processed through the Edison Expense Module to ensure IRS information reporting requirements can be met.
9	Purchases of any motor vehicle fuel for any vehicle or equipment leased from the DGS Vehicle Asset Management (VAM)	To track purchases by asset and prevent fraud, DGS-VAM has a dedicated, industry-specific fuel card for all fuel purchases.
10	Back orders or partial shipments	These types of purchases create numerous problems for reconciliation such as split invoices, reconciling across multiple cycles, and problematic tracking issues. Order fulfillment and accruing interest due the Bank are additional concerns.
11	Service awards for State employees	These purchases must be processed through Edison AP Module to ensure IRS information reporting requirements can be met.
12	Awards for private citizens	These purchases must be processed through Edison AP Module to ensure IRS information reporting requirements can be met.
13	Honoraria expenses	These purchases must be processed through Edison AP Module to ensure IRS information reporting requirements can be met.
14	Insurance policies	State insurance coverage is typically centrally managed and controlled by Department of Treasury, Risk Management.

Prohibited Purchase Type		General Justification for Prohibition
15	Gift cards or gift certificates	These purchases must be processed through Edison AP Module to ensure IRS information reporting requirements can be met.
16	Cash withdrawals, including ATM or debit withdrawals	These are prohibited for control purposes.
17	Any goods or services related to political activity as defined under “The Little Hatch Act,” Tenn. Code Ann. §§ 2-19-201 through 208	Purchase of political publications are prohibited by Department of Finance and Administration - <u>Policy 10</u> , Organizational Dues, Subscriptions, and Sponsorships.
18	Purchases Reserved for the Designated State Agency Central Fiscal Office Cardholder, unless in accordance with Section 11 of this Policy	Cardholders other than the person designated by the State Agency Fiscal Office Cardholder are prohibited from making certain purchases as outlined in section 11 of this Policy.
19	Purchases identified as Capital Assets by the Department of Finance & Administration Capital Asset Guide <u>Capital Asset Guide</u>	Purchases of goods or equipment that require tagging under the Department of Finance and Administration’s policies – <u>Policy 33</u> , should not utilize the P-Card as the primary payment method because these purchases require the prior approval of the Department of Finance and Administration, Division of Accounts, as the business owner of the Asset Management Module. Exceptions for <i>emergency</i> Asset purchases using the P-Card must be pre-approved by Asset Management.
<u>20</u>	<u>Purchases made on Amazon.com if Cardholder is not enrolled in the State of Tennessee State Amazon account.</u>	<u>Cardholder must enroll in the State Amazon Business account for any purchases made on Amazon using the State’s P-Card. Benefits to the State include the following: improved transparency; waived membership fees; and guided purchase information.</u> <u>NOTE: As a reminder no purchases can be made for goods and services through Amazon that are available on a Statewide Contract; that require tagging through asset management; or are otherwise prohibited purchases.</u>

State Agencies may request an exception for certain items through the use of a P-Card RER eForm in Edison initiated by the State Agency P-Card Program Coordinator and approved by the State Agency Fiscal Director and the Central Procurement Office.

POLICY NUMBER 2015-010
STATEWIDE PAYMENT CARD POLICY
AND PROCEDURES

CLEAN

REQUEST: Revise Policy Number 2015-010, Central Procurement Office Statewide Payment Card Policy and Procedures as follows:

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- Completing the Agency Coordinator training in Edison;
- Collaborating with the State Agency 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;
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- Ensuring that transactions are reconciled and supported by adequate documentation; and
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Cardholder Training	Cardholders/Virtual P-Card Users	All P-Card Program Participants
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	Cardholder Supervisors	
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Prohibited Purchase Type		General Justification for Prohibition
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3	Telephone billings	State telephone billings are typically centrally managed and controlled by the Department of Finance and Administration.
4	Political publications of any sort	Purchase of political publications are prohibited by Department of Finance and Administration - <u>Policy 10, Organizational Dues, Subscriptions, and Sponsorships.</u>
5	State Utility billings and connection fees	State utility billings are typically centrally managed and controlled by Department of Environment & Conservation.
6	Payment to another State Agency	Payment to another State Agency is governed by and should follow Department of Finance and Administration - <u>Policy 18, Interunit Journals.</u>
7	Artifacts for historical or commemorative purposes (except for the State Museum)	These purchases must be processed through the Edison AP Module to ensure proper financial statement and asset management module recognition.
8	Employee moving expenses	These expenses must be processed through the Edison Expense Module to ensure IRS information reporting requirements can be met.
9	Purchases of any motor vehicle fuel for any vehicle or equipment leased from the DGS Vehicle Asset Management (VAM)	To track purchases by asset and prevent fraud, DGS-VAM has a dedicated, industry-specific fuel card for all fuel purchases.
10	Back orders or partial shipments	These types of purchases create numerous problems for reconciliation such as split invoices, reconciling across multiple cycles, and problematic tracking issues. Order fulfillment and accruing interest due the Bank are additional concerns.
11	Service awards for State employees	These purchases must be processed through Edison AP Module to ensure IRS information reporting requirements can be met.
12	Awards for private citizens	These purchases must be processed through Edison AP Module to ensure IRS information reporting requirements can be met.
13	Honoraria expenses	These purchases must be processed through Edison AP Module to ensure IRS information reporting requirements can be met.
14	Insurance policies	State insurance coverage is typically centrally managed and controlled by Department of Treasury, Risk Management.

Prohibited Purchase Type		General Justification for Prohibition
15	Gift cards or gift certificates	These purchases must be processed through Edison AP Module to ensure IRS information reporting requirements can be met.
16	Cash withdrawals, including ATM or debit withdrawals	These are prohibited for control purposes.
17	Any goods or services related to political activity as defined under “The Little Hatch Act,” Tenn. Code Ann. §§ 2-19-201 through 208	Purchase of political publications are prohibited by Department of Finance and Administration - Policy 10 , Organizational Dues, Subscriptions, and Sponsorships.
18	Purchases Reserved for the Designated State Agency Central Fiscal Office Cardholder, unless in accordance with Section 11 of this Policy	Cardholders other than the person designated by the State Agency Fiscal Office Cardholder are prohibited from making certain purchases as outlined in section 11 of this Policy.
19	Purchases identified as Capital Assets by the Department of Finance & Administration Capital Asset Guide	Purchases of goods or equipment that require tagging under the Department of Finance and Administration’s policies – Policy 33 , should not utilize the P-Card as the primary payment method because these purchases require the prior approval of the Department of Finance and Administration, Division of Accounts, as the business owner of the Asset Management Module. Exceptions for <i>emergency</i> Asset purchases using the P-Card must be pre-approved by Asset Management.
20	Purchases made on Amazon.com if Cardholder is not enrolled in the State of Tennessee State Amazon account.	Cardholder must enroll in the State Amazon Business account for any purchases made on Amazon using the State’s P-Card. Benefits to the State include the following: improved transparency; waived membership fees; and guided purchase information. NOTE: As a reminder no purchases can be made for goods and services through Amazon that are available on a Statewide Contract; that require tagging through asset management; or are otherwise prohibited purchases.

State Agencies may request an exception for certain items through the use of a P-Card RER eForm in Edison initiated by the State Agency P-Card Program Coordinator and approved by the State Agency Fiscal Director and the Central Procurement Office.

INTERAGENCY AGREEMENT – GRANTS

REDLINE

REQUEST: Revise the Interagency Agreement – Grant Model instructional text as follows:

INTERAGENCY AGREEMENT – GRANT MODEL

This model provides the format and content for drafting a cost-reimbursement grant agreement between (1) two Tennessee state agencies, neither of which has the separate legal capacity to contract or sue and be sued; or (2) a Tennessee state agency and a campus or institute of the University of Tennessee (“UT”) system, an institution governed by the Tennessee Board of Regents (“TBR”), or a State University or Locally Governed Institution (“LGI”).

For a listing of all UT campuses and institutes, please consult <https://tennessee.edu/>. For a listing of all TBR institutions that can use this model please consult <https://www.tbr.edu/institutions/our-institutions>. State Universities or LGIs include the University of Memphis, Tennessee Technological University, Austin Peay State University, East Tennessee State University, Tennessee State University, and Middle Tennessee State University.

All agreements must comply with the requirements of the Central Procurement Office’s Grant and Subrecipient Monitoring Policy (Policy Number 2013-007) and the U.S. OMB’s Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, as applicable.

Please refer to Department of Finance and Administration – Policy 18 “Interunit Journals” for additional information, as applicable. Policy 18 “Interunit Journals” only applies when both parties are Tennessee State Agencies (as described in option 1 listed above). This policy does not apply to grant agreements with entities that are colleges or universities (as described in option 2 listed above). For such agreements, with UT, TBR, or LGIs, the voucher process should be used instead.

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



INTERAGENCY GRANT AGREEMENT COVER SHEET
 (cost reimbursement grant agreement between two Tennessee state agencies,
 University of Tennessee, or Board of Regents colleges and universities)

Begin Date	End Date	Agency Tracking #	Edison ID		
Grantee Legal Entity Name		Edison Supplier ID			
Subrecipient or Recipient <input type="checkbox"/> Subrecipient <input type="checkbox"/> Recipient		Assistance Listing Number			
Service Caption (one line only)					
Funding —					
FY	State	Federal	Interdepartmental	Other	TOTAL Agreement Amount
TOTAL:					
Budget Officer Confirmation: There is a balance in the appropriation from which obligations hereunder are required to be paid that is not already encumbered to pay other obligations.				<i>CPO USE - IG</i>	
Budget Officer Signature					
Speed Chart/Division Code		Account Code (optional)			

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IG INSTRUCTIONS, CONSIDERATIONS, and OPTIONS

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

Terms that are included in the Governmental Grant (“GG”) Contract Template may be added and re-numbered as appropriate. Please refer to TEAM TN for the most recent version of the GG Template for optional terms and conditions.

C. PAYMENT TERMS AND CONDITIONS

Grant Administrators may revise payment terms and conditions as agreed to by the parties.

Payment Methodology

Option: Partial Advance Payment

An advance payment option may only be included if the Grant Contract is between a Tennessee state agency and a campus or institute of the University of Tennessee ("UT") System, an institution governed by the Tennessee Board of Regents ("TBR"), or a State University or Locally Governed Institution ("LGI"). Please see the definitions on page 1 of this IG Model for more information.

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

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

Option: Periodic Advance Payment

An advance payment option may only be included if the Grant Contract is between a Tennessee state agency and a campus or institute of the University of Tennessee ("UT") System, an institution governed by the Tennessee Board of Regents ("TBR"), or a State University or Locally Governed Institution ("LGI"). Please see the definitions on page 1 of this IG Model for more information.

To effect periodic advance payments

- (1) **Replace the section with the following:**

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

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

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

Option: Total Advance Payment

An advance payment option may only be included if the Grant Contract is between a Tennessee state agency and a campus or institute of the University of Tennessee ("UT") System, an institution governed by the Tennessee Board of Regents ("TBR"), or a State

University or Locally Governed Institution “(LGI)”. Please see the definitions on page 1 of this IG Model for more information.

To effect a total advance payment

(1) Replace the section with the following:

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

IG INSTRUCTIONS, CONSIDERATIONS, & OPTIONS:

INTERAGENCY AGREEMENT – GRANTS

CLEAN

REQUEST: Revise the Interagency Agreement – Grant Model instructional text as follows:

INTERAGENCY AGREEMENT – GRANT MODEL

This model provides the format and content for drafting a cost-reimbursement grant agreement between (1) two Tennessee state agencies, neither of which has the separate legal capacity to contract or sue and be sued; or (2) a Tennessee state agency and a campus or institute of the University of Tennessee (“UT”) system, an institution governed by the Tennessee Board of Regents (“TBR”), or a State University or Locally Governed Institution (“LGI”).

For a listing of all UT campuses and institutes, please consult <https://tennessee.edu/>. For a listing of all TBR institutions that can use this model please consult <https://www.tbr.edu/institutions/our-institutions>. State Universities or LGIs include the University of Memphis, Tennessee Technological University, Austin Peay State University, East Tennessee State University, Tennessee State University, and Middle Tennessee State University.

All agreements must comply with the requirements of the Central Procurement Office’s Grant and Subrecipient Monitoring Policy (Policy Number 2013-007) and the U.S. OMB’s Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, as applicable.

Please refer to Department of Finance and Administration – Policy 18 “Interunit Journals” for additional information, as applicable. Policy 18 “Interunit Journals” only applies when both parties are Tennessee State Agencies (as described in option 1 listed above). This policy does not apply to grant agreements with entities that are colleges or universities (as described in option 2 listed above). For such agreements, with UT, TBR, or LGIs, the voucher process should be used instead.

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



INTERAGENCY GRANT AGREEMENT COVER SHEET
 (cost reimbursement grant agreement between two Tennessee state agencies,
 University of Tennessee, or Board of Regents colleges and universities)

Begin Date	End Date	Agency Tracking # -	Edison ID				
Grantee Legal Entity Name		Edison Supplier ID					
Subrecipient or Recipient <input type="checkbox"/> Subrecipient <input type="checkbox"/> Recipient		Assistance Listing Number					
Service Caption (one line only)							
Funding —							
FY	State	Federal	Interdepartmental	Other	TOTAL Agreement Amount		
TOTAL:							
Budget Officer Confirmation: There is a balance in the appropriation from which obligations hereunder are required to be paid that is not already encumbered to pay other obligations.				<i>CPO USE - IG</i>			
						Budget Officer Signature	
Speed Chart/Division Code		Account Code (optional)					

IG INSTRUCTIONS, CONSIDERATIONS, and OPTIONS

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

Terms that are included in the Governmental Grant (“GG”) Contract Template may be added and re-numbered as appropriate. Please refer to TEAM TN for the most recent version of the GG Template for optional terms and conditions.

C. PAYMENT TERMS AND CONDITIONS

Grant Administrators may revise payment terms and conditions as agreed to by the parties.

Payment Methodology

Option: Partial Advance Payment

An advance payment option may only be included if the Grant Contract is between a Tennessee state agency and a campus or institute of the University of Tennessee (“UT”) System, an institution governed by the Tennessee Board of Regents (“TBR”), or a State University or Locally Governed Institution (“LGI”). Please see the definitions on page 1 of this IG Model for more information.

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

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

Option: Periodic Advance Payment

An advance payment option may only be included if the Grant Contract is between a Tennessee state agency and a campus or institute of the University of Tennessee (“UT”) System, an institution governed by the Tennessee Board of Regents (“TBR”), or a State University or Locally Governed Institution (“LGI”). Please see the definitions on page 1 of this IG Model for more information.

To effect periodic advance payments

- (1) **Replace the section with the following:**

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

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

IG INSTRUCTIONS, CONSIDERATIONS, & OPTIONS:

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

Option: Total Advance Payment

An advance payment option may only be included if the Grant Contract is between a Tennessee state agency and a campus or institute of the University of Tennessee ("UT") System, an institution governed by the Tennessee Board of Regents ("TBR"), or a State University or Locally Governed Institution ("LGI"). Please see the definitions on page 1 of this IG Model for more information.

To effect a total advance payment

(1) Replace the section with the following:

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

**TENNESSEE PROCUREMENT
PROTECTION ACT CERTIFICATION**

NEW

REQUEST: Revise the configurator, RFP and RFQ Statement of Certifications and Assurances to add a new attestation as follows and add the following as a new contract clause to all models, templates, and configurators:

STATEMENT OF CERTIFICATIONS:

- #. The Respondent attests that they are not a foreign adversary company within the meaning of Pub. Ch. 768 (2026) and that the Respondent is not knowingly selling an information and communications technology final product or service within the meaning of Pub. Ch. 768 (2026).

CONTRACT CLAUSE:

- D.#. Foreign Adversary Company Attestation. The Contractor attests that they are not a “Foreign adversary company” within the meaning of Pub. Ch. 768 (2026) and that the Contractor is not knowingly selling an information and communications technology final product or service within the meaning of Pub. Ch. 768 (2026).

MANUAL AND TEMPLATE CORRECTIONS

NEW

REQUEST: Update as follows:

1. Update the reference from Pub. Ch. 634 (2024) to Tenn. Code Ann. § 12-3-201 in the *Procurement Procedures Manual* in section 5.18. *The Procurement File*.

Grant Templates:

2. Reorganization of sequencing to group Federal optional contract terms together at the beginning of the optional contract term section.
3. Cover Sheet: Remove “(optional)” under Speed Chart/Division Code
4. Preamble: change “Contractor” to “Grantee”
5. Remove E.#. Confidentiality of Records option (since this is standard term at D.35)
6. Contract Work Hours and Safety Standard Act combine the two optional terms and update the term in accordance with 29 C.F.R. § 5.5(b)(1)-(5).
7. Delete and replace the previous two options with updated below for DCS Optional Grant Contract Language:

E.#. Title VI of the Civil Rights Act of 1964. The Grantee shall adhere to the requirements of Title VI of the Civil Rights Act of 1964, as codified in 42 U.S.C. 2000d, which states that “No person in the United States shall, on the ground of race, color or national origin be excluded from participation in, be denied the benefits of, or be subject to discrimination under any program or activity receiving federal financial assistance.” The Grantee shall have in place or available a process to assist qualified persons of the provided service who may be limited in their English proficiency (LEP). On an annual basis, an implementation plan that describes the Grantee’s long-range goals and objectives that will guide the Grantee’s efforts to ensure compliance with Title VI must be submitted to the DCS Office of Access and Engagement (formerly DCS Office of Civil Rights) on or by October 1st of each year. The Grantee’s submitted Title VI Plan will follow the requirements or guidelines established by the Tennessee Department of Human Resources’ Title VI Compliance Division.

8. Update the following optional terms for the Tennessee Department of Mental Health and Substance Abuse Services as follows:

Grant Contract “GR” Template:

- E.#.** Part 2 Compliance. The State and the Grantee shall comply with obligations under 42 U.S.C. 290dd-2, the Confidentiality of Substance Use Disorder Patient Records, and its accompanying regulations as codified at 42 C.F.R. §§ 2.1 et seq.
- a. The Grantee warrants to the State that it is familiar with the requirements of Part 2 of the Confidentiality of Substance Use Disorder Patient Records, and its accompanying regulations, and will comply with all applicable requirements in the course of this Grant Contract.
 - b. The Grantee warrants that it will cooperate with the State, including cooperation and coordination with State privacy officials and other compliance officers required by Part 2 of the Confidentiality of Substance Use Disorder Patient Records, and its regulations, in

the course of performance of the Grant Contract so that both parties will be in compliance with Part 2 of the Confidentiality of Substance Use Disorder Patient Records.

- c. The State and the Grantee will sign documents, including but not limited to business associate agreements, as required by Part 2 of the Confidentiality of Substance Use Disorder Patient Records, and that are reasonably necessary to keep the State and the Grantee in compliance with Part 2 of the Confidentiality of Substance Use Disorder Patient Records. This provision shall not apply if information received by the State under this Grant Contract is NOT regulated under Part 2 of the Confidentiality of Substance Use Disorder Patient Records, or if Part 2 of the Confidentiality of Substance Use Disorder Patient Records permits the State to receive such information without entering into a business associate agreement or signing another such document.
- d. The Grantee will indemnify the State and hold it harmless for any violation by the Grantee or its subcontractors of Part 2 of the Confidentiality of Substance Use Disorder Patient Records. This includes the costs of responding to a breach of protected information, the costs of responding to a government enforcement action related to the breach, and any fines, penalties, or damages paid by the State because of the violation.

E. #. Title VI Compliance. Grantee shall comply with requirements of Title VI of the Civil Rights Act of 1964, 42 U.S.C. 2000d-1, pursuant to the guidelines established by the Tennessee Department of Human Resources' Title VI Compliance Office, by completing all of the following items:

- a. Provide name and contact information of Grantee's Title VI Coordinator to State.
- b. Ensure Policies and Procedures Manual contains a Title VI section with information on: (a) Filing a complaint; (b) Investigations; (c) Report of findings; (d) Hearings and appeals; (e) Description of Title VI Training Program; (f) Limited English Proficiency (LEP) procedure; and (g) Retaliation.
- c. Train all staff (regular, contract, volunteer) on Title VI upon employment and annually thereafter. Training documentation shall be made available upon request of State, and include: 1) dates and duration of each training; 2) list of staff completing training on each date.
- d. Annually complete and submit a Title VI self-survey as supplied by State.
- e. Implement a process and provide documentation to ensure service recipients are informed of Title VI and how to file a discrimination complaint.

Additional Title VI resources may be found at: [Insert Current Hyperlink to the TDMHSAS Title VI Training website.](#)

Governmental Grant "GG" Contract Template:

E.#. Part 2 Compliance. The State and the Grantee shall comply with obligations under 42 U.S.C. 290dd-2, the Confidentiality of Substance Use Disorder Patient Records, and its accompanying regulations as codified at 42 C.F.R. §§ 2.1 et seq.

- a. The Grantee warrants to the State that it is familiar with the requirements of Part 2 of the Confidentiality of Substance Use Disorder Patient Records, and its accompanying

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

- b. The Grantee warrants that it will cooperate with the State, including cooperation and coordination with State privacy officials and other compliance officers required by Part 2 of the Confidentiality of Substance Use Disorder Patient Records, and its regulations, in the course of performance of the Grant Contract so that both parties will be in compliance with Part 2 of the Confidentiality of Substance Use Disorder Patient Records.
- c. The State and the Grantee will sign documents, including but not limited to business associate agreements, as required by Part 2 of the Confidentiality of Substance Use Disorder Patient Records, and that are reasonably necessary to keep the State and the Grantee in compliance with Part 2 of the Confidentiality of Substance Use Disorder Patient Records. This provision shall not apply if information received by the State under this Grant Contract is NOT "regulated under Part 2 of the Confidentiality of Substance Use Disorder Patient Records, or if Part 2 of the Confidentiality of Substance Use Disorder Patient Records permits the State to receive such information without entering into a business associate agreement or signing another such document.

E. #. Title VI Compliance. Grantee shall comply with requirements of Title VI of the Civil Rights Act of 1964, 42 U.S.C. 2000d-1, pursuant to the guidelines established by the Tennessee Department of Human Resources' Title VI Compliance Office, by completing all of the following items:

- a. Provide name and contact information of Grantee's Title VI Coordinator to State.
- b. Ensure Policies and Procedures Manual contains a Title VI section with information on: (a) Filing a complaint; (b) Investigations; (c) Report of findings; (d) Hearings and appeals; (e) Description of Title VI Training Program; (f) Limited English Proficiency (LEP) procedure; and (g) Retaliation.
- c. Train all staff (regular, contract, volunteer) on Title VI upon employment and annually thereafter. Training documentation shall be made available upon request of State, and include: 1) dates and duration of each training; 2) list of staff completing training on each date.
- d. Annually complete and submit a Title VI self-survey as supplied by State.
- e. Implement a process and provide documentation to ensure service recipients are informed of Title VI and how to file a discrimination complaint.

Additional Title VI resources may be found at: [Insert Current Hyperlink to the TDMHSAS Title VI Training website.](#)

Tennessee Department of Mental Health and Substance Abuse Services

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

No Cost Contract:

E.#. Additional Subcontracting Requirements. The Contractor shall ensure in all subcontracts between it and Contractor's State approved subcontractors that each subcontract shall contain the sections of "Confidentiality of Records", "HIPAA Compliance", and "Part 2 Compliance" (as identified by the section headings) as these may be modified from time to time. Notwithstanding

any use of State approved subcontractors, the Contractor shall be the prime contractor and shall be responsible for all work performed by its subcontractors or other providers of goods or services.

- E.#. Part 2 Compliance. The State and the Contractor shall comply with the obligations under Part 2 of the Confidentiality of Drug Use Disorder Patient Records, and its accompanying regulations as codified at 42 CFR §§ 2.1, *et seq.* ("Part 2").
- a. The Contractor warrants to the State that it is familiar with the requirements of Part 2 and its accompanying regulations, and that it will comply with all requirements imposed by Part 2 during the Term of this Contract.
 - b. The Contractor warrants that it will cooperate with the State, including cooperation and coordination with State privacy officials and other compliance officers required by Part 2 during the Term of this Contract.
 - c. The State and the Contractor will execute such documents, including but not limited to business associate agreements, as required by Part 2 that are reasonably necessary for the State and the Contractor to comply with Part 2. This provision shall not apply if information received by the State under this Contract is NOT regulated Part 2, or if Part 2 permits the State to receive such information without entering into a business associate agreement or other agreement.

FA Contract:

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| <p>E. #. <u>Part 2 Compliance</u>. The State and the Contractor shall comply with the obligations under Part 2 of the Confidentiality of Substance Use Disorder Patient Records, and its accompanying regulations as codified at 42 CFR §§ 2.1, <i>et seq.</i> ("Part 2").</p> <ul style="list-style-type: none">a. The Contractor warrants to the State that it is familiar with the requirements of Part 2 and its accompanying regulations, and that it will comply with all requirements imposed by Part 2 during the Term of this Contract.b. The Contractor warrants that it will cooperate with the State, including cooperation and coordination with State privacy officials and other compliance officers required by Part 2 during the Term of this Contract.c. The State and the Contractor will execute such documents, including but not limited to business associate agreements, as required by Part 2 that are reasonably necessary for the State and the Contractor to comply with Part 2. This provision shall not apply if information received by the State under this Contract is NOT regulated under Part 2, or if Part 2 permits the State to receive such information without entering into a business associate agreement or other agreement. |
|---|

