Attachment Five
Current Contract

CONTRACT AMENDMENT COVER SHEET

Agency Tracking #	Edison ID	Contract #	Amendment #
32901-31186	59654	59654	2

Contractor Legal Entity Name	Edison Vendor ID
Buddi, US	201610

Amendment Purpose & Effect(s)

To extend current contract an additional year and increase maximum liability accordingly while the Department drafts and issues an RFP.

Amendment Changes Contract End Date: ☒ YES ☐ NO **End Date:** August 31, 2021

TOTAL Contract Amount INCREASE or DECREASE per this Amendment (zero if N/A): **$947,400.00**

Funding —

FY	State	Federal	Interdepartmental	Other	TOTAL Contract Amount
2019	$926,800.00				$926,800.00
2020	$1,245,000.00				$1,245,000.00
2021	$1,307,300.00				$1,307,300.00
2022	$217,900.00				$217,900.00
TOTAL:	**$3,697,000.00**				**$3,697,000.00**

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.

Lisa C Parks

Digitally signed by Lisa Parks
DN: cn=Lisa Parks, o, ou, email=lisa.c.parks@tn.gov, c=US
Date: 2020.05.29 07:39:09 -05'00'

Speed Chart (optional)

Account Code (optional)

CPO USE

AMENDMENT 2
OF CONTRACT 59654

This Amendment is made and entered by and between the State of Tennessee, Department of Correction, hereinafter referred to as the "State" and Buddi, US, hereinafter referred to as the "Contractor." For good and valuable consideration, the sufficiency of which is hereby acknowledged, it is mutually understood and agreed by and between said, undersigned contracting parties that the subject contract is hereby amended as follows:

1. The following is added as Contract Section A.17.:

   A.17. Goods and services furnished by the Contractor under this procurement must be in compliance with the accessibility standards set forth in 28 CFR § 35.160 as to persons with disabilities and their accommodation needs with respect to being able to communicate effectively with others.

1. Contract Section B.1. is deleted in its entirety and replaced with the following:

   B.1. This Contract shall be effective on September 1, 2018 ("Effective Date") and extend for a period of thirty-six (36) months after the Effective Date ("Term"). The State shall have no obligation for goods or services provided by the Contractor prior to the Effective Date.

2. Contract Section C.1. is deleted in its entirety and replaced with the following:

   C.1. Maximum Liability. In no event shall the maximum liability of the State under this Contract exceed Three Million Six Hundred Ninety-Seven Thousand ($3,697,000.00) ("Maximum Liability"). This Contract does not grant the Contractor any exclusive rights. The State does not guarantee that it will buy any minimum quantity of goods or services under this Contract. Subject to the terms and conditions of this Contract, the Contractor will only be paid for goods or services provided under this Contract after a purchase order is issued to the Contractor by the State of otherwise specified by this Contract.

Required Approvals. The State is not bound by this Amendment until it is signed by the contract parties and approved by appropriate officials in accordance with applicable Tennessee laws and regulations (depending upon the specifics of this contract, said officials may include, but are not limited to, the Commissioner of Finance and Administration, the Commissioner of Human Resources, and the Comptroller of the Treasury).

Amendment Effective Date. The revisions set forth herein shall be effective September 1, 2020. All other terms and conditions of this Contract not expressly amended herein shall remain in full force and effect.

IN WITNESS WHEREOF,

BUDDI, US:

Steve Chapin — May 21, 2020

SIGNATURE **DATE**

Steve Chapin, CEO

PRINTED NAME AND TITLE OF SIGNATORY (above)

TENNESSEE DEPARTMENT OF CORRECTION:

6/10/2020

TONY PARKER, COMMISSIONER **DATE**

32901-31186 Buddi – amd 2

CONTRACT AMENDMENT COVER SHEET

Agency Tracking #	Edison ID	Contract #	Amendment #
32901-31186	59654	59654	1

Contractor Legal Entity Name	Edison Vendor ID
Buddi, US	201610

Amendment Purpose & Effect(s)

To extend the current contract an additional year while the Department drafts and issues an RFP.

Amendment Changes Contract End Date: ☒ YES ☐ NO **End Date:** August 31, 2020

TOTAL Contract Amount INCREASE or DECREASE per this Amendment (zero if N/A): **$ 2,320,400.00**

Funding —

FY	State	Federal	Interdepartmental	Other	TOTAL Contract Amount
2019	$1,139,700.00				$1,139,700.00
2020	$1,376,700.00				$1,376,700.00
2021	$233,200.00				$233,200.00
TOTAL:	$2,749,600.00				$2,749,600.00

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.

Lisa C Parks

Speed Chart (optional)	Account Code (optional)

CPO USE

AMENDMENT ONE
OF CONTRACT 59654

This Amendment is made and entered by and between the State of Tennessee, Department of Correction, hereinafter referred to as the "State" and Buddi, US, hereinafter referred to as the "Contractor." For good and valuable consideration, the sufficiency of which is hereby acknowledged, it is mutually understood and agreed by and between said, undersigned contracting parties that the subject contract is hereby amended as follows:

1. Contract Section B. is deleted in its entirety and replaced with the following:

   B.1. This Contract shall be effective on September 1, 2018 ("Effective Date") and extend for a period of twenty-four (24) months after the Effective Date ("Term"). The State shall have no obligation for goods or services provided by the Contractor prior to the Effective Date.

   B.2. Renewal Options. This Contract may be renewed upon satisfactory completion of the Term. The State reserves the right to execute up to number (#) renewal options under the same terms and conditions for a period not to exceed twelve (12) months each by the State, at the State's sole option. In no event, however, shall the maximum Term, including all renewals or extensions, exceed a total of sixty (60) months.

   B.3. Term Extension. The State may extend the Term an additional period of time, not to exceed one hundred-eighty (180) days beyond the expiration date of this Contract, under the same terms and conditions, at the State's sole option. In no event, however, shall the maximum Term, including all renewals or extensions, exceed a total of sixty (60) months.

2. Contract Section C.1. is deleted in its entirety and replaced with the following:

   C.1. Maximum Liability. In no event shall the maximum liability of the State under this Contract exceed Two Million Seven Hundred Forty-Nine Thousand Six Hundred ($2,749,600.00) ("Maximum Liability"). This Contract does not grant the Contractor any exclusive rights. The State does not guarantee that it will buy any minimum quantity of goods or services under this Contract. Subject to the terms and conditions of this Contract, the Contractor will only be paid for goods or services provided under this Contract after a purchase order is issued to the Contractor by the State of otherwise specified by this Contract.

3. Contract Section E.5. is deleted in its entirety and replaced with the following:

   E.5. Contractor Hosted Services Confidential Data, Audit, and Other Requirements

   a. "Confidential State Data" is defined as data deemed confidential by State or Federal statute or regulation. The Contractor shall protect Confidential State Data as follows:

      (1) The Contractor shall ensure that all Confidential State Data is housed in the continental United States, inclusive of backup data.

      (2) The Contractor shall encrypt Confidential State Data at rest and in transit using the current version of Federal Information Processing Standard ("FIPS") 140-2 validated encryption technologies.

      (3) The Contractor and the Contractor's processing environment containing Confidential State Data shall either (1) be in accordance with at least one of the following security standards: (i) International Standards Organization ("ISO") 27001; (ii) Federal Risk and Authorization Management Program ("FedRAMP"); or (2) 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 audit. The State shall approve the SOC audit control

objectives. The Contractor shall provide proof of current ISO certification or FedRAMP authorization for the Contractor and Subcontractor(s), or provide the State with the Contractor's and Subcontractor's annual SOC Type II audit report within 30 days from when the CPA firm provides the audit report to the Contractor or Subcontractor. The Contractor shall submit corrective action plans to the State for any issues included in the audit report within 30 days after the CPA firm provides the audit report to the Contractor or Subcontractor.

If the scope of the most recent SOC audit report does not include all of the current State fiscal year, upon request from the State, the Contractor must provide to the State a letter from the Contractor or Subcontractor stating whether the Contractor or Subcontractor made any material changes to their control environment since the prior audit and, if so, whether the changes, in the opinion of the Contractor or Subcontractor, would negatively affect the auditor's opinion in the most recent audit report.

No additional funding shall be allocated for these certifications, authorizations, or audits as these are included in the Maximum Liability of this Contract.

(4) The Contractor must annually perform Penetration Tests and Vulnerability Assessments against its Processing Environment. "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.

(5) Upon State request, the Contractor shall provide a copy of all Confidential State Data it holds. The Contractor shall provide such data on media and in a format determined by the State

(6) Upon termination of this Contract and in consultation with the State, the Contractor shall destroy all Confidential 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

(1) 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.

(2) 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.

(3) If the Application requires middleware or database software, Contractor shall maintain middleware and database software versions that are at all times fully

compatible with current versions of the Operating System and Application to ensure that security vulnerabilities are not introduced.

c. Comptroller Audit Requirements

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 maintain and cause its Subcontractors to maintain a complete audit trail of all transactions and activities in connection with this Contract. 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 information technology control audit may include a review of general controls and application controls. General controls are the policies and procedures that apply to all or a large segment of the Contractor's or Subcontractor's information systems and applications and include controls over security management, access controls, configuration management, segregation of duties, and contingency planning. Application controls are directly related to the application and help ensure that transactions are complete, accurate, valid, confidential, and available. The audit shall include the Contractor's and Subcontractor's compliance with the State's Enterprise Information Security Policies and all applicable requirements, laws, regulations or policies.

The audit may include interviews with technical and management personnel, physical inspection of controls, and review of paper or electronic documentation.

For any audit issues identified, the Contractor and Subcontractor(s) shall provide a corrective action plan to the State within 30 days from the Contractor or Subcontractor receiving the audit report.

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

d. 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: Thirty (30) 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: Thirty (30) minutes

(2) 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 Recover Test that its Disaster Recovery Capabilities meet the RPO and RTO requirements.

Required Approvals. The State is not bound by this Amendment until it is signed by the contract parties and approved by appropriate officials in accordance with applicable Tennessee laws and regulations (depending upon the specifics of this contract, said officials may include, but are not limited to, the Commissioner of Finance and Administration, the Commissioner of Human Resources, and the Comptroller of the Treasury).

Amendment Effective Date. The revisions set forth herein shall be effective September 1, 2019. All other terms and conditions of this Contract not expressly amended herein shall remain in full force and effect.

IN WITNESS WHEREOF,

BUDDI, US:

Steve Chapin — April 17, 2019

SIGNATURE — **DATE**

Steve Chapin, CEO

PRINTED NAME AND TITLE OF SIGNATORY (above)

TENNESSEE DEPARTMENT OF CORRECTION:

Tony Parker wg — 4/22/19

TONY PARKER, COMMISSIONER — **DATE**

Contract Approval – Agency Legal Certification

A completed contract routed for Central Procurement Office (CPO) approval via Edison must be accompanied by this Agency Legal Certification template that has been signed and attached in PDF format.

1. Edison Contract ID #	**59654**
2. Contracting Agency Name	**Tennessee Department of Correction**
3. Contractor Name	**Buddi, US**
4. Service Caption	**Electronic monitoring of offenders using GPS and Electronic Victim Notification**
5. Agency Contact (name, phone, e-mail)	**Priscilla Wainwright** **615-253-5571** **Priscilla.wainwright@tn.gov**

6. Legal Certification

By signing below, the department's legal staff certifies that:

1) the contract as submitted includes only CPO template language (unless the agency has obtained an approved rule exception request);
2) the contract is legally sufficient both in form and substance to protect the best interests of the State; and
3) the contract does not contravene applicable law.

Debbie Inglis 4/23/19

Agency Attorney Signature & Date

CONTRACT

(fee-for-goods or services contract with an individual, business, non-profit, or governmental entity of another state)

Begin Date	End Date	Agency Tracking #	Edison Record ID
September 1, 2018	August 31, 2019	32901-31186	59654

Contractor Legal Entity Name	Edison Vendor ID
Buddi, US	201610

Goods or Services Caption (one line only)

Electronic Monitoring and Victim Notification Services

Contractor	CFDA #
☒ Contractor	

Funding —

FY	State	Federal	Interdepartmental	Other	TOTAL Contract Amount
2019	$5,070,000.00				$5,070,000.00
TOTAL:	**$5,070,000.00**				**$5,070,000.00**

Contractor Ownership Characteristics:

☐ Minority Business Enterprise (MBE):

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

☐ Woman Business Enterprise (WBE)

☐ Tennessee Service Disabled Veteran Enterprise (SDVBE)

☐ Disabled Owned Business (DSBE)

☐ Tennessee Small Business Enterprise (SBE): $10,000,000.00 averaged over a three (3) year period or employs no more than ninety-nine (99) employees.

☐ Government **X** Non-Minority/Disadvantaged ☐ Other:

Selection Method & Process Summary (mark the correct response to confirm the associated summary)

☐ Competitive Selection

X Other — Special Contract Request

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.

Lisa C Parks

Speed Chart (optional)	Account Code (optional)

CONTRACT
BETWEEN THE STATE OF TENNESSEE,
TENNESSEE DEPARTMENT OF CORRECTION
AND
BUDDI, US

This Contract, by and between the State of Tennessee, Tennessee Department of Correction ("State") and Buddi, US ("Contractor"), is for the provision of electronic monitoring and victim notification services, as further defined in the "SCOPE." State and Contractor may be referred to individually as a "Party" or collectively as the "Parties" to this Contract.

The Contractor is a Limited Liability Company.
Contractor Place of Incorporation or Organization: Palm Harbor, FL
Contractor Edison Registration ID # 201610

A. SCOPE:

A.1. The Contractor shall provide all goods or services and deliverables as required, described, and detailed below and shall meet all service and delivery timelines as specified by this Contract.

A.2. **DEFINITIONS**

1. **Active Monitoring** shall mean real time monitoring that sends active data points while the device is currently installed on an offender

2. **Alert** shall mean an electronic notification that an event has occurred which impacts the tracking system via web-based monitoring software with an offender's GPS equipment.

3. **American Correctional Association (ACA)** shall mean the accreditation body for correctional, jail and detention facilities. It develops standards for all areas of corrections and implements a system for accreditation for correctional programs, facilities and agencies based on these standards. Also, it supports laws and administrative procedures to safeguard the rights of corrections workers, victims, and offenders in the adult and juvenile correctional process.

4. **American Probation Parole Association (APPA)** shall mean the international association composed of members actively involved with pretrial, probation, parole and community-based corrections that provides training, technical assistance , research and information clearinghouse for all levels of government agencies involving the probation and parole process.

5. **Central Communication Center (CCC)** shall mean a TDOC work unit that receives and processes internal critical incident reporting and electronic monitoring and provides other support for the department.

6. **Community Supervision for Life (CSL)** shall mean the designation of offenders who have been convicted of one of the following offenses: aggravated rape, rape, aggravated sexual battery, rape of child or the attempt of these charges as defined in TCA 39-13-524. In addition, per TCA 39-13-524, offenders who have been convicted of an aggravated rape of a child offense, or attempt thereof, after 7/1/2010 shall be supervised as lifetime supervision.

7. **Data Point** shall mean the exact geographical location of an offender who is under electronic monitoring or radio frequency monitoring. These points show every movement of the offender when away from their approved zone.

8. **Disaster Recovery Plan** shall mean a documented process or set of procedures to recover and protect business Information Technology (IT) in the event of a disaster. Such a plan, ordinarily in written form, specifies procedures an organization is to follow in the event of a disaster. It provides a comprehensive statement of consistent actions to be taken before, during and after a

disaster. The disaster could be natural, environmental, or man-made. Man-made disasters could be intentional or unintentional.

9. **Electronic Monitoring** shall mean a form of surveillance which uses an electronic device, fitted to the person.

10. **Exclusion Zone** shall mean an area into which entry is not permitted.

11. **Global Exclusion Zone Data** Set shall mean a set of geocoded data of the property lines of areas in Tennessee determined by statute and/or department policy to be off limits for a category of offenders (i.e. child sex offenders restricted from schools, daycares, parks, etc.) which is uploaded directly from OIR GIS services to the electronic monitoring vendor's mapping.

12. **Geographic Information System (GIS)** shall mean the framework for gathering, managing and analyzing data. It analyzes location and organizes layers of information using maps and 3D scenes.

13. **Global Positioning System (GPS)** shall mean a satellite navigation system used with an electronic monitor to determine and track the whereabouts of an individual continuously.

14. **Inclusion Zone** shall mean an area within which an offender is required to stay.

15. **Institutional Probation Parole Officer (IPPO)** shall mean a probation/parole officer who serves as a parole liaison for inmates, institutional staff, Community Supervision staff, and the Board of Parole (BOP).

16. **Jamming** shall mean potential exists for intentional blocking, disrupting or interfering with the **GPS** system.

17. **Master Tamper** shall mean an alert given when a GPS device is physically removed from the body of the wearer and the satellite signal is disrupted.

18. **Network Access Point** shall mean a public network exchange facility where internet service providers (ISPs) connect with one antoher in peering arrangements.

19. **On-Shelf Inventory** shall mean electronic monitoring equipment that is on site, functional, and readily available for installation onto an offender.

20. **Passive Monitoring** shall mean a form of GPS monitoring which provided data from an active device on a less than near-real time basis, typically once a day.

21. **Program Supervision Unit (PSU)** shall mean the probation parole unit responsible for the supervision of registered sex offenders in accordance with the Sex Offender Standards of Supervision, TDOC Policy #704.04.

22. **Radio Frequency (RF) Monitor** shall mean a type of electronic monitoring of an offender's presence or absence from a specific location utilizing radio wave signal.

23. **Sex Offender** shall mean a person who has been convicted in TN of committing a sexual offense as defined in TCA chapter 40-39-202(20) and (30), or has another qualifying conviction as defined in 40-39-202(1).

24. **Sex Offender Registry (SOR)** shall mean the Tennessee Bureau of Investigation's (TBI) centralized record system of sex offender registration, verification and tracking information.

25. **Tamper** shall mean any attempt to damage, destroy, or alter a GPS device or disrupt GPS satellite signal.

26. **Transmitter** shall mean the piece of electronic monitoring equipment which is affixed to the offender's ankle.

27. **Standard of Supervision (SOS)** shall mean the type and frequency of activity or contact (face to face, home visits, drug testing, arrest record checks, monitoring special conditions, etc.) that an Officer schedules on behalf of each offender, based on the respective case classification.

28. **Tennessee Bureau of Investigation (TBI)** shall mean the State agency statutorily established in 1951 as an unbiased agency to assist local law enforcement in the investigation of serious crimes.

29. **Untethered Charging** shall mean charging of the electronic monitoring device without the use of a cord/wire simultaneously physically connected to the device and an electrical outlet, restricting the offender's mobility.

30. **Violent Against Children Sexual Offender** shall mean offenders convicted of a sexual offense whose victim is under the age of 13.

31. **Violent Sex Offender** shall mean offenders convicted for an offense defined in TCA 40-39-202(30) are considered violent sexual offenders. Offenders who conviction offense(s) is defined in both TCA 40-39-202(20) and (30) are considered violent sexual offenders. Community Supervision for Life (CSL) offenders are considered Violent Sexual Offenders.

32. **Zone Mapping** shall mean a mapping application containing geocoded data for the areas covered under TCA-40-39-211 Sex Offender Registry Work and Residency restrictions and the 1000ft. area surrounding them

A.3. **MANDATORY UNIT REQUIREMENTS**

a. The Contractor shall provide Electronic Monitoring services utilizing a one-piece unit with the ability to provide Global Positioning System (GPS) tracking for Sex Offenders and those deemed as Violent Sex Offenders assigned to the Program Supervision Unit (PSU) and other inmates or offenders assigned at the discretion of the State.

    1. The one-piece unit must function through an active cellular signal across major cellular carriers throughout the state on minimum 3G network. The device must be able to switch between Active Monitoring, Passive Monitoring and hybrid supervision levels, without State or Contractor staff seeing or touching the device.

    2. The device must also incorporate a Radio Frequency (RF) module that allows it to communicate with an RF beacon in the assigned offender residence, with a minimum range of two hundred fifty (250) feet.

    3. The RF beacon must be a compact size device that is easily installed by staff and must possess the ability to assign and track active units on multiple offenders within the vicinity to one device while plugged into any active electrical socket.

    4. The one-piece unit must contain untethered charging capabilities to prevent battery life interruptions.

    5. The battery life of the unit must remain active on a twenty-four (24) hour period within a single charge.

6. The unit must contain Wi-Fi sniffing capability to ensure adequate tracking in remote areas where cellular reception is limited or non-existent as defined by the State.

7. The unit must be composed of materials certified safe for use in prolonged skin contact applications and have no sharp edges that may cause health or other safety hazards to offenders and/or staff. The unit's fitted strap must be pre-cut and certified hypo-allergenic and contain adjustable sizes to fit comfortably around the ankles of the users.

8. The unit must contain a stainless steel band within the strap to make the device tamper resistant once installed and must be made of waterproof material which will allow the device to withstand at a minimum of two (2) meters of water.

9. The unit must have sufficient onboard intelligence to automatically calculate its position and to know its compliance status. Upon battery and geographic violation, the device itself must be able to trigger alerts even without being connected to the server, delivering notification to the offender without waiting for the next scheduled call and, at the same time, attempt to initiate contact with the system to download its data.

10. The unit must be able to hold at a minimum of forty-eight (48) hours of on board memory in the event of a dead battery reading and inability to be recharged at the time of notification.

11. The device must trigger notification of the following events: device tamper, strap tamper, low battery, jamming, and motion in the absence of GPS, loss of cellular signal and zone violation.

12. The unit must be marked with identifying serial numbers that cannot be altered by color, or fade after exposure to common cleaning products.

13. The Contractor must supply the State with new or like new equipment when requested or returned for trade-in or refurbishing. The equipment must be in optimum working condition.

A.4. VICTIM NOTIFICATION UNIT MANDATORY FUNCTIONALITY REQUIREMENTS

a. The Contractor shall provide electronic victim notification services for the State's registered victims of crimes committed by Sex Offenders, Violent Sex Offenders and those Violent Against Children Sexual Offenders in accordance with the State's Public Chapter NO. 598 as referenced as Attachment One regarding notification of crime victims and victim representatives.

b. The unit must utilize a one-piece device that is unidentifiable as a tracking device. The device must be designed to fit on a keyring, with the functionality of a key fob device.

c. The battery life of the unit must remain active on a twenty-four (24) hour period within a single charge; with charging capabilities to not exceed three (3) hours of full charge time.

d. The unit must contain Wi-Fi sniffing capability to ensure adequate tracking in remote areas where cellular reception is limited or non-existent as defined by the State.

e. The one-piece unit must function through an active cellular signal across major cellular carriers throughout the state on a minimum 3G network.

f. The unit must have sufficient onboard intelligence to automatically calculate its position and deliver compliance status. Upon battery and geographic violation, the device itself must be able to trigger alarms even without being connected to the server, delivering notification to the offender without waiting for the next scheduled call and, at the same time, attempt to initiate contact with the system to download its data.

g. The unit must have sufficient storage intelligence to retain at a minimum of 15 days of tracking points for the client and associated offender movements to be accessed by the State on a twenty-four (24) hour a day, seven (7) day a week period.

h. The unit must have sufficient capability to submit notifications and alert messages to the client's mobile phone with a mandatory text messaging feature to ensure prompt notification times.

i. The unit must have a minimal installation time of no more than ten (10) minutes to create user account and geo-zone calculation.

j. The unit must have sufficient capability to record active location points of the associated offender at a minimum of thirty (30) seconds to ensure active offender location in the event of an alert trigger.

A.5. **MANDATORY FUNCTIONALITY REQUIREMENTS**

a. The Contractor must host the tracking system on a cloud-based server specific to the State. The server must not host any other agency's data points and associated materials (single tenant software as a service).

b. The Contractor's monitoring and communication system must be in compliance with the standards set by Tennessee Bureau of Investigations' Sex Offender Registry (SOR), the American Correctional Association's (ACA) accreditation current and all future standards and the American Probation and Parole Association's (APPA) supervision standards.

c. The monitoring system shall provide for the capability for the entry of narrative-style notes by State personnel and/or the Contractor's monitoring center staff. These notes will be utilized as documentation of steps taken to resolve offender alarms. The system must customizable to integrate with the State's Offender Management System (OMS).

d. The Contractor must provide monitoring center software that allows State monitoring agents to open, close and escalate alarms. It should also include Administrator functionality in order to effectively manage the monitoring process.

e. The monitoring system must possess the capability to retrieve active data points once every sixty (60) seconds.

f. The system must upload all collected data points and associated materials at a minimum of every ten (10) minutes and possess the mandatory capability to access immediate location and adjustable time features in the event of a confirmed master tamper.

g. The system's servers, tracking devices, and all other monitoring components must be time synchronized to record the accurate date/time of every monitoring event, download, and related communications. The system must record, store, back-up, archive, and report the exact date/time of every event, every download, every call-in, and every notification.

h. The Contractor's established tracking software must possess ninety nine (99) percent data availability on a twenty four (24) hour, seven (7) day a week basis for the State to access with minimal interference or interruptions to the State's operation.

i. The Contractor will work with the State (including the Department of Finance and Administration Strategic Technology Solutions (STS) Enterprise Development Solutions team) to assure that mobile app development incorporates appropriate branding, design, technologies, and integrations with the State web portal.

1. The mobile app will be compatible with all supported versions of Apple's iOS.

2. The mobile app will be compatible with both Apple's iPhone and iPad.

3. The Contractor will deliver deployable mobile app packages to the STS Enterprise Development Solutions team for publishing on the State's section of Apple's App Store. The Contractor will not deploy/publish the app.The web system must allow access to all GPS and RF equipment with the ability to switch between device type and supervision level easily and to provide all relevant reports for each offender with any device type.

j. The mapping software utilized must include, but not be limited to the following:

1. Allow unlimited access to Google maps, including satellite, terrain, and street levels/views;

2. Allowing for zooming/scaling from street level to statewide

3. Include the identification/labeling of streets;

4. Display offender location information in a sequenced event and/or at a specific date and time; and

5. Display inclusion and exclusion zones that shall be printable from the screen.

A.6. **MANDATORY SUPPORT REQUIREMENTS**

a. The Contractor must provide a web-based monitoring application to enable the State's Central Communication Center (CCC) to monitor Alerts generated by the Vendor system for offenders actively assigned to GPS supervision, based upon protocols determined by the State. The State reserves the right to retain a back-up option to utilize vendor direct monitoring should the needs of the State change.

b. The Contractor must provide to the State a minimum of forty-eight (48) hours notification for all downtime, upgrades, and push notifications to ensure that the State has adequate time to adjust operations.

c. The Contractor must provide live customer support services to the State on a twenty four (24) hours a day, seven (7) days a week. The maximum down-time approved by the State should not exceed one (1) percent.

d. The Contractor must make available, at no cost to the State, any new technological features or enhancements to the services outlined in this scope of services for integration.

A.7. **MANDATORY STS REQUIREMENT**

The Contractor must include the ability to consume GIS web map services provided by the State's Finance and Administration's STS-GIS Services group that identifies boundaries for the State, counties, child care facilities, schools, parks and any additional exclusion zones as deemed necessary by the State.

A.8. **USER ROLES AND ACCESS**

The Contractor must provide access to the system in the form of system user access and defined assigned roles. The role-based access will be provided to as many State staff as deemed necessary by the State.

A. 9. **REPORTING**

The system must be able to create reports based upon the information provided by the State to ensure all reports are in accordance with state policies, procedures, and the Standards of Supervision (SOS) for those active offenders assigned to the PSU unit as referenced in Attachment TWO. The system must also possess an ad hoc reporting database for the State to customize required reports when needed; in addition, the system must include standardized, automated reports in which the State will use on a regular basis for the management and compliance of all active sex offenders and the State's inmate population utilizing the GPS units. The system shall provide the capability to provide a response time between two (2) to five (5) minutes when requested. The reports must be accessible to the State on a twenty-four (24) hour, seven (7) day a week basis.

A.10. **EMERGENCY COMMUNICATIONS WITH THE STATE**

In the event of an unanticipated server outage, the Contractor must keep the State informed of all efforts being made to bring the system online and provide an expected time of system restoration to continue operations.

A.11. **INVENTORY**

The Contractor must provide at a minimum a thirty (30) percent shelf rate to the State, which shall be independent between the State's Institutional and Community Supervision population

A.12. **MANDATORY TRAINING**

a. The Contractor must provide a formal regional training program for as many PSU staff, institutional staff, and monitoring center agents as deemed necessary by the State with fixed interval update training on a regional basis to ensure ongoing competency on new products and system features.

b. The Contractor's training program must be submitted to the State for approval forty-five (45) days prior to the initial rollout and the training must occur thirty (30) days after contract execution.

c. The Contractor's training program must include a reasonable training schedule acceptable to the State for all staff selected to utilize the units and software and must include provisions for training of those staff unable to attend the initial training dates set, as well as any new incoming staff.

d. The training plan must be comprehensive and must include all notes, handouts and any additional related documents to be placed an accessible database for retrieval by the State.

A.13. **CONTRACT MANAGEMENT**

The State recognizes that service issues may arise during the course of any contractual agreement. Some issues are regional, district, or institutional specific, while others will affect multiple districts. The Contractor shall retain, at a minimum, the following personnel on-site in Tennessee to coordinate and manage the scope of services of this Contract.

a. Administrator(s). The State requires the Contractor to designate an administrator(s) or account manager(s) to be responsible for managing all operations of the contract. These individuals will be responsible for working with the State to execute the transition plan, assist in staff training and manage daily operations as outlined in the contract and as approved by the State. The Contractor's assigned delegate must be easily reachable through telephone communication at the Contractor's expense.

The Contractor is responsible for providing the necessary workspace, computer equipment, internet access, telephone, all needed goods and products to provide contractually required goods and services at their expense; with the exception that the State will provide space for training needs only.

A.14. **CONTRACT CLOSE OUT & TRANSITION**

Upon termination of this Contract, either through expiration, or a termination, the Contractor shall fully cooperate with the State for the purpose of conducting an orderly closeout, and transition of the Contractor's services to another entity. The Contractor will work with the new provider as required by the State to bring about as seamless a transition as possible. The contractor shall provide all reasonable transition assistance requested by the State during the process of closeout and transition. The Contractor shall continue to provide services without interruption or adverse effect during the transition period. In particular, the Contractor shall:

a. Between thirty (30) and sixty (60) days prior to the contract end date, provide the successor entity with reasonable access to the contractor's on-site employees. If less than 30 days of the Contract term remains as of the time a successor is named the Contractor shall make its best efforts to provide the new contractor access to its staff noted above in this section.

b. Participate in any Contract physical inventory.

c. Transfer any TDOC-specific databases to the successor no later the end of final day of the Contract.

d. As requested by the State, provide appropriate representation at work initiating meetings between the Department and the successor to help ensure a smooth transition of services.

e. Ensure that all required records, reports, data, etc. are current and properly documented in the appropriate database or file for use by the successor contractor as of start of the successor contract.

f. The Contractor shall ensure that all required Contract closeout activities are properly performed as requested by the State. Specifically, but not exclusively, the Contractor shall ensure that:

    1. The final invoice to the State is submitted within thirty one (31) days of the end of the Contract.

    2. All supplies, equipment, manuals, etc. owned by the State are turned over to the State no later than the end of the Contract.

    3. All source codes to software specifically developed for use under the Contract are turned over to the Department Contract Manager or placed with an appropriate escrow agent.

g. Contractor agrees to make all records available to the State. The records must be in a usable format acceptable to the State. The records shall become the sole property of the State upon close-out of the contract. Refer to requirements in section E.5.

h. All data collected by the Contractor becomes the sole property of the State upon the close-out of the contract. The data must be in a usable format acceptable to the State. Refer to requirements in section E.5.

A.15. Warranty. Contractor represents and warrants that the term of the warranty ("Warranty Period") shall be the greater of the Term of this Contract or any other warranty generally offered by Contractor, its suppliers, or manufacturers to customers of its goods or services. The goods or services provided under this Contract shall conform to the terms and conditions of this Contract

throughout the Warranty Period. Any nonconformance of the goods or services to the terms and conditions of this Contract shall constitute a "Defect" and shall be considered "Defective." If Contractor receives notice of a Defect during the Warranty Period, then Contractor shall correct the Defect, at no additional charge.

Contractor represents and warrants that the State is authorized to possess and use all equipment, materials, software, and deliverables provided under this Contract.

Contractor represents and warrants that all goods or services provided under this Contract shall be provided in a timely and professional manner, by qualified and skilled individuals, and in conformity with standards generally accepted in Contractor's industry.

If Contractor fails to provide the goods or services as warranted, then Contractor will re-provide the goods or services at no additional charge. If Contractor is unable or unwilling to re-provide the goods or services as warranted, then the State shall be entitled to recover the fees paid to Contractor for the Defective goods or services. Any exercise of the State's rights under this Section shall not prejudice the State's rights to seek any other remedies available under this Contract or applicable law.

A.16. Inspection and Acceptance. The State shall have the right to inspect all goods or services provided by Contractor under this Contract. If, upon inspection, the State determines that the goods or services are Defective, the State shall notify Contractor, and Contractor shall re-deliver the goods or provide the services at no additional cost to the State. If after a period of thirty (30) days following delivery of goods or performance of services the State does not provide a notice of any Defects, the goods or services shall be deemed to have been accepted by the State.

B. TERM OF CONTRACT:

This Contract shall be effective on September 1, 2018 ("Effective Date") and extend for a period of twelve (12) months after the Effective Date ("Term"). The State shall have no obligation for goods or services provided by the Contractor prior to the Effective Date.

C. PAYMENT TERMS AND CONDITIONS:

C.1. Maximum Liability. In no event shall the maximum liability of the State under this Contract exceed Five Million Seventy Thousand ($5,070,000.00) ("Maximum Liability"). This Contract does not grant the Contractor any exclusive rights. The State does not guarantee that it will buy any minimum quantity of goods or services under this Contract. Subject to the terms and conditions of this Contract, the Contractor will only be paid for goods or services provided under this Contract after a purchase order is issued to Contractor by the State or as otherwise specified by this Contract.

C.2. Compensation Firm. The payment methodology in Section C.3. of this Contract shall constitute the entire compensation due the Contractor for all goods or services provided under this Contract regardless of the difficulty, materials or equipment required. The payment methodology includes all applicable taxes, fees, overhead, and all other direct and indirect costs incurred or to be incurred by the Contractor.

C.3. Payment Methodology. The Contractor shall be compensated based on the payment methodology for goods or services authorized by the State in a total amount as set forth in Section C.1.

a. The Contractor's compensation shall be contingent upon the satisfactory provision of goods or services as set forth in Section A.

b. The Contractor shall be compensated based upon the following payment methodology:

Goods or Services Description	Amount (per compensable increment)
Buddi Smart Tag	$ 3.80 per day
Buddi Mini Victim Unit	$ 4.00 per day
Unit Insurance (covers Smart Tag, OBC and Beacon)	$.50 per day
Buddi Smart Tag Deductible	$30 per unit
Buddi OBC and Beacon Deductible	$20 per unit
24/7 Offender Monitoring	$1.00 per offender/per day
Buddi Smart Tag Replacement Charge	$450 per unit
OBC Replacement Charge	$200 per unit
OBC Wall Charger Replacement Charge	$50 per unit
Unit Release Tool Damage Charge	$100 per unit
Unit Release Tool Lost Charge	$900 per unit
Beacon Replacement Charge	$250 per unit
Buddi Mini (Victim Unit) Replacement Charge	$450 per unit
Straps Replacement Charge	$50 per unit

C.4. Travel Compensation. The Contractor shall not be compensated or reimbursed for travel time, travel expenses, meals, or lodging.

C.5. Invoice Requirements. The Contractor shall invoice the State only for goods delivered and accepted by the State or services satisfactorily provided at the amounts stipulated in Section C.3., above. Contractor shall submit invoices and necessary supporting documentation, no more frequently than once a month, and no later than thirty (30) days after goods or services have been provided to the following address:

Tennessee Department of Correction
Fiscal Services- 3rd Floor, Rachel Jackson Building
320 Sixth Avenue North
Nashville, TN 37243

a. Each invoice, on Contractor's letterhead, shall clearly and accurately detail all of the following information (calculations must be extended and totaled correctly):

(1) Invoice number (assigned by the Contractor);
(2) Invoice date;
(3) Contract number (assigned by the State);
(4) Customer account name: Tennessee Department of Correction, Fiscal Services Division;
(5) Customer account number (assigned by the Contractor to the above-referenced Customer);
(6) Contractor name;
(7) Contractor Tennessee Edison registration ID number;
(8) Contractor contact for invoice questions (name, phone, or email);
(9) Contractor remittance address;
(10) Description of delivered goods or services provided and invoiced, including identifying information as applicable;
(11) Number of delivered or completed units, increments, hours, or days as applicable, of each good or service invoiced;

(12) Applicable payment methodology (as stipulated in Section C.3.) of each good or service invoiced;
(13) Amount due for each compensable unit of good or service; and
(14) Total amount due for the invoice period.

b. Contractor's invoices shall:

(1) Only include charges for goods delivered or services provided as described in Section A and in accordance with payment terms and conditions set forth in Section C;
(2) Only be submitted for goods delivered or services completed and shall not include any charge for future goods to be delivered or services to be performed;
(3) Not include Contractor's taxes, which includes without limitation Contractor's sales and use tax, excise taxes, franchise taxes, real or personal property taxes, or income taxes; and
(4) Include shipping or delivery charges only as authorized in this Contract.

c. The timeframe for payment (or any discounts) begins only when the State is in receipt of an invoice that meets the minimum requirements of this Section C.5.

C.6. Payment of Invoice. 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.

C.7. Invoice Reductions. The Contractor's invoice shall be subject to reduction for amounts included in any invoice or payment that is determined by the State, on the basis of audits conducted in accordance with the terms of this Contract, to not constitute proper compensation for goods delivered or services provided.

C.8. Deductions. The State reserves the right to deduct from amounts, which are or shall become due and payable to the Contractor under this or any contract between the Contractor and the State of Tennessee, any amounts that are or shall become due and payable to the State of Tennessee by the Contractor.

C.9. Prerequisite Documentation. The Contractor shall not invoice the State under this Contract until the State has received the following, properly completed documentation.

a. The Contractor shall complete, sign, and present to the State the "Authorization Agreement for Automatic Deposit Form" provided by the State. By doing so, the Contractor acknowledges and agrees that, once this form is received by the State, payments to the Contractor, under this or any other contract the Contractor has with the State of Tennessee, may be made by ACH; and

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

D. MANDATORY TERMS AND CONDITIONS:

D.1. 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.

D.2. Communications and Contacts. All instructions, notices, consents, demands, or other communications required or contemplated by this Contract shall be in writing and shall be made by certified, first class mail, return receipt requested and postage prepaid, by overnight courier service with an asset tracking system, or by email or facsimile transmission with recipient confirmation. All communications, regardless of method of transmission, shall be addressed to the respective Party at the appropriate mailing address, facsimile number, or email address as stated below or any other address provided in writing by a Party.

The State:

Alisha Shoates James, Assistant Commissioner of Community Supervision
Tennessee Department of Correction
320 Sixth Avenue North
Nashville, TN 37243
Alisha.James@tn.gov
Telephone # 615-532-8129

The Contractor:

Steve Chapin, Chief Executive Officer
Buddi, US
2710 Alternate19 North, 401 C
Palm Harbor, FL 34683
Steve@buddi.us
Telephone # 727-560-8432

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

D.3. Modification and Amendment. This Contract may be modified only by a written amendment signed by all Parties and approved by all applicable State officials.

D.4. Subject to Funds Availability. The Contract is subject to the appropriation and availability of State or federal funds. In the event that the funds are not appropriated or are otherwise unavailable, the State reserves the right to terminate this Contract upon written notice to the Contractor. The State's exercise of its right to terminate this Contract shall not constitute a breach of Contract by the State. Upon receipt of the written notice, the Contractor shall cease all work associated with the Contract. If the State terminates this Contract 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. Should the State exercise its right to terminate this Contract due to unavailability of funds, the Contractor shall have no right to recover from the State any actual, general, special, incidental, consequential, or any other damages of any description or amount.

D.5. Termination for Convenience. The State may terminate this Contract for convenience without cause and for any reason. The State shall give the Contractor at least thirty (30) days written notice before the termination date. The Contractor shall be entitled to compensation for all conforming goods delivered and accepted by the State or for satisfactory, authorized services completed as of the termination date. In no event shall the State be liable to the Contractor for compensation for any goods neither requested nor accepted by the State or for any services neither requested by the State nor satisfactorily performed by the Contractor. In no event shall the State's exercise of its right to terminate this Contract for convenience relieve the Contractor of any liability to the State for any damages or claims arising under this Contract.

D.6. Termination for Cause. If the Contractor fails to properly perform its obligations under this Contract in a timely or proper manner, or if the Contractor materially violates any terms of this Contract ("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 Contract.

D.7. Assignment and Subcontracting. The Contractor shall not assign this Contract or enter into a subcontract for any of the goods or services provided under this Contract without the prior written approval of the State. Notwithstanding any use of the approved subcontractors, the Contractor shall be the prime contractor and responsible for compliance with all terms and conditions of this Contract. The State reserves the right to request additional information or impose additional terms and conditions before approving an assignment of this Contract in whole or in part or the use of subcontractors in fulfilling the Contractor's obligations under this Contract.

D.8. Conflicts of Interest. The Contractor warrants that no part of the Contractor's compensation shall be paid directly or indirectly to an employee or official of the State of Tennessee as wages, compensation, or gifts in exchange for acting as an officer, agent, employee, subcontractor, or consultant to the Contractor in connection with any work contemplated or performed under this Contract.

The Contractor acknowledges, understands, and agrees that this Contract shall be null and void if the Contractor is, or within the past six (6) months has been, an employee of the State of Tennessee or if the Contractor is an entity in which a controlling interest is held by an individual who is, or within the past six (6) months has been, an employee of the State of Tennessee.

D.9. 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 Contract 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.

D.10. 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 Contract, a breach of which shall be grounds for monetary and other penalties, up to and including termination of this Contract.

a. The Contractor agrees that the Contractor shall not knowingly utilize the services of an illegal immigrant in the performance of this Contract and shall not knowingly utilize the services of any subcontractor who will utilize the services of an illegal immigrant in the performance of this Contract. The Contractor shall reaffirm this attestation, in writing, by submitting to the State a completed and signed copy of the document at Attachment ONE, semi-annually during the Term. If the Contractor is a party to more than one contract with the State, the Contractor may submit one attestation that applies to all contracts with the State. All Contractor attestations shall be maintained by the Contractor and made available to State officials upon request.

b. Prior to the use of any subcontractor in the performance of this Contract, and semi-annually thereafter, during the Term, the Contractor shall obtain and retain a current, written attestation that the subcontractor shall not knowingly utilize the services of an illegal immigrant to perform work under this Contract and shall not knowingly utilize the services of any subcontractor who will utilize the services of an illegal immigrant to perform work under this Contract. Attestations obtained from subcontractors shall be maintained by the Contractor and made available to State officials upon request.

c. The Contractor shall maintain records for all personnel used in the performance of this Contract. Contractor's records shall be subject to review and random inspection at any reasonable time upon reasonable notice by the State.

d. The Contractor understands and agrees that failure to comply with this section will be subject to the sanctions of Tenn. Code Ann. § 12-3-309 for acts or omissions occurring after its effective date.

e. For purposes of this Contract, "illegal immigrant" shall be defined as any person who is not: (i) a United States citizen; (ii) a Lawful Permanent Resident; (iii) a person whose physical presence in the United States is authorized; (iv) allowed by the federal Department of Homeland Security and who, under federal immigration laws or regulations, is authorized to be employed in the U.S.; or (v) is otherwise authorized to provide services under the Contract.

D.11. 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.

D.12. 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.

D.13. Progress Reports. The Contractor shall submit brief, periodic, progress reports to the State as requested.

D.14. Strict Performance. Failure by any Party to this Contract to require, in any one or more cases, the strict performance of any of the terms, covenants, conditions, or provisions of this Contract shall not be construed as a waiver or relinquishment of any term, covenant, condition, or provision. No term or condition of this Contract shall be held to be waived, modified, or deleted except by a written amendment signed by the Parties.

D.15. Independent Contractor. The Parties shall not act as employees, partners, joint venturers, or associates of one another. The Parties are independent contracting entities. Nothing in this Contract shall be construed to create an employer/employee relationship or to allow either Party to exercise control or direction over the manner or method by which the other transacts its business affairs or provides its usual services. The employees or agents of one Party are not employees or agents of the other Party.

D.16 Patient Protection and Affordable Care Act. The Contractor agrees that it will be responsible for compliance with the Patient Protection and Affordable Care Act ("PPACA") with respect to itself and its employees, including any obligation to report health insurance coverage, provide health insurance coverage, or pay any financial assessment, tax, or penalty for not providing health insurance. The Contractor shall indemnify the State and hold it harmless for any costs to the State arising from Contractor's failure to fulfill its PPACA responsibilities for itself or its employees.

D.17. Limitation of State's Liability. The State shall have no liability except as specifically provided in this Contract. In no event will 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, 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 under this Contract or otherwise. The State's total liability under this Contract (including any exhibits, schedules, amendments or other attachments to the Contract) or otherwise shall under no circumstances exceed the Maximum Liability. This limitation of liability is cumulative and not per incident.

D.18. Limitation of Contractor's Liability. In accordance with Tenn. Code Ann. § 12-3-701, the Contractor's liability for all claims arising under this Contract shall be limited to an amount equal to two (2) times the Maximum Liability amount detailed in Section C.1. and as may be amended, PROVIDED THAT in no event shall this Section limit the liability of the Contractor for: (i) intellectual property or any Contractor indemnity obligations for infringement for third-party intellectual property rights; (ii) any claims covered by any specific provision in the Contract providing for liquidated damages; or (iii) any claims for intentional torts, criminal acts, fraudulent conduct, or acts or omissions that result in personal injuries or death.

D.19. Hold Harmless. The Contractor agrees to indemnify and hold harmless the State of Tennessee as well as its officers, agents, and employees from and against any and all claims, liabilities, losses, and causes of action which may arise, accrue, or result to any person, firm, corporation, or other entity which may be injured or damaged as a result of acts, omissions, or negligence on the part of the Contractor, its employees, or any person acting for or on its or their behalf relating to this Contract. The Contractor further agrees it shall be liable for the reasonable cost of attorneys for the State to enforce the terms of this Contract.

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 the Contractor of its obligations under this Section to the extent that the Contractor can demonstrate actual prejudice arising from the failure to give notice. This Section shall not grant the 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.

D.20. HIPAA Compliance. The State and Contractor shall comply with obligations under the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"), Health Information Technology for Economic and Clinical Health ("HITECH") Act and any other relevant laws and regulations regarding privacy (collectively the "Privacy Rules"). The obligations set forth in this Section shall survive the termination of this Contract.

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

b. 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 of performance of the Contract so that both parties will be in compliance with the Privacy Rules.

c. The State and the 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 under this Contract is NOT "protected health information" as defined by the Privacy Rules, or if the Privacy Rules permit the parties to receive or deliver the information without entering into a business associate agreement or signing another document.

d. The 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.

D.21. Tennessee Consolidated Retirement System. Subject to statutory exceptions contained in Tenn. Code Ann. §§ 8-36-801, *et seq.*, the law governing the Tennessee Consolidated Retirement System ("TCRS"), provides that if a retired member of TCRS, or of any superseded system administered by TCRS, or of any local retirement fund established under Tenn. Code Ann. §§ 8-35-101, *et seq.*, accepts State employment, the member's retirement allowance is suspended during the period of the employment. Accordingly and notwithstanding any provision of this

Contract to the contrary, the Contractor agrees that if it is later determined that the true nature of the working relationship between the Contractor and the State under this Contract is that of "employee/employer" and not that of an independent contractor, the Contractor, if a retired member of TCRS, may be required to repay to TCRS the amount of retirement benefits the Contractor received from TCRS during the Term.

D.22. 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 Contract.

D.23. 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.

D.24. Force Majeure. "Force Majeure Event" means fire, flood, earthquake, elements of nature or acts of God, wars, riots, civil disorders, rebellions or revolutions, acts of terrorism or any other similar cause beyond the reasonable control of the Party except to the extent that the non-performing Party is at fault in failing to prevent or causing the default or delay, and provided that the default or delay cannot reasonably be circumvented by the non-performing Party through the use of alternate sources, workaround plans or other means. A strike, lockout or labor dispute shall not excuse either Party from its obligations under this Contract. Except as set forth in this Section, any failure or delay by a Party in the performance of its obligations under this Contract arising from a Force Majeure Event is not a default under this Contract or grounds for termination. The non-performing Party will be excused from performing those obligations directly affected by the Force Majeure Event, and only for as long as the Force Majeure Event continues, provided that the Party continues to use diligent, good faith efforts to resume performance without delay. The occurrence of a Force Majeure Event affecting Contractor's representatives, suppliers, subcontractors, customers or business apart from this Contract is not a Force Majeure Event under this Contract. 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 until Contractor resumes performance of the affected obligations; or (b) immediately terminate this Contract 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 Contract as the result of a Force Majeure Event.

D.25. State and Federal Compliance. The Contractor shall comply with all applicable state and federal laws and regulations in the performance of this Contract.

D.26. Governing Law. This Contract 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 Contract. The Contractor acknowledges and agrees that any rights, claims, or remedies against the State of Tennessee or its employees arising under this Contract shall be subject to and limited to those rights and remedies available under Tenn. Code Ann. §§ 9-8-101 - 407.

D.27. Entire Agreement. This Contract is complete and contains the entire understanding between the Parties relating to its subject matter, including all the terms and conditions of the Parties' agreement. This Contract supersedes any and all prior understandings, representations, negotiations, and agreements between the Parties, whether written or oral.

D.28. Severability. If any terms and conditions of this Contract are held to be invalid or unenforceable as a matter of law, the other terms and conditions of this Contract shall not be affected and shall remain in full force and effect. The terms and conditions of this Contract are severable.

D.29. Headings. Section headings of this Contract are for reference purposes only and shall not be construed as part of this Contract.

D.30. Incorporation of Additional Documents. Each of the following documents is included as a part of this Contract by reference. In the event of a discrepancy or ambiguity regarding the Contractor's duties, responsibilities, and performance under this Contract, these items shall govern in order of precedence below:

a. any amendment to this Contract, with the latter in time controlling over any earlier amendments;
b. this Contract with any attachments or exhibits (excluding the items listed at subsections c. through f., below), which includes ATTACHMENT ONE;
c. any clarifications of or addenda to the Contractor's proposal seeking this Contract;
d. the State solicitation, as may be amended, requesting responses in competition for this Contract;
e. any technical specifications provided to proposers during the procurement process to award this Contract; and
f. the Contractor's response seeking this Contract.

D.31. Iran Divestment Act. The requirements of Tenn. Code Ann. § 12-12-101 et.seq., addressing contracting with persons as defined at T.C.A. §12-12-103(5) that engage in investment activities in Iran, shall be a material provision of this Contract. The Contractor certifies, 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.

D.32. Insurance. Contractor shall maintain insurance coverage as specified in this Section. The State reserves the right to amend or require additional insurance coverage, coverage amounts, and endorsements required under this Contract. Contractor's failure to maintain or submit evidence of insurance coverage, as required, is a material breach of this Contract. If Contractor loses insurance coverage, fails to renew coverage, or for any reason becomes uninsured during the Term, Contractor shall immediately notify the State. All insurance companies providing coverage must be: (a) acceptable to the State; (b) authorized by the Tennessee Department of Commerce and Insurance ("TDCI"); and (c) rated A- / VII or better by A.M. Best. All coverage must be on a primary basis and noncontributory with any other insurance or self-insurance carried by the State. Contractor agrees to name the State as an additional insured on any insurance policy with the exception of workers' compensation (employer liability) and professional liability (errors and omissions) insurance. All policies must contain an endorsement for a waiver of subrogation in

favor of the State. Any deductible or self insured retention ("SIR") over fifty thousand dollars ($50,000) must be approved by the State. The deductible or SIR and any premiums are the Contractor's sole responsibility. The Contractor agrees that the insurance requirements specified in this Section do not reduce any liability the Contractor has assumed under this Contract including any indemnification or hold harmless requirements.

To achieve the required coverage amounts, a combination of an otherwise deficient specific policy and an umbrella policy with an aggregate meeting or exceeding the required coverage amounts is acceptable. For example: If the required policy limit under this Contract is for two million dollars ($2,000,000) in coverage, acceptable coverage would include a specific policy covering one million dollars ($1,000,000) combined with an umbrella policy for an additional one million dollars ($1,000,000). If the deficient underlying policy is for a coverage area without aggregate limits (generally Automobile Liability and Employers' Liability Accident), Contractor shall provide a copy of the umbrella insurance policy documents to ensure that no aggregate limit applies to the umbrella policy for that coverage area. In the event that an umbrella policy is being provided to achieve any required coverage amounts, the umbrella policy shall be accompanied by an endorsement at least as broad as the Insurance Services Office, Inc. (also known as "ISO") "Noncontributory—Other Insurance Condition" endorsement or shall be written on a policy form that addresses both the primary and noncontributory basis of the umbrella policy if the State is otherwise named as an additional insured.

Contractor shall provide the State a certificate of insurance ("COI") evidencing the coverages and amounts specified in this Section. The COI must be on a form approved by the TDCI (standard ACORD form preferred). The COI must list each insurer's National Association of Insurance Commissioners (NAIC) number and be signed by an authorized representative of the insurer. The COI must list the State of Tennessee – CPO Risk Manager, 312 Rosa L. Parks Ave., 3rd floor Central Procurement Office, Nashville, TN 37243 as the certificate holder. Contractor shall provide the COI ten (10) business days prior to the Effective Date and again thirty (30) calendar days before renewal or replacement of coverage. Contractor shall provide the State evidence that all subcontractors maintain the required insurance or that subcontractors are included under the Contractor's policy. At any time, the State may require Contractor to provide a valid COI. The parties agree that failure to provide evidence of insurance coverage as required is a material breach of this Contract. If Contractor self-insures, then a COI will not be required to prove coverage. Instead Contractor shall provide a certificate of self-insurance or a letter, on Contractor's letterhead, detailing its coverage, policy amounts, and proof of funds to reasonably cover such expenses.

The State agrees that it shall give written notice to the Contractor as soon as practicable after the State becomes aware of any claim asserted or made against the State, but in no event later than thirty (30) calendar days after the State becomes aware of such claim. The failure of the State to give notice shall only relieve the Contractor of its obligations under this Section to the extent that the Contractor can demonstrate actual prejudice arising from the failure to give notice. This Section shall not grant the Contractor or its insurer, 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.

The insurance obligations under this Contract shall be: (1)—all the insurance coverage and policy limits carried by the Contractor; or (2)—the minimum insurance coverage requirements and policy limits shown in this Contract; whichever is greater. Any insurance proceeds in excess of or broader than the minimum required coverage and minimum required policy limits, which are applicable to a given loss, shall be available to the State. No representation is made that the minimum insurance requirements of the Contract are sufficient to cover the obligations of the Contractor arising under this Contract. The Contractor shall obtain and maintain, at a minimum, the following insurance coverages and policy limits.

a. Commercial General Liability ("CGL") Insurance

1) The Contractor shall maintain CGL, which shall be written on an ISO Form CG 00 01 occurrence form (or a substitute form providing equivalent coverage) and

shall cover liability arising from property damage, premises and operations products and completed operations, bodily injury, personal and advertising injury, and liability assumed under an insured contract (including the tort liability of another assumed in a business contract).

The Contractor shall maintain single limits not less than one million dollars ($1,000,000) per occurrence. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this policy or location of occurrence or the general aggregate limit shall be twice the required occurrence limit.

b. Workers' Compensation and Employer Liability Insurance

1) For Contractors statutorily required to carry workers' compensation and employer liability insurance, the Contractor shall maintain:

i. Workers' compensation in an amount not less than one million dollars ($1,000,000) including employer liability of one million dollars ($1,000,000) per accident for bodily injury by accident, one million dollars ($1,000,000) policy limit by disease, and one million dollars ($1,000,000) per employee for bodily injury by disease.

2) If the Contractor certifies that it is exempt from the requirements of Tenn. Code Ann. §§ 50-6-101 – 103, then the Contractor shall furnish written proof of such exemption for one or more of the following reasons:

i. The Contractor employs fewer than five (5) employees;

ii. The Contractor is a sole proprietor;

iii. The Contractor is in the construction business or trades with no employees;

iv. The Contractor is in the coal mining industry with no employees;

v. The Contractor is a state or local government; or

vi. The Contractor self-insures its workers' compensation and is in compliance with the TDCI rules and Tenn. Code Ann. § 50-6-405.

c. Automobile Liability Insurance

1) The Contractor shall maintain automobile liability insurance which shall cover liability arising out of any automobile (including owned, leased, hired, and non-owned automobiles).

2) The Contractor shall maintain bodily injury/property damage with a limit not less than one million dollars ($1,000,000) per occurrence or combined single limit.

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

E. SPECIAL TERMS AND CONDITIONS:

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

E.2. Confidentiality of Records. Strict standards of confidentiality of records and information shall be maintained in accordance with applicable state and federal law. All material and information, regardless of form, medium or method of communication, provided to the Contractor by the State or acquired by the Contractor on behalf of the State that is regarded as confidential under state or federal law shall be regarded as "Confidential Information." Nothing in this Section shall permit 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 or permitted under state or federal law. Contractor shall take all necessary steps to safeguard the confidentiality of such material or information in conformance with applicable state and federal law.

The obligations set forth in this Section shall survive the termination of this Contract.

E.3. Software License Warranty. Contractor grants a license to the State to use all software provided under this Contract in the course of the State's business and purposes.

E 4. Software Support and Maintenance Warranty. Contractor shall provide to the State all software upgrades, modifications, bug fixes, or other improvements in its software that it makes generally available to its customers.

E.5. Contractor Hosted Services and Confidential Data.

a. "Confidential State Data" is defined as data deemed confidential by State or Federal statute or regulation. The Contractor shall protect Confidential State Data as follows:

(1) The Contractor shall ensure that all Confidential State Data is housed in the continental United States, inclusive of backup data.

(2) The Contractor shall encrypt Confidential State Data at rest and in transit using the current version of Federal Information Processing Standard ("FIPS") 140-2 validated encryption technologies.

(3) The Contractor's processing environment containing Confidential State Data shall be in accordance with at least one of the following security standards: (i) International Standards Organization ("ISO") 27001; (ii) Federal Risk and Authorization Management Program ("FedRAMP"); or (iii) American Institute of Certified Public Accountants ("AICPA") Service Organization Controls ("SOC") 2 Type II certified. The Contractor shall provide proof of current certification annually and upon State request.

(4) The Contractor must comply with the State's Enterprise Information Security Policies. This document is found at the following URL: https://www.tn.gov/content/dam/tn/finance/documents/Enterprise-Information-Security-Policies-ISO-27002-Public.pdf.

(5) In the event that the operating system is an integral part of the application, the Contractor agrees to maintain Operating Systems at current, manufacturer supported versions. "Operating System" shall mean the software that supports a computer's basic functions, such as scheduling tasks, executing applications, and controlling peripherals.

(6) The Contractor agrees to maintain the Application so that it will run on a current, manufacturer-supported Operating System. "Application" shall mean

the computer code that supports and accomplishes the State's requirements as set forth in this Contract. The Contractor shall make sure that the Application is at all times fully compatible with a manufacturer-supported Operating System; the State shall not be required to run an Operating System that is no longer supported by the manufacturer.

(7) If the Application requires middleware or database software, Contractor shall maintain middleware and database software versions that are at all times fully compatible with current versions of the Operating System and Application, to ensure that security vulnerabilities are not introduced.

(8) With advance notice from the State, and no more than one (1) time per year the Contractor agrees to allow the State to perform logical and physical audits of the Contractor's facility and systems that are hosting Confidential State Data.

(9) The Contractor must annually perform Penetration Tests and Vulnerability Assessments against its Processing Environment. "Processing Environment" shall mean the combination of software and hardware on which the Application runs. "Penetration Tests" shall be in the form of software attacks on the Contractor's computer system, with the purpose of discovering security weaknesses, and potentially gaining access to the computer's features and data. The "Vulnerability Assessment" shall have the goal of defining, identifying, and classifying the security holes (vulnerabilities) in the Contractor's computer, network, or communications infrastructure. The Contractor shall allow the State, at its option, to perform Penetration Tests and Vulnerability Assessments on the Contractor's Processing Environment.

b. 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: Thirty (30) 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: Thirty (30) minutes.

(2) The Contractor 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 Recover Test that its Disaster Recovery Capabilities meet the RPO and RTO requirements.

c. Upon State request, the Contractor shall provide a copy of all Confidential State Data it holds. The Contractor shall provide such data on media and in a format determined by the State.

Upon termination of this Contract and in consultation with the State, the Contractor shall destroy all Confidential 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.

E.6. Transfer of Ownership of Custom Software Developed for the State.

a. Definitions.

(1) "Contractor-Owned Software," shall mean commercially available software the rights to which are owned by Contractor, including but not limited to commercial "off-the-shelf" software which is not developed using State's money or resources.

(2) "Custom-Developed Application Software," shall mean customized application software developed by Contractor for the State under this Contract intended to function with the Contractor-Owned Software or any Work Product provided under this Contract.

(3) "Rights Transfer Application Software," shall mean any pre-existing application software and documentation owned or supplied by Contractor or a third party necessary for the use, functioning, support, or maintenance of the Contractor-Owned Software, the Custom-Developed Application Software, Third Party Software, and any Work Product provided to State.

(4) "Third-Party Software," shall mean software supplied by Contractor under this Contract or necessary for the functioning of any Work Product not owned by the State or the Contractor.

(5) "Work Product," shall mean all deliverables such as software, software source code, documentation, planning, etc., that are created, designed, developed, or documented by the Contractor for the State under this Contract. Work Product shall include Rights Transfer Application Software.

b. Rights and Title to the Software

(1) All right, title and interest in and to the Contractor-Owned Software shall at all times remain with Contractor, subject to any license or transfer of rights or ownership granted under this Contract. Contractor grants the State a perpetual non-exclusive license to the Contractor-Owned Software to be used solely with the Custom-Developed Application Software and the Work Product.

(2) Contractor shall provide the source code in the Custom-Developed Application Software, Work Product and the Contractor-Owned Software, with all subsequent modifications, enhancements, bug-fixes or any other changes in the source code of the Work Product and the Contractor-Owned Software and all other code and documentation necessary for the Custom-Developed Application Software to be installed and function as intended and as set forth in this Contract, to the State.

(3) Contractor may lease or sell the Custom-Developed Application Software to third parties with the written permission of the State, which permission may be conditioned on the State receiving royalties from such sales or licenses.

(4) All right, title and interest in and to the Custom-Developed Application Software, and to modifications thereof made by State, including without limitation all copyrights, patents, trade secrets and other intellectual property and other

proprietary rights embodied by and arising out of the Custom-Developed Application Software, shall belong to State. To the extent such rights do not automatically belong to State, Contractor hereby assigns, transfers, and conveys all right, title and interest in and to the Custom-Developed Application Software, including without limitation the copyrights, patents, trade secrets, and other intellectual property rights arising out of or embodied by the Custom-Developed Application Software. Contractor and its employees, agents, contractors or representatives shall execute any other documents that State or its counsel deem necessary or desirable to document this transfer or allow State to register its claims and rights to such intellectual property rights or enforce them against third parties.

(5) All right, title and interest in and to the Third-Party Software shall at all times remain with the third party, subject to any license or other rights granted to the State under this Contract or otherwise.

c. The Contractor may use for its own purposes the general knowledge, skills, experience, ideas, concepts, know-how, and techniques obtained and used during the course of performing under this Contract. The Contractor may develop for itself, or for others, materials which are similar to or competitive with those that are produced under this Contract.

E.7. Public Accountability. If the Contractor is subject to Tenn. Code Ann. §§ 8-4-401, *et seq.*, or if this Contract involves the provision of services to citizens by the Contractor on behalf of the State, the Contractor agrees to establish a system through which recipients of services may present grievances about Contractor's operation of the service program. The Contractor shall also display in a prominent place, located near the passageway through which the public enters in order to receive contract-supported services, a sign at least eleven inches (11") in height and seventeen inches (17") in width stating the following:

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

The sign shall be of the form prescribed by the Comptroller of the Treasury. The contracting state agency shall request copies of the sign from the Comptroller of the Treasury and provide signs to contractors.

E.8. Personally Identifiable Information. While performing its obligations under this Contract, Contractor may have access to Personally Identifiable Information held by the State ("PII"). For the purposes of this Contract, "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 Contract, 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 and Contractor shall, and cause its employees, agents and representatives to, comply with all reasonable

requests or directions from the State to enable the State to verify and/or procure that Contractor is in full compliance with its obligations under this Contract in relation to PII. Upon termination or expiration of the Contract or at the State's direction at any time in its sole discretion, whichever is earlier, Contractor shall immediately return to the State any and all PII which it has received under this Contract and shall destroy all records of such PII.

The 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 Contractor's attention. Any such report shall be made by the Contractor within twenty-four (24) hours after the Unauthorized Disclosure has come to the attention of the Contractor. Contractor shall take all necessary measures to halt any further Unauthorized Disclosures. The Contractor, at the sole discretion of the State, shall provide no cost credit monitoring services for individuals whose PII was affected by the Unauthorized Disclosure. The Contractor shall bear the cost of 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 Contract or otherwise available at law.

IN WITNESS WHEREOF,

BUDDI, US:

Steve Chapin — July 10, 2018

CONTRACTOR SIGNATURE — **DATE**

Steve Chapin, CEO

PRINTED NAME AND TITLE OF CONTRACTOR SIGNATORY (above)

TENNESSEE DEPARTMENT OF CORRECTION:

Tony Parker CT — 16 JULY 18

TONY PARKER, COMMISSIONER — **DATE**

ATTACHMENT ONE

ATTESTATION RE PERSONNEL USED IN CONTRACT PERFORMANCE

SUBJECT CONTRACT NUMBER:	32901-31186
CONTRACTOR LEGAL ENTITY NAME:	Buddi US, LLC
EDISON VENDOR IDENTIFICATION NUMBER:	201610

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

Steve Chapin

CONTRACTOR SIGNATURE

NOTICE: This attestation MUST be signed by an individual empowered to contractually bind the Contractor. Attach evidence documenting the individual's authority to contractually bind the Contractor, unless the signatory is the Contractor's chief executive or president.

Steve Chapin, CEO

PRINTED NAME AND TITLE OF SIGNATORY

July 10, 2018

DATE OF ATTESTATION