



# CONTRACT

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

<b>Begin Date</b>	<b>End Date</b>	<b>Agency Tracking #</b>	<b>Edison Record ID</b>		
<b>Contractor Legal Entity Name</b>			<b>Edison Vendor ID</b>		
<b>Goods or Services Caption</b> (one line only)					
<b>Contractor</b> <input checked="" type="checkbox"/> Contractor		<b>Assistance Listing Number#</b>			
<b>Funding —</b>					
<b>FY</b>	<b>State</b>	<b>Federal</b>	<b>Interdepartmental</b>	<b>Other</b>	<b>TOTAL Contract Amount</b>
<b>TOTAL:</b>					
<b>Selection Method &amp; Process Summary</b> (mark the correct response to confirm the associated summary)					
<input type="checkbox"/> Competitive Selection		Describe the competitive selection process used			
<input type="checkbox"/> Other		Describe the selection process used and submit a Special Contract Request			
<b>Budget Officer Confirmation:</b> 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.					
<b>Speed Chart</b> (optional)		<b>Account Code</b> (optional)			

**CONTRACT**  
**BETWEEN THE STATE OF TENNESSEE,**  
**DEPARTMENT OF HUMAN SERVICES**  
**AND**  
**CONTRACTOR NAME**

This Contract, by and between the State of Tennessee, Department of Human Services (“DHS”) or (“State”) and **Contractor Legal Entity Name** (“Contractor”), is for the provision of child support enforcement in the 7<sup>th</sup> Judicial District of Tennessee, 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/an Individual, For-Profit Corporation, Non-Profit Corporation, Special Purpose Corporation Or Association, Partnership, Joint Venture, Or Limited Liability Company.**

Contractor Place of Incorporation or Organization: **Location**

Contractor Edison Registration ID # **Number**

**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. For purposes of this Contract, definitions shall be as follows and as set forth in the Contract:

- a. “7<sup>th</sup> Judicial District” means the 7<sup>th</sup> Judicial District of Tennessee which serves Anderson County.
- b. “Abandonment” means an instance in which the caller disconnects from the Contractor’s call system.
- c. “Administrator” or “Office Administrator” means the one (1) full-time employee whose responsibilities include oversight of the child support enforcement services operations for the 7<sup>th</sup> JD. This position shall be scheduled to work when the State Offices are open, Monday through Friday from 8:00 A.M. Eastern time to 5:00 P.M. Eastern time and be physically located in the 7<sup>th</sup> Judicial District Office during hours of operation.
- d. “Administrative Order” means child support orders issued by a court with proper jurisdiction or established by an administrative entity such as the State’s child support agency.
- e. “Attorney List” means the complete and accurate list of all legal counsel employed by the Contractor to represent the State in matters related to this Contract, including at least the full name, address, direct telephone number, and State-issued bar number for each attorney.
- f. “CAP” means a Corrective Action Plan which is a written description of how the Contractor will determine the root cause of an ongoing problem, remedy the immediate operational challenge, and prevent the same problem or similar problems from occurring in the future and throughout the rest of the Contract Term.
- g. “Central Registry” means the central registry unit, established by a state, that is responsible for receiving, transmitting, and responding to inquiries on all incoming Intergovernmental IV-D cases in accordance with 45 C.F.R. § 303.7.

- h. “Child Support Guidelines” means the OCSE (as defined) methodology used to determine the amount of an Obligor’s monthly child support obligations in accordance with 45 C.F.R. § 302.56 and 42 U.S.C. § 667*et. seq.*
- i. “Data Set” means a collection of related sets of information that is composed of separate elements but can be manipulated as a unit by a computer.
- j. “Disaster Recovery Test” means the process of verifying the success of the restoration procedures that are executed after a critical IT failure or disruption occurs.
- k. “EDE” means the electronic document exchange that is housed in the State Services Portal, managed by the Office of Child Support Services.
- l. “Effective Date” means November 1, 2026, the date the Contractor shall start working with the current vendor for the 7<sup>th</sup> JD to begin the no-cost transition of data, case files, and physical office space in preparation for providing the services at issue in this Contract on the Go-Live Date (as defined).
- m. “Final Payment” means the last payment, which shall be designated a milestone payment wherein payment to the Contractor is dependent upon the successful transition of services to a future vendor as outlined in Sections A.35 and A.68 of this Contract.
- n. “FPLS” means the Federal Parent Locator Service as established in 42 U.S.C. § 653(a).
- o. “FTE” or “Full Time Employee” means an individual employed by the Contractor that is scheduled to work at least physically, forty (40) hours per week, on-site in the Contractor’s JD Office, unless otherwise directed by the State.
- p. “FTI” means Federal Tax Information, a return or return information received directly from the IRS or obtained through an authorized secondary source such as SSA, OCSE, or another entity acting on behalf of the IRS pursuant to an I.R.C. § 6103(p)(2)(B) Agreement.
- q. “Go-Live Date” means May 1, 2027, the date the Contractor shall begin billing the State for providing the services at issue in this Contract at the rates established in Section C.1. and C.3. below.
- r. “IV-D” means Title IV-D of the Social Security Act, 42 U.S.C. § 651, *et seq.*
- s. “Implementation Plan” means the document describing the Contractor’s business processes and approach to performing the Scope of Services, as further discussed in Section A.3.
- t. “Intergovernmental” or “Intergovernmental IV-D Case” means a IV-D case that meets the criteria found at 45 C.F.R. § 301.1.
- u. “IRS” means the Internal Revenue Service.
- v. “Key Personnel” shall mean the Project Management, Program Manager who may also be referred to as the Office Administrator, supervisory staff, trainers, and attorneys.
- w. “MPS” or “Minimum Protection Standards” means the requirements as defined in Section 4.2 of IRS Publication 1075 and further discussed in Section A.62 of this Contract.

- x. "Monthly Performance Measures Reports" means a report submitted to the State from the Contractor once a month by the Contractor that summarizes the previous month's compliance with the minimum performance standards established by Section A.9 of this Contract and the elements of information required by 42 U.S.C. § 669(a).
- y. "Monthly Project Update Report" means a status report assessing the Contractor's compliance with the performance standards established in this Contract.
- z. "Program Manager" means the one (1) full-time employee whose responsibilities include oversight of the child support enforcement services operations for the 7<sup>th</sup> JD. This position shall be scheduled to work when the State Offices are open, Monday through Friday from 8:00 A.M. Eastern time to 5:00 P.M. Eastern time and be on-site, physically located in the 7<sup>th</sup> Judicial District Office during the hours of operation.
- aa. "NIST" means the National Institute of Standards and Technology.
- bb. "Obligor" means a person who is bound to another by contract or other legal procedure.
- cc. "OCSE" or "Office of Child Support Enforcement" means the Office of Child Support Enforcement, a subdivision of the Administration for Children and Families division of the U.S. Department of Health and Human Services.
- dd. "Operating System" means the software that supports a computer's basic functions, such as scheduling tasks, executing applications, and controlling peripherals.
- ee. "RPO" means Recovery Point Objective.
- ff. "RTO" means Recovery Time Objective.
- gg. "SDU" means the State Disbursement Unit, the processing center established in accordance with Tenn. Code Ann. § 36-5-114 which is responsible for collecting and processing payments for all child support cases enforced by the State of Tennessee's Child Support Enforcement Program pursuant to Title IV-D of the Social Security Act, 42 U.S.C. § 651 *et seq.*, and specifically 42 U.S.C. § 654b.
- hh. "Service Center" means the Contractor's facility at which the Contractor performs telephone answering services in accordance with Section A.52. of the Contract.
- ii. "SSA" means the Social Security Administration.
- jj. "TANF" means the Temporary Assistance for Needy Families program as defined and described at 42 USCA § 601 *et seq.*
- kk. "TCSES" means the Tennessee Child Support Enforcement System which is an electronic database that is operated by the Department of Human Services for the recording of child or spousal support data, and for collection, distribution, and disbursement of child and spousal support payments, or any replacement system adopted by the State.
- ll. "Tennessee Child Support Handbook" means that certain document created by the State, as updated from time to time, and available at: [https://www.tn.gov/content/dam/tn/human-services/documents/cs\\_handbook.pdf](https://www.tn.gov/content/dam/tn/human-services/documents/cs_handbook.pdf)

mm. "VAoP" means voluntary acknowledgement of paternity by a parent of a child.

- A.3. Implementation. The Contractor shall establish and maintain a Child Support Enforcement Program in the 7<sup>th</sup> Judicial District of Tennessee which fully complies with the provisions of Title IV-D of the Social Security Act, 42 U.S.C. § 651, *et seq.* as amended, Title 45 of the Code of Federal Regulations (C.F.R.), state law and regulations, and Child Support program policy and program directives. The Contractor shall be responsible and accountable for the proper operation of the enforcement program pursuant to Title IV-D of the Social Security Act. The Contractor shall ensure that the initial establishment of the program is in accordance with the draft Implementation Plan provided in the Technical Proposal that the Contractor submitted in its response to Request for Proposal 34513-07827, provided, however, that the Contractor shall comply with directives the State may issue regarding the draft Implementation Plan and the Contractor's implementation activities. No later than thirty (30) days after the Effective Date of this Contract, the Contractor shall submit a final version of its Implementation Plan for the State's review and approval. The Contractor shall comply with any request by the State to modify the draft Implementation Plan submitted. The State in its sole discretion shall determine whether the final Implementation Plan is adequate, and whether to approve the Implementation Plan. Upon the State's approval of the final Implementation Plan, the Contractor shall comply with the Implementation Plan.
- A.4. Legal Representation. The Contractor shall ensure that its attorney positions cover every judicial hearing involving the Title IV-D Child Support program for the 7<sup>th</sup> Judicial District throughout the Contract Term. The Contractor's legal counsel in the 7<sup>th</sup> Judicial District shall be licensed to practice law in the State of Tennessee and shall attend and represent the State in every judicial hearing involving the Title IV-D Child Support program.
- a. Control of the Contractor's Attorneys. The Contractor's legal counsel performing services under this Contract shall be direct employees of the Contractor, unless the Contractor has provided sufficient justification for the use of a subcontractor and the request and subcontractor are approved, in writing, by the State in accordance with Section D.7 of this Contract. The Contractor shall not provide services under this Contract using attorneys or other individuals who are employees of a staffing vendor without prior authorization of the State. The Contractor shall provide the State with justification in writing to subcontract legal representation within thirty (30) days of Contract award if it intends to use a subcontractor. The Contractor shall, within ninety (90) days of the Effective Date of this Contract, submit to the State the terms of the subcontract agreement, including details of how the Contractor will provide appropriate oversight and accountability of the subcontractor. The Contractor shall only employ legal counsel for the provision of legal services required by this Contract after receipt of the approval of the DHS Office of General Counsel and the Office of the Attorney General and Reporter.
- b. Attorney Staff Levels and Fora. The Contractor shall maintain sufficient legal counsel staffing to adequately represent the State pursuant to the terms of this Contract for all judicial proceedings and hearings in accordance with Sections A.4.c-e, and A.6. of this Contract, including reviews by Tennessee courts of any type of administrative action taken by the State involving the Title IV-D Child Support program. The Contractor shall have a coverage plan to account for attorney unavailability, which shall be provided to the State upon request. The Contractor shall ensure that the Contractor's attorney represents the State in federal bankruptcy court in actions involving the Title IV-D Child Support program, but not in any other Title IV-D Child Support actions arising in other federal trial or administrative tribunals or in any federal appellate courts, unless otherwise directed in the policies and procedures of the DHS's Child Support program or as

otherwise specifically directed by the Office of General Counsel of DHS or by the Office of the Attorney General and Reporter. The Contractor shall not represent the State in appellate court appeals or reviews of any such hearings or actions in the Tennessee Court of Appeals or in the Tennessee Supreme Court.

- c. Hearings. The Contractor shall ensure that its attorney positions: 1) cover every judicial hearing involving the Title IV-D Child Support program for the 7<sup>th</sup> Judicial District throughout the Term; and 2) attend and represent the State in every judicial hearing involving the Title IV-D Child Support program. The Contractor shall ensure that its attorneys attend administrative hearings as stated in the policies and procedures of DHS's Child Support program and as otherwise directed by the Office of General Counsel of DHS or by the Office of the Attorney General and Reporter.
  - d. Attorneys' Professional Conduct. The Contractor shall ensure that its attorneys represent and vigorously advocate for the interests of the State of Tennessee, DHS, and the Title IV-D Child Support program as may be directed by the Office of General Counsel of DHS or by the Office of the Tennessee Attorney General and Reporter, consistent with the Tennessee Rules of Professional Conduct and the laws of Tennessee, and as may be required by the procedures and policies of DHS's Title IV-D Child Support program. The Contractor shall ensure that all legal counsel performing services on behalf of the Contractor maintain strict standards of confidentiality of records in accordance with state and federal law and regulations. The Contractor shall notify the State in writing no later than three (3) business days after it becomes aware of any disciplinary action, suspension, or disbarment proceedings initiated against legal counsel employed or sub-contracted by the Contractor.
  - e. Actions and Settlements. The Contractor shall bring all court actions in the name of the State and the person receiving IV-D services and shall notify the State or the Office of the Attorney General and Reporter in a timely fashion of any judicial or administrative decision or settlement offers or agreements which may adversely affect the State's interest. The Contractor shall not enter into any settlement that results in the loss of State revenue.
  - f. Attorney List. The Contractor shall maintain and provide to the State a complete and accurate Attorney List. The Contractor shall provide the Attorney List to the DHS Office of General Counsel and to the General Civil Division of the Office of the Attorney General and Reporter no later than thirty (30) days after the Go Live Date of this Contract, and shall update the Attorney List no later than ten (10) business days after the Contractor gains, loses, or reassigns its attorneys for any reason. The Contractor shall ensure that the Attorney List includes the resumes of proposed personnel for project management, supervisory staff, and legal counsel the Contractor uses to provide services under this Contract during the Term. Attorneys utilized by the Contractor for the provision of legal services required by this Contract, whether employees or subcontractors, are subject, at all times, to the approval of the State and the Office of the Attorney General and Reporter.
- A.5. State Approval of Contractor's Attorneys and Key Personnel. No later than sixty (60) days after the Effective Date of this Contract, the Contractor shall obtain the approval of DHS of the resumes of all proposed Key Personnel assigned to the project. Prior to any personnel changes, the Contractor shall submit in writing for DHS's approval, the resumes of proposed Key Personnel assigned to the project during the Term of this Contract. DHS will provide such approval or denial in writing. The Contractor shall maintain a schedule of Monday through Friday during the hours

of 8:00 A.M. Eastern time through 5:00 P.M. Eastern time and is providing the services at issue in this Contract. The Contractor shall ensure that the FTE has completed all required data security trainings and completed the appropriate background investigations. The Contractor shall ensure that no personnel who provide services under this Contract are employed by a staffing vendor, temp agency, or other similar staffing provider subcontracting with the Contractor.

- A.6. Office and Workers. The Contractor shall ensure that, at a minimum, the Child Support office(s) remain(s) open and staffed on all days that the State is open. All staff, including Key Personnel, must be physically located on-site at the child support office. The Contractor's hours of operation in the Contractor's office(s) in the 7<sup>th</sup> Judicial District shall be, at a minimum, from 8:00 A.M. to 5:00 P.M. Eastern Time, and the Contractor's staff shall be available to assist clients continuously throughout the day, from opening until close of business, including the lunch hour. The Contractor shall ensure that the Child Support office(s) is identified by an exterior sign containing the following phrase: CHILD SUPPORT SERVICES 7<sup>th</sup> JUDICIAL DISTRICT. Any signage installed under the requirements of this Section shall be subject to final approval by the State. The Contractor shall not house other businesses contracted or otherwise or allow access to areas of the Child Support office where child support enforcement services are being performed. This includes, but is not limited to, Contractor's employees and subcontractors that are not directly assigned to this Contract and have not been approved by the State to receive access to any child support data in any form.

Each month the Contractor shall maintain a staffing level to fully support child support enforcement operations of seven (7) FTE of the Contractor. Contractor acknowledges and understands that "fully staffed" assures that all hearings under this Contract are covered throughout the Term as described in Section A.4. The Contractor shall not include the following in calculating its staffing level:

- a. part-time employees;
- b. staff physically located outside of the Contractor's office(s) in the 7<sup>th</sup> Judicial District, unless approved in writing by the State;
- c. staff who are not employees of the Contractor, with the exception of any approved subcontracted legal counsel as described in Section A.4; and
- d. staff on unpaid leave not including enrollment of the Family and Medical Leave Act (FMLA).

The Contractor shall submit its staffing plan, including hours and days dedicated to the project and location of staff in writing within sixty (60) days of the Effective Date of the Contract. Upon the State's approval, the Contractor shall adhere to the State-approved staffing plan. The Contractor shall not modify the staffing plan except upon the State's prior written approval. The staffing plan shall include contingency plans for how the Contractor will continue operations in the event Key Personnel are absent or unavailable for ten (10) or more consecutive business days. The staffing plan shall be provided upon the request of the State at any time during the Term.

The Contractor shall provide the State a written directory with the names, email addresses, and direct phone numbers of all Key Personnel assigned to this Contract. The Contractor shall maintain the directory and provide the State an updated version within ten (10) business days, if personnel, email addresses, or phone numbers change.

All Contractors and subcontractors employed under this Contract shall use the State issued email address "@tn.gov" assigned to their user identification number.

The Contractor shall ensure that all FTEs under this Contract dedicate one hundred percent (100%) of their working hours as FTEs to this Contract.

The State reserves the right, at its sole discretion, to adjust the staffing levels required in this Contract based on the Contractor's performance during the Term. The State shall give the Contractor at least thirty (30) days' written notice before requiring an adjustment to the staffing levels.

The Contractor shall notify and seek approval from the State for any potential candidates that are previous DHS employees or currently employed staff of DHS. Such approval shall be requested prior to hiring.

- A.7. Technical Support. The Contractor shall provide adequate technical support staff needed to analyze, plan, implement, and operate technical services that may be needed to meet the diverse needs of the State, including but not limited to: equipment installation and maintenance, reporting, call or email campaigns, and participation surveys.
- A.8. Nondisclosure. The Contractor shall, as directed by the State and at no additional cost to the State, coordinate with, facilitate the prompt exchange of information between, and work collaboratively with any and all third-party contractors engaged by the State and state agencies. If required in order for the Contractor to proceed with any part of the Scope of Services which involves sharing or obtaining information of a confidential, proprietary, or otherwise valuable nature with or from a third party contractor engaged by the State, the Contractor shall execute such documents, including but not limited to nondisclosure agreements, as determined by the State, to maintain cooperation and collaboration among and with any and all third party contractors engaged by the State and state agencies in the performance of the Contract. The Contractor shall comply with any nondisclosure agreement for proprietary or confidential information of a third-party contractor.
- A.9. Minimum Performance Standards. The Contractor shall comply with all State directives regarding processing of reports and lists, participate in special projects or training(s) intended to improve performance, "Minimum Performance Standards." The Contractor shall meet or exceed the Minimum Performance Standards set forth in this Section in the following five areas: (a) establishment of paternities; (b) establishment of child support orders; (c) collections on current child support due; (d) cost effectiveness; and (e) collection on past child support due (arrears).

Within sixty (60) days following the end of each preceding completed contract year, the State shall review the Monthly Performance Measures Reports for that contract year and determine whether Contractor has met Minimum Performance Standards for the last month of each contract year, or the average for the contract year. Failure to meet the Minimum Performance Standards set forth in this Section may result in assessment of Liquidated Damages in accordance with Section E.10. and Attachment B - Liquidated Damage Events and Amounts. The Contractor shall meet the following Minimum Performance Standards:

- a. Paternity Establishment Percentage. The year-to-date ratio of the number of IV-D children born out of wedlock to the number of IV-D paternities established or acknowledged shown on the Monthly Performance Measures Report as of the last month of each contract year shall equal at least ninety-five percent (95%).

- b. Support Order Establishment. The year-to-date ratio of the number of IV-D cases in which a support order (financial/medical) exists as compared to the total number of IV-D cases in the Contractor's caseload shown on the Monthly Performance Measures Report for support order establishment as of last month of each contract year, or the average for the contract year, shall equal or exceed the value for that year as specified in the following table, or average that value over the term of that year.

Contract Year	Minimum Required Level
05/1/2027 – 04/30/2028	95.00%
05/1/2028 – 04/30/2029	95.00%
05/1/2029 – 04/30/2030	95.00%
05/1/2030 – 04/30/2031	95.00%
05/1/2031 – 04/30/2032	95.00%

- c. Collections on Current Support. The year-to-date ratio of the total amount of current support disbursements to the total amount of current support owed during the contract year shown on the Monthly Performance Measure Report as of the last month of each contract year shall equal or exceed the value for the contract year as specified in the following table or average that value over the term of that year.

Contract Year	Minimum Required Level%
05/1/2027 – 04/30/2028	66.50%
05/1/2028 – 04/30/2029	66.75%
05/1/2029 – 04/30/2030	67.00%
05/1/2030 – 04/30/2031	67.25%
05/1/2031 – 04/30/2032	67.50%

- d. Total Disbursed Child Support Collections. As of the end of year 1 the total amount of child support disbursed shall be one percent (1.0%) higher than the total amount disbursed for the 7<sup>th</sup> Judicial District during the period May 1, 2026, through April 30, 2027. For each subsequent contract year, the increase in total amount of child support disbursed compared to the amount disbursed during the previous contract year, shall equal or exceed the percentage specified in the following table:

Contract Year	Minimum Increase Required
05/1/2027 – 04/30/2028	1.0%
05/1/2028 – 04/30/2029	1.0%
05/1/2029 – 04/30/2030	1.25%
05/1/2030 – 04/30/2031	1.25%
05/1/2031 – 04/30/2032	1.50%

- e. Payments on Arrears Cases. The ratio of the number of IV-D cases in the Contractor's caseload for which an arrears payment was due to the total number of cases receiving a payment on arrears shall equal the minimum level specified in the following table:

Reporting Period (Federal Fiscal Year)	Minimum Level Required
9/30/2028	65.00%

9/30/2029	65.25%
9/30/2030	65.50%
9/30/2031	66.00%

- A.10. Problem Notification. At the point at which the Contractor discovers or reasonably should have known of any problem that is likely to jeopardize the Contractor's ability to perform any function as specified in this Contract, the Contractor shall notify the applicable DHS staff (as well as the State's designated general contact for this Contract) via phone and via email within one (1) hour if the problem occurs during the business day and no later than 9:00 A.M. Central Time the following business day if the problem occurs after close of business.
- A.11. Corrective Action Plan Performance. The State shall review Contractor's performance in relation to the terms and conditions of this Contract, including without limitation the Minimum Performance Standards set forth in Section A.9, and notify the Contractor by letter of any deficiencies in performance of the Contractor identified, in response to which the Contractor shall, if requested by the State, provide a CAP within sixty (60) days following the date of the letter from the State. The Contractor shall take all actions specified in the CAP following its approval by the State within the timeframes specified therein.
- A.12. Corrective Action Plan Submission. The Contractor shall provide a CAP within sixty (60) days of the date of each letter from the State specifying that one or more of the performance standards specified in Section A.9 was not met. The Contractor shall provide each CAP for review and written approval by the State.
- A.13. Corrective Action Plan Revisions. The Contractor shall clarify or revise within fifteen (15) business days any CAP or section(s) of the CAP which the State determines is not acceptable.
- A.14. Audit Finding. The Contractor shall cooperate with any State-initiated CAP necessary to respond to an audit finding, regardless of whether the audit finding was due to the Contractor's performance.
- A.15. Corrective Action Plan Approval by State. The State will notify the Contractor within ninety (90) days of the receipt of a CAP of the acceptability of the plan and allow fifteen (15) business days for the Contractor to submit clarification or revision if the CAP is deemed to be unacceptable to the State.
- A.16. Interpretation of Legal Requirements. The State in its sole discretion will determine whether the Contractor's performance complies with applicable law, and the Contractor shall defer to the State's interpretation of legal requirements.
- A.17. On-Site Visits. The State may monitor Contractor performance of this Contract through various methods including, but not limited to, periodic on-site visits. The State's monitoring activities under this Contract may include without limitation review of the following: office procedures; Key Personnel's performance, customer service; adherence to child support policy and procedures; paternity and order establishment; enforcement; collection and distribution of child support. In conjunction with on-site visits the State may discuss, recommend, and monitor special activities that are implemented for the purpose of performance improvement.
- A.18. Program Reviews. The State may conduct program reviews of the operation of the Contractor's Title IV-D program. The State may require a new or revised CAP to address any deficiencies

identified. Any change in the Contractors' processes or operations shall be reviewed for approval by the State prior to implementing the change.

- A.19. Monthly Project Update Report. The Contractor shall provide, in a format prescribed by the State, a Monthly Project Update Report no later than the fifteenth (15<sup>th</sup>) day of the month following the end of the reporting period. The Contractor shall provide additional reports as requested by the State.
- A.20. Administrative Orders. The Contractor shall utilize all Administrative Orders made available by the State IV-D agency for enforcement purposes.
- A.21. Title IV-D Services. The Contractor shall ensure that the following services are available and provided in a timely manner for all applicable Title IV-D cases:
- a. Case Initiation. The Contractor shall perform all activities associated with initial child support case opening activities, including providing and accepting applications for service from a custodial or non-custodial parent or other designated caretaker of the child(ren), collection of necessary case information on TCSES, and providing the IV-D case or member number to the Clerk of Court when necessary. The Contractor shall meet the following intake performance standards:
- (1) Provide an application for child support enforcement services on the day it is requested, if requested in person, or within five (5) business days if requested by phone or mail, and a copy of the Tennessee Child Support Handbook, with any current supplements or inserts, shall also be included with the application.
  - (2) Within twenty (20) calendar days of receiving a referral or application for services, an assessment of the case shall be completed, to include solicitation of necessary information from the applicant, initiation of verifications, and if necessary, initiation of activities designed to locate a parent.
- b. Establishing Legal Obligation for Financial and Medical Support.
- (1) Use of Legal and Administrative Remedies, Establishment of Paternity, Use of and Payment for Genetic Testing. The Contractor shall be responsible for the timely use of appropriate legal remedies, including the administrative remedy processes provided for in federal and Tennessee law, to secure orders of paternity and support after successful location activities. The Contractor shall ensure that the paternity determination is achieved through agreed orders, contested court action, or a voluntary acknowledgment. In any contested paternity establishment action, the Contractor shall file a request for genetic testing with the appropriate tribunal. If the IV-D agency has paid the initial costs of the genetic testing and the alleged father is determined to be the legal father, the Contractor shall petition the court to reassess the costs of the genetic testing against the defendant father.
  - (2) Use of Child Support Guidelines, Form of Order, Use of Income Withholding. In establishing a legal obligation to support, the Contractor shall petition for support in accordance with the State child support award rules in Tenn. Comp. R. & Regs. 1240-02-04. The Contractor shall ensure that the petition requests child support to be set in a specific dollar amount, due per month, including any arrearages. The Contractor shall ensure that petitions shall also include

language requesting the immediate use of income withholding on all support orders for all assignable income which is currently, or later becomes, available.

- (3) Establishment of Medical Support. The Contractor shall petition the court to establish a legal obligation for the medical support of the child in the form of health insurance in every TANF, Medicaid/TennCare, and foster care case if the child does not have medical insurance, other than Medicaid/TennCare, and in all non-TANF cases. The Contractor shall ensure that the petition includes a request that, in the event the court finds that health insurance is not available at reasonable cost, the court order that health insurance is obtained for the child when and if it becomes available.

- i. The Contractor shall comply with the following authority as may be amended during the Term:
  - (a) 42 U.S.C. § 666(a)(19);
  - (b) 45 C.F.R. § 303; and
  - (c) Tenn. Code Ann. § 36-5-501.
- ii. Unless a court or administrative order allows health care coverage for a child by a method other than employer-based health care coverage, the Contractor shall, pursuant to 42 U.S.C. § 666 and 45 C.F.R. § 303, use the mandatory National Medical Support Notice (“NMSN”), promulgated by the OCSE, to inform the non-custodial parent’s employer of the provision in the order for health care coverage within two (2) business days of the entry of such employee who is an Obligor in a Title IV-D case into the directory of new hires pursuant to Tenn. Code Ann. § 36-5-501(a)(3).
- iii. Pursuant to 45 C.F.R. § 303.32(a), the Contractor shall use the NMSN to notify the employer of a custodial parent if that parent is ordered to provide health care coverage through an employment-related health plan.

c. Timeframes Applicable to Establishing Orders.

- (1) Location Activities. The Contractor shall verify a residence or employer’s address where the non-custodial parent may be served. The Contractor shall establish and utilize local and State-provided resources for locating parents, including assisting the State in locating non-custodial parents for other jurisdictions. The Contractor shall perform location services within the following timeframes:
- i. Within seventy-five (75) calendar days of determining that location is necessary, all appropriate location services shall be utilized, including referral to the FPLS.
  - ii. When location activities have been unsuccessful, the Contractor shall repeat efforts at least quarterly or at any point new location information is received. Quarterly attempts may be limited to automated resources but

shall include accessing State Employment Security files via the Tennessee Clearinghouse System, or such other system as the State may direct in writing, and weekly reporting received from partner agencies.

- (2) Service of Process. The Contractor shall provide service of process within fifteen (15) calendar days of locating the non-custodial parent. No later than ninety (90) calendar days after location of the non-custodial parent, the Contractor shall obtain a return from the process server indicating that the non-custodial parent was served. If the Contractor cannot obtain service of process, the Contractor shall document all attempts to serve process in the TCSES legal diary and the Contractor shall continue to attempt to serve process in order to keep the legal action viable in accordance with local rules of court and other applicable legal authority.
- (3) Establishing Paternity. Following successful service of process, the Contractor shall establish paternity within six (6) months in seventy-five percent (75%) of the caseload and within twelve (12) months in ninety percent (90%) of the caseload.
- (4) Establishing Support Order. The Contractor shall establish a support order within ninety (90) calendar days of locating the non-custodial parent when service of process is not necessary. If service is necessary, the Contractor shall serve process upon the non-custodial parent by the ninetieth (90th) day after the Contractor locates the non-custodial parent or unsuccessful attempts to serve process shall be documented. In those cases where the non-custodial parent is served with process, the Contractor shall ensure that court orders are established in seventy-five percent (75%) of the cases within six (6) months and ninety percent (90%) within twelve (12) months.

d. Enforcement of Support Orders:

- (1) The Contractor shall employ appropriate legal remedies, including those administrative processes provided for in federal and Tennessee law, to enforce all orders of support in a timely manner. The Contractor shall enforce orders including, but not limited to, the enforcement of spousal support when it is contained in the same order with child support; medical support if the order specifies a dollar amount to be paid for medical support; or the provision of health insurance coverage.
- (2) The Contractor shall utilize enforcement remedies including, but not limited to, the following:
  - i. immediate income withholding on all new and modified orders as well as all cases with a delinquency or arrears;
  - ii. sending the National Medical Support Notice established under 42 U.S.C. § 666(a)(19) to any employer to provide notice to the employer of the requirement for employer-based health care coverage for such child through the child's parent who has been ordered to provide health care coverage for such child;
  - iii. contempt proceedings;

- iv. establishment and enforcement of liens against real or personal property, including tort actions, worker's compensation actions, or other civil actions wherein a money judgment may be obtained, and attachment and liquidation of assets;
- v. issuance of administrative seizure orders;
- vi. execution on judgments, including the use of garnishment;
- vii. requirement of bonds to secure support;
- viii. use of the IRS full collection service;
- ix. extradition, where appropriate;
- x. use of the passport denial program and other programs made available as enforcement tools;
- xi. use of the federal court system; and
- xii. adherence to the guidelines established for the Treasury Offset Program for federal funds owed to child support Obligor.

e. Timeframes Applicable to Enforcement Action:

The Contractor shall comply with the following timelines applicable to enforcement actions for a support order:

- (1) If for any reason, an immediate income assignment was not issued previously in any order, due to an agreement between the parties as contained in the court order, or for other reasons permitted under Tenn. Code Ann. § 36-5-501(a)(2), then, in cases with sufficient information for issuance of an income assignment order, such assignment shall be issued immediately, if the full amount of support due in a month is not paid by the date upon which the ordered support is due.
- (2) When immediate issuance of an income assignment order is not possible due to lack of information regarding employment, enforcement action shall be taken, unless service of process is necessary, within thirty (30) calendar days of identifying the delinquency or arrears or locating the non-custodial parent.
- (3) When service of process is necessary, service shall be completed (or unsuccessful attempts to serve process shall be documented) and enforcement action taken within sixty (60) calendar days of identifying the delinquency or arrears or the location of the non-custodial parent.

f. Review Proceedings and Modification Orders. The Contractor shall initiate review proceedings in accordance with federal and Tennessee law, rules, regulations, and State program policy, using appropriate administrative proceedings, judicial proceedings, or both, and if appropriate, adjust the support order amount administratively or petition the appropriate court or tribunal for such changes in accordance with federal and Tennessee law, rules and regulations and State program policy. The Contractor shall ensure that all petitions for modification of orders shall include a request for income withholding.

- A.22. Policy and Procedures. The Contractor shall comply with all requirements set forth in the State's Child Support Policy and Procedures and policy updates, the terms of which are incorporated by reference. The State shall provide the Contractor with access to the electronic program policy listing located on the State Intranet at <https://www.teamtn.gov/humanservices/dhs-divisions/child-support/cs-policy.html>.
- A.23. Voluntary Paternity Acknowledgment. The Contractor shall follow the State's VAoP policy and procedures for customers seeking to complete a VAoP form to be submitted to the Tennessee Department of Health's Office of Vital Records, including all customers and not just applicants for Title IV-D services.
- A.24. Case Referrals. The Contractor shall accept case referrals from the State via an automated system interface and case transfers from other in-state jurisdictions and shall provide application forms and accept applications from any custodial parent, non-custodial parent, or other designated caretaker of a child who desires Title IV-D services.
- A.25. Continued Efforts. The Contractor shall continue efforts for collection of court-ordered obligated arrears or medical support owed to the State when a TANF family loses eligibility, unless the State determines in its sole discretion that there is no possibility of securing collections owed and advises the Contractor of the same in writing. The Contractor shall continue to provide all appropriate child support services to the family as a non-TANF case unless conditions exist that preclude continued services as set forth in Child Support Policy and Procedures.
- A.26. Closing Cases. The Contractor shall close child support cases that are eligible as defined under 45 C.F.R. § 303.11.
- A.27. Legal Processes. The Contractor shall utilize available legal processes to seek enforcement by the Court, Magistrate, or Hearing Officer of all unpaid child support at any judicial or administrative hearing appropriate for such purpose. The Contractor shall advise the State of any significant changes in court filing procedures occurring within the 7<sup>th</sup> Judicial District.
- A.28. TCSES. Unless the State directs otherwise in writing, no later than the first business day following the establishment or modification of a support order, the Contractor shall ensure that the support order information is entered into the TCSES. For purposes of the immediately preceding sentence, the Parties agree that the date of establishment or modification for an order shall be the date the support order or modified support order is signed by a judge. The Contractor shall maintain an average monthly accuracy rate of ninety-five percent (95%) for all orders entered into TCSES, based upon random samples to be reviewed by the State. The size of the random samples reviewed, as well as the accuracy of the orders contained in the samples, shall be at the sole discretion of the State. The Contractor shall provide a CAP within sixty (60) days of the date of each letter from the State specifying that the required accuracy rate stated above was not met and requesting a CAP. Each CAP submitted in accordance with this Section shall be subject to review and written approval by the State.
- A.29. State Disbursement Unit. The Contractor shall ensure, to every extent possible, that all support payments are made by the Obligor directly to the SDU or refer the Obligor to the payment options as listed on the State's Child Support Payment Information webpage <https://www.tn.gov/humanservices/for-families/child-support-services/child-support-payment-information/paying-child-support.html>, so that the State may comply with the distribution provisions of Title IV-D. The Contractor shall not collect any support monies.

- A.30. Information on Custodial Parents. The Contractor shall establish a routine procedure to ensure that demographic and address information for the custodial parent remains current to ensure that notices or payments that are mailed using United States Postal Service are sent to the most current confirmed address. Without limitation, the Contractor shall:
- a. Work with other state agencies or vendors to obtain information needed; and
  - b. Contact custodial parents using the most recent confirmed phone number.
- A.31. Intergovernmental Cases. The Contractor shall cooperate with other states in matters concerning Intergovernmental IV-D cases as required by 45 C.F.R. § 303.7, and the State's Child Support Policy and Procedures. Such cooperation shall include, but not be limited to, providing accurate and sufficient information to other states, notifying responding states of changes in case status, and providing all appropriate establishment and enforcement procedures and notifications as required by 45 C.F.R. § 303.7. The Contractor shall incorporate the use of the federal EDE process using the OCSE application for the exchange of all documents with States currently operating using the EDE application.
- A.32. Re-Entry Program Services. The Contractor shall respond to all requests from and assist the DHS Re-entry Team with customers that are justice-involved.
- A.33. Status. The Contractor shall immediately respond to the State IV-D agency's Central Office on any requests for case status information. The Contractor shall ensure that the response required in this Section A.33. shall contain sufficient information regarding the status of the case to permit the State to reply to the inquiring party in an effective manner.
- A.34. Automated Case Records.
- The Contractor shall use TCSES as the exclusive computer system to establish and maintain complete automated case records as required in the Child Support Policy and Procedures Manual for all referrals from DHS to the Contractor and other applications for Title IV-D services. The Contractor shall ensure that all case records include, but are not limited to, the following information:
- a. A record of all contact with an applicant or TANF recipient, including date, reason and result of the contact;
  - b. A record of all contact with the non-custodial parent, including date, reason and result of such contact;
  - c. A record of all actions taken to meet the Minimum Performance Standards set forth in Section A.9.a.-e. of this Contract, including dates and results of such actions;
  - d. A record of all communications with the State or federal government on the case; and
  - e. A record of all case closures, including the date and reason for closure action.
- A.35. Case Files. The Contractor shall maintain, in hard copy, a signed application from each non-TANF applicant. The Contractor shall retain in hard copy other items deemed necessary by the State, including but not limited to court orders, other pertinent legal documents, and correspondence. All physical case files shall be identified using a naming convention of last name, first name of the primary parties. Both automated and hard copy case files, including, but not limited to, all client records and records related to case activities, shall be considered the

property of the State of Tennessee and shall be delivered immediately to the State or its designee upon Contract termination or at such other time as these are requested by the State. All case files shall also be converted and maintained to a format acceptable to the State so there is an electronic copy of all case files. The Contractor shall give each case file a unique identifier which corresponds to one (1) open IV-D case. The Contractor shall ensure every document within the case file is numbered using a unique identifier. The Contractor shall create a master list or database detailing: 1) each case file's unique identifier; and 2) the unique identifiers for the corresponding documentation in every case file. The master list or database shall be in a format deemed acceptable by the State for reference so that the case files remain complete. The Contractor shall ensure that retention of case files, as described in Section A.35. of this Contract, is followed as outlined in the State's Child Support Policies and Procedures.

- A.36. Electronic Filing. The Contractor shall comply with electronic filing requirements if available and established by the Court and shall advise the State of any changes in court filing requirements or other procedures of any jurisdiction impacting the provision of services under this Contract.
- A.37. TCSES Due Dates. Unless the State directs otherwise in writing, the Contractor shall resolve all TCSES-generated mail messages according to TCSES due dates.
- A.38. Employer-Related Activities. The Contractor shall perform all appropriate TCSES employer-related activities that connect the appropriate employer(s) of the non-custodial parent for purposes of income assignment by the TCSES message due date, including but not limited to working with the State's Centralized Service Unit and the State's New Hire Reporting and maintenance contractor.
- A.39. TCSES Worker Alerts. The Contractor shall ensure that TCSES worker alerts are resolved by the TCSES due dates, and that suspended payments are reviewed and resolved within five (5) business days except in those instances where assistance from the State is required.
- A.40. Interaction. The Contractor shall ensure that, at a minimum, the child support office administrator and attorney(s) attend and participate in such conference calls and meetings as the State may direct. Except in emergency situations, the State will provide the Contractor with a minimum of two (2) weeks' advance notice of meetings. Travel associated with meeting attendance shall be at the Contractor's sole expense.
- A.41. Training of Contractor's Staff. The Contractor shall be responsible for the proper training and management of its staff assigned to perform services in accordance with this Contract, including training conducted pursuant to State directives resulting from deficiencies cited based on program reviews, customer complaint patterns, or other sources. The Contractor shall be responsible for ensuring all staff attend "New Employee Onboarding," and the specialized suite of trainings based on their job function provided by DHS. The Contractor shall track all employee training completion and provide necessary reports monthly and upon the State's request. The Contractor shall ensure that that the tracking report includes a listing of names, identifier number, hire date, enrollment, and completion date within 90 (ninety) days of employee's begin date.
- A.42. Public-Facing Materials. The Contractor shall ensure that brochures, pamphlets, notices and press releases state that DHS is funding this child support office and that any complaints, suggestions or recommendations be reported to DHS at 1-800-838-6911. The Contractor shall further ensure that DHS' logo is included on brochures and pamphlets and that the branding requirements provided by the State for such materials are followed as described in Section E.16 of this Contract. The Contractor shall submit all brochures, pamphlets, notices, social media platforms, email campaign materials, and press releases to the State and obtain the State's

written approval prior to the Contractor distributing any such materials. The Contractor shall comply with any State directive regarding updating or revising any such materials.

- A.43. Professional Working Relationships. The Contractor shall establish and maintain professional working relationships with the Judiciary, Clerks of Court, local law enforcement, employers, local DHS offices, local Department of Children's Services ("DCS") offices, SDU, and Fiscal Divisions. The Contractor shall, upon written request by the State, collaborate with the State's Family Assistance division to provide on-site consultations in the local DHS offices.
- A.44. Fraud. The Contractor shall refer any cases of suspected fraud related to child support or receipt of public assistance to the DHS Office of Inspector General.
- A.45. Criminal Offenses. In accordance with Tenn. Code Ann. § 38-1-305, the Contractor shall refer any cases of suspected statutory rape or any other sexual offense under Tenn. Code Ann. § 39-13-501 *et. seq.*, to the district attorney general.
- A.46. Evaluation. The Contractor shall cooperate fully with any data collection and evaluation activities or audits carried out by Tennessee or the federal government in connection with the services performed under this Contract.
- A.47. Bankruptcy. The Contractor shall, upon receipt of notice that an Obligor has filed a bankruptcy petition, gather all relevant information, and immediately file a proof of claim with the Bankruptcy Court on behalf of the State. The Contractor shall comply with all bankruptcy procedures and take such actions as may be permitted by law to obtain child support.
- A.48. Genetic Testing. The Contractor shall ensure that genetic testing is conducted in accordance with the Child Support Policy and Procedures Manual by the State-approved vendor. The State will pay for said genetic testing.
- A.49. Program Fee Assessment. The Contractor shall petition the court for program fees to be assessed against the Obligor for services rendered in accordance with instructions from the State. The Contractor shall ensure that such fees, as well as genetic testing reimbursement payments, are paid and properly remitted to the State.
- A.50. Collection and Remission of Fees. The Contractor shall, as directed by the State, collect and remit any fees required by State or Federal law, regulation or policy.
- A.51. Civil Rights. The Contractor shall comply with Title VI of the Civil Rights Act of 1964. The Contractor shall ensure that compliance includes, but is not limited to:
- a. Training the Contractor's staff on the civil rights of applicants of Title IV-D services, both on an annual basis for all employees and approved subcontractors and as part of orientation training for new employees;
  - b. Adopting and implementing a process for receiving and investigating any complaints regarding Title VI discrimination. Notice of the process for filing a complaint shall be posted in a conspicuous place for applicants and clients; and
  - c. Providing language assistance at no cost to the applicant/recipient to ensure that persons with limited English proficiency are not excluded from equal program participation. To the extent necessary for providing services required under this Contract to applicants and clients, the Contractor shall translate documents, obtain services of contract staff

interpreters, and contract with interpreters from within the community. The Contractor shall ensure that availability of language assistance services, at no cost, is posted in a conspicuous place available to all employees, applicants, and clients.

A.52. Telephone Services Performance Standards.

The Contractor shall provide sufficient staff for “live” answering services during business hours at the Contractor’s facility to meet the following performance standards. The Contractor shall comply with the following standards:

- a. Daily Maximum Speed of Answer. The Contractor’s Service Center shall answer one hundred percent (100%) of non-abandoned calls within two (2) minutes, or one hundred twenty (120) seconds. Calls are considered “answered” when the Contractor’s representative begins an uninterrupted dialogue with the caller. Calls answered in less than one hundred twenty (120) seconds but placed on hold within the first one hundred twenty (120) seconds of answer do not contribute to meeting this performance standard.
- b. Daily Abandonment Rate. The Contractor shall maintain a daily Abandonment rate of five percent (5%) or less for all calls, excluding calls abandoned before thirty (30) seconds.
- c. The Contractor shall resolve a minimum of ninety percent (90%) of all questions and inquiries on the initial call, based on an average of all calls per week.
- d. The Contractor shall provide follow-up calls on all unresolved questions and inquiries on the initial call within forty-eight (48) hours of receipt of the initial call to advise caller of the status of the issue.
- e. The Contractor shall provide follow-up calls to callers with unresolved questions or inquiries every three (3) days until the any unresolved question, inquiry, matter, or issue is resolved.
- f. The Contractor shall provide the State with a monthly telephonic services performance report in such form and substance as the State may direct. At a minimum, the Contractor shall include the following information in the report:
  - (1) Number of calls received;
  - (2) Number of calls abandoned;
  - (3) Number of calls answered as defined above; and
  - (4) Percentage of calls resolved on the initial call.
- g. All incoming calls intended for the 7<sup>th</sup> Judicial District must be responded to by staff members housed in the 7<sup>th</sup> Judicial District Office. At no time shall calls be transferred to another office for resolution without prior written approval from the State.

A.53. Compliance. The Contractor shall fully comply with all provisions of Title IV-D; Title 45 of the Code of Federal Regulations; the Tennessee Code Annotated; State's Child Support Policies and Procedures; and any other directives issued to the Contractor by DHS.

- A.54. Child Support Guidelines. The Contractor shall comply with the Tennessee Child Support Guidelines and their application to all Title IV-D cases, except where a final order of any Court shall have been entered directing otherwise and there is a final disposition on the appeal or the time to appeal such order has expired. The Contractor's legal staff provided under this Contract for Title IV-D actions shall notify the DHS Office of General Counsel, as well as the DHS Assistant Commissioner of Family Assistance and Child Support or their designee, in each case where the Court departs from the Child Support Guidelines in a manner inconsistent with the interpretation of the Child Support Guidelines by DHS or the Tennessee Appellate courts.
- A.55. Court Orders. The Contractor shall adhere to all orders of a court of competent jurisdiction unless there is a stay of execution by the court pending an appeal. Otherwise, the Contractor shall adhere to all orders of a court of competent jurisdiction. The Contractor must also notify the State within twenty-four (24) hours of any court order that directs the Department of Human Services or any department of the State to take an action. The Contractor must notify the State within twenty-four (24) hours when a court hearing results in adverse action against the Department of Human Services.
- A.56. Administrative Orders. The Contractor shall adhere to all final orders of any Administrative Hearing Officer of DHS and shall not attempt to seek judicial review of any final orders of the Commissioner of DHS.
- A.57. Rule 43. The Contractor shall adhere to the interpretation by the Office of the Attorney General and Reporter that, pursuant to Rule 43 of the Tennessee Rules of Appellate Procedures, the order of a Tennessee trial court is not final until the mandate of the appellate court has been issued to the trial court and that an order declaring any provision of the Tennessee Child Support Guidelines or any statute unconstitutional or otherwise invalid is not final until such mandate has been entered. The Contractor shall adhere to the interpretation as long as Rule 43 remains substantially unchanged from the Go Live Date or until further interpretation by the Office of the Attorney General and Reporter, the Tennessee Court of Appeals, or the Tennessee Supreme Court.
- A.58. Procurement Cooperation. The Contractor shall cooperate with the State if the State is required to conduct a procurement for services provided under this Contract, including, but not limited to, facilitating interviews with attorneys and office administrators of the Contractor.
- A.59. Caretaker Refusal. The Contractor shall identify any State-referred cases wherein the caretaker refuses to cooperate in the effort to secure or enforce an order of support and notify the local DHS office of such refusal.
- A.60. Inquiries and Complaints. The Contractor shall submit a Customer Service / Complaint Resolution plan to the State for final approval within thirty (30) days of the Go Live Date of this Contract. Beginning on the Go Live Date of this Contract, the Contractor shall be responsible for managing and responding to client inquiries and complaints, in accordance with the Customer Service / Complaint Resolution Plan as submitted in the Technical Response for the RFP for this Contract. The State may develop a customer satisfaction survey instrument which will be utilized periodically throughout the Term to assess the Contractor's performance in this area and to determine the effectiveness of the Contractor's customer service process. A copy of the survey instrument will be provided to the Contractor for informational purposes only.
- A.61. Informal Complaint Notification. The Contractor shall inform customers of the availability of the Child Support Informal Complaint Process as detailed in the Tennessee Child Support Handbook and shall make clear to customers the types of client concerns that are appropriate for that

Process. In addition, the Contractor shall provide customers with a complaint form upon request and, if requested to do so, assist customers with completing the form.

A.62. Federal Tax Information (FTI) – Minimum Protection Standards.

The Contractor shall maintain strict security standards in accordance with State policy and all applicable requirements of the most current version of IRS Publication 1075. The objective of these standards is to prevent unauthorized access to FTI. MPS establish a uniform method of physically protecting data and systems as well as non-electronic forms of FTI. This method contains minimum standards that will be applied on a case-by-case basis. Because local factors may require additional security measures, management must analyze local circumstances to determine location, container, and other physical security needs at individual facilities. MPS have been designed to provide management with a basic framework of minimum-security requirements. Federally Mandated Requirements For Technology Services Contracts With Access To Federal Tax Return Information, which appears as Attachment D, is incorporated in this Contract.

The Contractor shall comply with the MPS or “two barrier” rule to protect FTI as further detailed in Section 2.B.2 *et seq.* of IRS Publication 1075, as may be amended. The objective of these standards is to prevent unauthorized access to FTI. MPS thus requires two barriers. Example barriers under the concept of MPS are outlined below. Each topic represents one barrier and should be used as a starting point to identify two barriers of MPS to protect FTI. The Contractor shall ensure that the MPS requirements are met in accordance with the following standards.

a. Secured Perimeter:

The perimeter is enclosed by slab-to-slab walls constructed of durable materials and supplemented by periodic inspection. Any lesser-type partition must be supplemented by electronic intrusion detection and fire detection systems. All doors entering the space must be locked in accordance with Locking Systems for Secured Areas. In the case of a fence/gate, the fence must have intrusion detection devices or be continually guarded, and the gate must be either guarded or locked with intrusion alarms.

b. Security Room:

A security room is a room that has been constructed to resist forced entry. The entire room must be enclosed by slab-to-slab walls constructed of approved materials (e.g., masonry brick, concrete) and supplemented by periodic inspection, and entrance must be limited to specifically authorized personnel. Door hinge pins must be non-removable or installed on the inside of the room.

c. Badged Employee:

During business hours, if authorized personnel serve as the second barrier between FTI and unauthorized individuals, the authorized personnel must wear picture identification badges or credentials. The badge must be clearly displayed and worn above the waist.

d. Security Container

A security container is a storage device (e.g., turtle case, safe/vault) with a resistance to forced penetration, with a security lock with controlled access to keys or combinations.

The MPS or “two barrier” rule applies to FTI, beginning at the FTI itself and extending outward to individuals without a need-to-know. MPS provides the capability to deter, delay, or detect surreptitious entry. Protected information must be containerized in areas where other than authorized employees may have access after-hours.

- A.63. Background Investigation Requirements. The Contractor shall conduct a background investigation on all prospective contract employees, as well as those with whom the Contractor sub-contracts, whose duties will or may include access to FTI.

The Contractor shall ensure that all prospective contract employees and/or contractors, whose duties will or may include access to FTI, consent to the following background investigation prior to accessing FTI:

- a. A fingerprint background check to be conducted by the Federal Bureau of Investigations (FBI);
- b. Local law enforcement background check (including but not limited to the State of Tennessee and locations where the applicant has lived, worked or attended school within the last five (5) years); and
- c. Citizenship and residency check to verify new applicant's eligibility to legally work in the United States (e.g., a United States citizen or foreign citizen with the necessary authorization) through E-Verify.

All prospective contract employees' background checks will be evaluated in accordance with DHS's Employee Fingerprint and Criminal Background Investigations policy for suitability determination. Specific requirements and procedures for these checks are detailed in the DHS Employee Fingerprint and Criminal Background Investigations policy, DHS Administrative Policies and Procedures: Policy 2.06. At the State's discretion, the background check may not be necessary if DHS has a valid background investigation on file within the past five (5) years regarding the contract or subcontract employee.

- A.64. Computers and Peripheral Equipment.

The State will provide the Contractor with the required computers that will be covered by warranty to access TCSES. The Contractor shall provide at its own expense compatible and supported Microsoft Office products so that all databases or tools provided by the State can be accessed. The Contractor shall not install additional software on devices connected to the State network unless approved in advance and in writing by the State.

- a. The Contractor shall utilize the computers and software furnished by the State to provide child support enforcement services. Further, the Contractor shall only access the State network using State-supplied equipment. For State-provided software, including but not limited to the Operating System, the State is responsible for all software upgrades and patches. The Contractor shall not upgrade or patch State-provided software except upon the State's prior written approval. The Contractor shall comply with any State-issued directive regarding upgrades and patches to State-provided software.
- b. The Contractor shall supplement any equipment provided by the State as deemed necessary by the State. Contractor, at the Contractor's expense, shall ensure that Contractor-supplied equipment is compliant with the technical environment described by the Tennessee Information Resources Architecture.
- c. In the event that an Operating System is an integral part of the Contractor-supplied equipment, the Contractor agrees to maintain Operating Systems at current, manufacturer supported versions.

- d. The Contractor shall maintain Contractor-supplied equipment so that it will run on a current, manufacturer-supported Operating System. The Contractor shall ensure that the Contractor-supplied equipment 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.
- e. If the Contractor-supplied equipment 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 equipment, to ensure that security vulnerabilities are not introduced. The Contractor, at the Contractor's expense, shall purchase and maintain any licensing for middleware or database software required by the State.
- f. The Contractor shall maintain an inventory list for all State-supplied equipment issued by the State. The listing shall include State inventory tag number, person assigned to the equipment, and physical location. The Contractor shall provide a copy of the inventory list to the State upon request. Inventory records of electronic media must be maintained and reviewed semi-annually. The Contractor shall responsibly safeguard all State-supplied equipment and shall return any such equipment to the State in accordance with the Special Terms and Conditions of this Contract or upon the State's written request. State equipment tags will not be removed or overwritten by staff and/or contractors. For more information, see the State's Department of Human Services Administrative Policies and Procedures: 4.06 Media Protection for Information Systems.
- g. The Contractor shall be responsible for the correct use, maintenance, and protection of all articles of nonexpendable, tangible personal property furnished by the State for the Contractor's use under this Contract. Any such property returned by the Contractor to the State during the Term shall be in the same condition as when received, less ordinary wear and tear. At the end of the Term, or upon termination of this Contract, the Contractor shall return to the State all such property furnished by the State in the same condition as when received, less ordinary wear and tear. The Contractor shall be responsible for the full replacement value or reimbursement of repairs of any such property damaged, destroyed, lost, or stolen.
- h. The Contractor shall limit resources to US-based (onshore) resources only.

A.65. Use of State Information Technology Resources.

- a. The Contractor shall use TCSES as the exclusive computer system for all child support operations. The Contractor agrees to: input necessary data; use such system as directed by the State; and designate specific staff as needed to maintain adequate TCSES support. Further, the Contractor agrees to use secure connection technologies to access TCSES as determined by the State.
- b. The Contractor must comply with the State's Enterprise Information Security Policies. This document is found at the following URL: <https://www.tn.gov/finance/strategic-technology-solutions/strategic-technology-solutions/sts-security-policies.html>.
- c. The Contractor represents, warrants, and certifies that Contractor shall require all of Contractor's employees and subcontractors to read and sign the State's Acceptable Use Policy, attached hereto and incorporated as Attachment E, prior to giving any such individuals access to State IT resources as described in Attachment E.

A.66. Acceptable Use Policy. The Contractor understands and agrees it shall only use the State network connection and software for the performance of the services required under this Contract and as allowed in the State's Acceptable Use Policy (Attachment E). The Contractor's usage of the State network connection or network software for unauthorized purposes may result in cancellation of this Contract, and the State may pursue all remedies available at law and in equity.

A.67. Disaster Recovery. The Contractor shall perform at least one (1) Disaster Recovery Test every three hundred sixty-five (365) days using actual State data sets that mirror production data. The Contractor shall provide written confirmation to the State after each Disaster Recovery Test that its Disaster Recovery Capabilities enable it to meet the State's RPO and RTO requirements.

The Contractor shall provide the State, no later than July 31, 2027, a tested version of the Disaster Recovery/Business Continuity Plan, the original of which was provided with the technical proposal submitted in response to RFP #34513-07827 resulting in award of this contract. The tested version must be specific to the Contractor's operation in the 7<sup>th</sup> Judicial District and must include a report documenting the outcome of testing. In addition, the Contractor shall notify the State within forty-five (45) days of any alterations to the Contractor's documented and tested Disaster Recovery/Business Continuity Plan. Such alterations shall be subject to written approval by the State. Said plan shall be made available to the State upon request.

A.68. Contract Services Transition. Upon expiration or termination of this Contract, the Contractor shall assist the State to ensure an orderly transfer of responsibility and continuity of those services required under the terms of the Contract to an organization designated by the State.

- a. The Contractor shall deliver, Free on Board destination, all records used in the performance of this Contract, documentation, reports, data, hard copy and electronic files, roster of current staff, recommendations, etc., which were required to be produced under the terms of the Contract to the State or the State's designee promptly and with due diligence after receipt of the written request. Electronic files shall be delivered in a Tagged Image File Format, Portable Document Format, or other format as may be prescribed by the State, based on instructions supplied to the Contractor at least sixty (60) days prior to the required delivery date.
- b. The Contractor shall discontinue providing the service or accepting new assignments under the terms of this Contract, on the date specified by the State, to ensure the completion of such service prior to the termination of the Contract.
- c. The Contractor, which includes any requested Key Personnel's attendance, shall, upon request of the State, help to provide an understanding of the child support enforcement program in the 7<sup>th</sup> Judicial District for any potential future Contractors.
- d. At the conclusion of the Term or as directed by the State, the Contractor shall destroy all confidential data acquired in the performance of this Contract, including any copies or backups, in accordance with the current version of NIST Special Publication 800-88. The Contractor shall exclude hard copy case files, as described in Section A.35. of this Contract, from destruction. The Contractor also shall sanitize all Contractor-supplied processing equipment used in the performance of this Contract, including multifunction print devices in accordance with Section D.34.g.(4) of this Contract and the current version of NIST publication 800-88. The Contractor shall provide an itemized inventory list of the items it intends to destroy for the State's approval. Following the destruction of the records in this Section A.68, the Contractor shall provide the State written

confirmation within ten (10) business days after the destruction of the data and hardcopy files or records.

- e. The Parties agree and understand that final payment of this Contract will be paid once the State has reviewed and approved the Contract transition and migration of the data used in performance of this Contract, verification the case files are complete in accordance with Section A.35. of this Contract, and the Certificate of Data Destruction has been signed and returned to the State. The Certificate of Data Destruction will only be signed by the State after the new vendor verifies, to the best of its abilities, it has received all required data and information from the transitioning Contractor.
  - f. Failure to adhere to the terms and conditions of this Section shall be deemed a breach, and the State may withhold the Final Payment outlined in Section C.3 of this Contract.
- A.69. Case Referral Information. The State will transmit appropriate child and spousal support case referrals to the Contractor pursuant to Title IV-D of the Social Security Act, 42 U.S.C. § 651, *et seq.* Such referrals will contain the name of the recipient, names of the children and the associated non-custodial parent, if known, such identifying information as is available to assist in the location activities and support enforcement process, pertinent known legal information relative to marital status and orders for support, the amount of the family's assistance TANF grant or State-provided medical services, available data relative to the non-custodial parent's whereabouts and employment, and any other available information which may relate to the support process.
- A.70. Changes of Status. The State will provide pertinent information relative to changes of status in referred cases, including, but not limited to, closure of the public assistance case and changes in the aid group.
- A.71. Discretion to Make or Withdraw Referrals. The State may, at its discretion, make or withdraw any case referrals.
- A.72. Location of Noncustodial Parents. The State will provide location services, which will allow access through automated interfaces to various local, state, regional, and national databases to facilitate the location of non-custodial parents.
- A.73. Settlements. The State will consult with the Contractor concerning potential settlements affecting the rights of the State and concerning all adverse administrative or judicial rulings in order to determine appropriate remedies to be sought by the Contractor or the Office of the Attorney General and Reporter.
- A.74. Central Registry. The State will serve as the Central Registry for all incoming Intergovernmental IV-D case requests, such as requests for case status and application of appropriate child support enforcement remedies and will disseminate these requests to the Contractor.
- A.75. Forms and Handbook. The State will provide the Contractor with all essential forms to be used in the administration of the program as well as hard copies of the Tennessee Child Support Handbook.
- A.76. Telephone Interpreter Service. The State will offer, at no charge to the Contractor, telephone interpreter service.
- A.77. Control Memorandum Process.

- a. The Control Memorandum (CM) process shall be utilized by the State to clarify Contract requirements, issue instruction to the Contractor, document action required of the Contractor, or request information from the Contractor. In addition, the CM process shall be used by the State to impose assessments of damages, either actual or liquidated. This process will be used to address issues or matters that do not require a contract amendment. Each CM must be in writing and indicate the date on which it was issued. CMs may provide relevant history, background, and other pertinent information regarding the issue(s) being addressed in the CM. Each CM will establish a deadline or timeframe for the Contractor's reply or other action. All CMs submitted to the Contractor must be signed and approved by the State's Project Director (or his/her designee). When the CM pertains to damages, either actual or liquidated, the State may issue consecutive CMs, as may be necessary or appropriate.
- b. A CM may include one (1) or more of the five (5) components of the CM process described below:
  - (1) On Request Report ("ORR") – a request directing the Contractor to provide information by the time and date set out in the CM.
  - (2) Control Directive ("CD") – instructions that require the Contractor to complete, within a designated timeframe, one (1) or more deliverables or to perform any other request from the State that is within the scope of the Contract. The CD may include a Corrective Action Plan. A CD may also provide clarification of certain Contract terms. Once a CM/CD has been issued, it shall be considered to be incorporated into this Contract.
  - (3) Notice of Potential Damages (Actual or Liquidated) ("NPD") – notification to the Contractor that the State has determined that a potential Contract performance or compliance failure exists and that the State is contemplating assessing damages. The NPD shall identify the Contract provision(s) on which the State determination rests.
  - (4) Notice of Calculation of Potential Damages (Actual or Liquidated) ("NCPD") – notification to the Contractor that provides a calculation of the amount of potential damages that the State is contemplating assessing against the Contractor. NPDs and NPCDs may be issued consecutively or simultaneously.
  - (5) Notice of Intent to Assess Damages (Actual or Liquidated) ("NIAD") – notification to the Contractor that the State is assessing damages and specifying whether the damages, due to a performance or compliance failure, are actual damages or Liquidated Damages and setting out the performance or compliance failure underlying each intended damage assessment. The NIAD shall identify the NPD and NCPD upon which it is based. The NIAD shall specify the total amount and type of damages, whether actual or liquidated, that the State intends to assess. Following the issuance of an NIAD, the State may elect to withhold damages from payments due to Contractor. The State may not issue a NIAD without first issuing a NPD and a NPCD. The State may not obtain both Liquidated Damages and Actual Damages for the same occurrence of a Contract performance or compliance failure.
- c. Damages for failure to comply with CM. The Contractor shall fully comply with all CMs. Failure to do so may result in the State pursuing recovery of damages, as defined in

Contract Section E.10., including Liquidated Damages as listed in Contract Attachment B, a corrective action plan, and/or termination of the Contract.

- d. Appeal of Damages by Contractor. Contractor may appeal either the basis for NPD or calculation of NCPD potential damages, either actual or liquidated. To do so, the Contractor shall submit to the State's Project Director (or his/her designee) a written response to the NPD and/or NCPD within ten (10) business days of receipt of a CM which includes a NPD or a NCPD. The State's Project Director (or his/her designee) shall review the appeal and provide notice of his/her determination to the Contractor through a CM. If the Contractor disagrees with the State's Project Director's (or his/her designee) initial appeal determination or the State's Project Director (or his/her designee) is unable to resolve the appeal, the Contractor may submit a written request to the State's Project Director (or his/her designee) that the matter be escalated to senior management of the Agency. Contractor shall submit such a request for escalation within ten (10) business days of its receipt of the initial appeal determination from the State's Project Director (or his/her designee) or of notification by the State's Project Director that he/she is unable to resolve the appeal. The State's senior management shall provide written notice of its final determination to the Contractor within ten (10) days of the receipt of the appeal from the Contractor. Upon appeal or escalation, the State shall not increase the amount of the potential damages.

A.78. Arrears Balances. The Contractor shall also respond to and resolve customer inquiries that reference arrears balances that may be assigned to the State or unassigned and owed to the custodial parent.

A.79. 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.80. 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.

- A.81. Required Terms for Subcontracts. DAGC shall not assign this Agreement or enter into a subcontract for any of the services performed under this Agreement without obtaining the prior written approval of DHS. If such subcontracts are approved by DHS, each shall contain, at a minimum, the following sections of this Agreement pertaining to “Lobbying,” “Civil Rights,” “Federal Tax Information (FTI) – Minimum Protection Standards,” “Personally Identifiable Information,” “Confidentiality of Records,” “Agreement Services Transition,” “Records,” “Federal Funding Accountability and Transparency Act (FFATA),” “Disaster Recovery/Continuity of Operations Plan,” and “Background Investigation Requirements” (as identified by the section headings). Notwithstanding any use of approved subcontractors, DAGC shall remain responsible for all work performed.

**B. TERM OF CONTRACT:**

- B.1. This Contract shall be effective for the period beginning on November 1, 2026 (“Effective Date”) and ending on April 30, 2032, (“Term”). The State shall have no obligation for goods delivered or services provided by the Contractor prior to the Effective Date.
- B.2. 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 seventy-two (72) months.

**C. PAYMENT TERMS AND CONDITIONS:**

- C.1. Maximum Liability. In no event shall the maximum liability of the State under this Contract exceed **Written Dollar Amount (\$Number)** (“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:

<b>Goods or Services Description</b>	<b>Amount</b> (per compensable increment)
Child Support Enforcement Services Year 1 of the Term May 1, 2027 – April 30, 2028	\$ <b>Number</b> per month

Child Support Enforcement Services Year 2 of the Term May 1, 2028 – April 30, 2029	\$ Number per month
Child Support Enforcement Services Year 3 of the Term May 1, 2029 – April 30, 2030	\$ Number per month
Child Support Enforcement Services Year 4 of the Term May 1, 2030 – April 30, 2031	\$ Number per month
Child Support Enforcement Services Year 5 of the Term May 1, 2031 – March 31, 2032	\$ Number per month
Transition of Child Support Enforcement Services* Year 5 of the Term Milestone Payment	\$ Number (Amount shall equal one monthly payment at the Year 5 monthly payment rate)

*\* This is a milestone payment which shall only be exercised when there is a transition of services to a new vendor in accordance with Section A.68.*

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:

[ChildSupport.ContractDHS@tn.gov](mailto:ChildSupport.ContractDHS@tn.gov) with a carbon copy to [Stacie.Alexander@tn.gov](mailto:Stacie.Alexander@tn.gov)

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: Department of Human Services, Child Support;
- (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:

Stacie Alexander, Director, Central Registry and Child Support Contracts  
Department of Human Services  
710 James Robertson Parkway  
Andrew Johnson Building, 11th Floor  
Nashville, TN 37243  
Email: [CsContract.ManagementUnit@tn.gov](mailto:CsContract.ManagementUnit@tn.gov)  
CC: [Stacie.Alexander@tn.gov](mailto:Stacie.Alexander@tn.gov)  
Phone # (615) 742-4431  
Fax # (615) 524-3212

The Contractor:

**Contractor Contact Name & Title**  
**Contractor Name**  
**Address**  
**Email Address**  
**Telephone # Number**  
**FAX # Number**

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 or suspend this Contract upon written notice to the Contractor. The State's exercise of its right to terminate or suspend 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 or suspends 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 or suspension date but shall not be entitled to compensation for any services performed subsequent to termination date or during a period of suspension. Should the State exercise its right to terminate or suspend 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 by submitting to the State a completed Attestation (accessible through the Edison Supplier Portal) and included at Attachment C, 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 from 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. For clarity, except as otherwise expressly set forth in this Section, Contractor's indemnification obligations and other remedies available under this Contract are subject to the limitations on liability set forth in this Section.

- 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' fees, court costs, expert witness fees, and other litigation expenses 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. As applicable, 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 for the affected obligations 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 State and federal laws and regulations applicable to Contractor in the Contractor's 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, without regard to its conflict or choice of law rules. 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 - 408.
- 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 Attachments A, B, C, D and E;
  - 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 Tenn. Code Ann. §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., 3<sup>rd</sup> 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 reserves the right to require complete copies of all required insurance policies, including endorsements required by these specifications, at any time.

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. Professional Liability Insurance

- (1) Professional liability insurance shall be written on an occurrence basis or on a claims-made basis. If this coverage is written on a claims-made basis, then:
  - i. The retroactive date must be shown, and must be on or before the earlier of the Effective Date of the Contract or the beginning of Contract work or provision of goods and services;

- ii. Insurance must be maintained and evidence of insurance must be provided for at least five (5) full years from the date of the final Contract payment; and
    - iii. If coverage is canceled or non-renewed, and not replaced with another claims-made policy form with a retroactive date on or prior to the Contract Effective Date, the Contractor must purchase “extended reporting” or “tail coverage” for a minimum of five (5) full years from the date of the final Contract payment.
  - (2) Any professional liability insurance policy shall have a limit not less than one million dollars (\$1,000,000) per claim and two million dollars (\$2,000,000) in the aggregate; and
  - (3) If the Contract involves the provision of services by medical professionals, a policy limit not less than three million (\$3,000,000) per claim and three million dollars (\$3,000,000) in the aggregate for medical malpractice insurance.
- e. Cyber Liability Insurance
  - 1) The Contractor shall maintain cyber liability insurance in an amount not less than one million dollars (\$1,000,000) per occurrence or claim and three million dollars (\$3,000,000) annual aggregate. Such insurance shall be sufficiently broad to respond to the Contractor’s duties and obligations under this Contract, and shall include coverage for all acts, claims, errors, omissions, negligence, infringement of intellectual property (including copyright, patent and trade secret); network security and privacy risks, including but not limited to unauthorized access, failure of security, information theft, damage to destruction of or alteration of electronic information, breach of privacy perils, wrongful disclosure and release of private information, collection, or other negligence in the handling of confidential information, and including coverage for related regulatory fines, defenses, and penalties.
  - 2) Such coverage shall include data breach response expenses, in an amount not less than one million dollars (\$1,000,000) and payable whether incurred by the State or Contractor, including but not limited to consumer notification, whether or not required by law, computer forensic investigations, public relations and crisis management firm fees, credit file or identity monitoring or remediation services and expenses in the performance of services for the State or on behalf of the State hereunder.
- f. Crime Insurance
  - 1) The Contractor shall maintain crime insurance, which shall be written on a “loss sustained form” or “loss discovered form” providing coverage for third party fidelity, including cyber theft and extortion. The policy must allow for reporting of circumstances or incidents that may give rise to future claims, include an extended reporting period of no less than two (2) years with respect to events which occurred but were not reported during the term of the policy, and not contain a condition requiring an arrest or conviction.
  - 2) Any crime insurance policy shall have a limit not less than one million dollars (\$1,000,000) per claim and one million dollars (\$1,000,000) in the aggregate. Any crime insurance policy shall contain a Social Engineering Fraud Endorsement with a limit of not less than two hundred and fifty thousand dollars (\$250,000). This insurance may be written on a claims-made basis, but in the event that coverage is cancelled or non-renewed, the Contractor shall purchase an extended reporting or “tail coverage” of at least two (2) years after the Term.

- 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.
- D.34. Confidentiality of Records. The Contractor agrees that strict standards of confidentiality of records shall be maintained in accordance with State and Federal law and regulations (Reference TCA Sections 71-1-131, 71-3-119, 45-10-101 et seq., 45-10-118, and 50-7-701, 45 Code of Federal Regulations Sections 205.50, 303.21, and 307.13; 26 U.S.C. Section 6103(l); 42 U.S.C. Sections 653, and 1320b-7), and all other applicable State and Federal laws regulations and any and all data-sharing agreements between the Tennessee Department of Human Services and the Federal Government, specifically including, but not limited to, the SDS-BENDEX-SVES for 1137 and/or Child Support Benefit Programs Data Matching Agreement between the Social Security Administration and the Tennessee Department of Human Services.
- a. All material and information provided to the Contractor by the State or acquired by the Contractor on behalf of the State from any non-public source whether verbal, written, electronic data, magnetic tape, cards or otherwise shall be regarded as confidential information in accordance with the provisions of State and Federal law and ethical standards and shall not be disclosed, except as otherwise permitted by law, regulation or court order, and all necessary steps shall be taken by the Contractor to safeguard the confidentiality of such material or information in conformance with Federal and State law and ethical standards.
  - b. The Contractor further agrees that any information provided by the State relative to applicants or recipients of public assistance is to be used only for the administration of this Contract or in any investigation, prosecution, or criminal, administrative or civil proceeding conducted pursuant to this Contract. The Contractor agrees to provide safeguards to restrict the use or disclosure of any information concerning such applicants or recipients to purposes stated in this Section.
  - c. The safeguards so provided shall also prohibit disclosure to any legislator, legislative or other committee or legislative body, investigator, attorney, or prosecutor of any information which identifies by name or address any such applicant or recipient, except as otherwise permitted by law.
  - d. The Contractor agrees that any Federal or State tax related information will be treated as confidential as set forth in this Section and will be used solely for purposes of administering the child support program, unless otherwise required by law.
  - e. It shall be the Contractor's responsibility to ensure that any destruction of confidential information, as described in this Section, will be accomplished in a manner consistent with State policy and Federal regulations pertaining to the destruction of private or confidential data. Confidential information shall be destroyed completely by a method that assures complete obliteration, removal, or destruction to preclude recognition or reconstruction of the confidential information.
  - f. The Contractor's obligations under this Section do not apply to information: in the public domain; entering the public domain but not from a breach by the Contractor of this Contract; previously possessed by the Contractor without written obligations to the State to protect it; acquired by the Contractor without written restrictions against disclosure from a third party which, to the Contractor's knowledge, is free to disclose the

information; independently developed by the Contractor without the use of the State's information; or, disclosed by the State to others without restrictions against disclosure.

- g. In performance of this Contract, the Contractor agrees to comply with and assume responsibility for compliance by his or her employees and approved subcontractors with the following requirements regarding Federal Tax Information (FTI):
- (1) All work will be done under the supervision of the Contractor or the Contractor's employees and approved subcontractors.
  - (2) Any return or return information made available in any format shall be used only for the purpose of carrying out the provisions of this Contract. Information contained in such material will be treated as confidential and will not be divulged or made known in any manner to any person except as may be necessary in the performance of this Contract. Disclosure to anyone other than an officer, employee or approved subcontractor of the Contractor is prohibited.
  - (3) All returns and return information will be accounted for upon receipt and properly stored before, during, and after processing. In addition, all related output will be given the same level of protection as required for the source material.
  - (4) The Contractor certifies that the data processed during the performance of this Contract will be completely purged from all data storage components of his or her computer facility; no output will be retained by the Contractor at the time the work is completed. If immediate purging of all data storage components is not possible, the Contractor certifies that any IRS data remaining in any storage component will be safeguarded to prevent unauthorized disclosures.
  - (5) Any spoilage or any intermediate hard copy printout that may result during the processing of IRS data will be given to the State or its designee. When this is not possible, the Contractor will be responsible for the destruction of the spoilage or any intermediate hard copy printouts, and will provide the State or its designee with a statement containing the date of destruction, description of material destroyed, and the method used.
  - (6) All computer systems processing, storing, or transmitting Federal tax information must meet the requirements defined in IRS Publication 1075. To meet functional and assurance requirements, the security features of the system must have the following minimum requirements: a security policy, accountability, assurance, and documentation. All security features must be available and activated to protect against unauthorized use of and access to Federal tax information.
  - (7) No work involving Federal tax information furnished under this Contract will be subcontracted without prior written approval from the State.
  - (8) The Contractor will maintain a list of staff having authorized access. Such list will be provided to the State upon request and, upon request, to the IRS reviewing office.
  - (9) The State will have the right to void the Contract if the Contractor fails to provide the safeguards described above.

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

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

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

- i. Inspection: The IRS and the State shall have the right to send its officers and employees into the offices and plants of the Contractor for inspection of the facilities and operations provided for the performance of any work under this Contract. On the basis of such inspection, specific measures may be required in cases where the Contractor is found to be non-compliant with Contract safeguards.
- j. The Contractor agrees, and understands, that access to FTI must be preceded by certification that all personnel of the Contractor and its subcontractors understand

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

- k. It is expressly understood and agreed the obligations set forth in this Section shall survive the termination of this Contract.
- D.35. Boycott of Israel. The Contractor certifies that it is not currently engaged in, and covenants that it will not, for the duration of the Contract, engage in a Boycott of Israel, as that term is defined in Tenn. Code Ann. § 12-4-119.
- D.36. Prohibited Contract Terms. The prohibited contract terms and conditions enumerated in Tenn. Code Ann. § 12-3-515, shall be a material provision of this Contract. The Contractor acknowledges, understands, and agrees that the inclusion of a term or condition prohibited by Tenn. Code Ann. § 12-3-515, shall be null and void and the Contract shall be enforceable as if the Contract did not contain such term or condition.
- D.37. Information Technology Security Requirements (State Data, Audit, and Other Requirements).
- a. "State Data" is any and all data that can be accessed, processed, generated, including derivative works, stored, or hosted by the Contractor in performance of this Contract." The Contractor shall protect State Data as follows:
- (1) The Contractor shall ensure that all State Data is housed in the continental United States, inclusive of backup data. All State Data must remain in the United States, regardless of whether the data is processed, stored, in-transit, or at rest. Access to State Data shall be limited to US-based (onshore) resources only.
- All system and application administration must be performed in the continental United States. Configuration or development of software and code is permitted outside of the United States. However, software applications designed, developed, manufactured, or supplied by persons owned or controlled by, or subject to the jurisdiction or direction of, a foreign adversary, which the U.S. Secretary of Commerce acting pursuant to 15 C.F.R. § 7 has defined to include the People's Republic of China, among others are prohibited. Any testing of code outside of the United States must use fake data. A copy of production data may not be transmitted or used outside the United States.
- (2) The Contractor shall encrypt State Data at rest and in transit using the current version of Federal Information Processing Standard ("FIPS") 140-2 or 140-3 (or current applicable version) validated encryption technologies. The State shall control all access to encryption keys. The Contractor shall provide installation and maintenance support at no cost to the State.

- (3) The Contractor shall maintain, obtain, or undergo the following third-party information security certification(s), authorization(s), examination(s), assessments, or audit(s) for both the Contractor and the Contractor's processing environment containing State Data. The Contractor shall ensure that each certification, authorization, examination, or assessment remains current and valid throughout the term of the Contract.
- i. FedRAMP Authorization - The Contractor and Contractor's processing environment containing State Data shall maintain an active Federal Risk and Authorization Management Program (FedRAMP) Moderate or higher Authorization to Operate as issued by a federal agency or the FedRAMP Program Management Office.

Compliance with this requirement may be achieved through inheritance of applicable controls and authorization coverage from the State and/or the underlying hosting or cloud service provider, and shall not require Contractor to maintain a separate direct FedRAMP authorization, unless Contractor is independently operating the environment containing State Data outside such authorized scope.

- (4) Upon request by the State or the Comptroller of the Treasury, and within thirty (30) days of completion or receipt of any certification, authorization, examination, assessment, or audit required under Contract Section D.37.a.(3) the Contractor shall provide the State or the Comptroller of the Treasury with the following documentation and deliverables. The Contractor shall ensure that all documentation remains current, complete, and accurate throughout the term of the Contract.
- i. FedRAMP Authorization
- (a) The FedRAMP Authorization Letter (Authorization to Operate);
  - (b) The System Security Plan in its entirety;
  - (c) The Security Assessment Plan;
  - (d) The Security Assessment Report in its entirety prepared by the FedRAMP-approved Third-Party Assessment Organization; and
  - (e) The current Plan of Action and Milestones documenting all known control weaknesses and remediation status, which the Contractor shall maintain or cause to maintain in a current and accurate state throughout the term of the Contract.

Compliance with this requirement may be achieved through inheritance of applicable controls and authorization coverage from the State and/or the underlying hosting or cloud service provider, and shall not require Contractor to maintain a separate direct FedRAMP authorization, unless Contractor is independently operating the environment containing State Data outside such authorized scope.

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

writing within five (5) business days of learning of the status change and provide: (i) the effective date and reason; (ii) the services and State Data affected; and (iii) the Contractor's corrective action plan and interim risk mitigations.

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

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

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

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

b. Minimum Requirements

- (1) The Contractor shall implement and maintain privacy and security controls that follow the guidelines set forth in NIST 800-53, "Security and Privacy Controls for

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

- (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 always fully compatible with current versions of the Operating System and Application to ensure that security vulnerabilities are not introduced.
- (4) In the event of drive/media failure, if the drive/media is replaced, it remains with the State and it is the State’s responsibility to destroy the drive/media, or the Contractor shall provide written confirmation of the sanitization/destruction of data according to NIST 800-88.

c. Business Continuity Requirements.

The Contractor shall maintain sets of documents, instructions, and procedures that enable the Contractor to respond to accidents, disasters, emergencies, or threats without any stoppage or hindrance to key operations (“Business Continuity Requirements”). Business Continuity Requirements shall include:

(1) Disaster Recovery Capabilities

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

i. Recovery Point Objective (RPO)

The RPO is defined as the maximum targeted period in which data might be lost from an IT service due to a major incident: 4 Hours

ii. Recovery Time Objective (RTO)

The RTO is defined as the targeted duration of time and service level within which a business process must be restored after a disruption in order to avoid unacceptable consequences: 48 Hours

(2) Disaster Recovery Plan

The Contractor and Subcontractor(s) shall maintain a documented Disaster Recovery Plan aligned with NIST SP 800-53 CP controls (e.g., CP-2:

Contingency Plan, CP-4: Contingency Plan Testing, CP-6: Alternate Storage Site). The plan shall include, at minimum:

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

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

(3) Disaster Recovery Testing

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

(4) Reporting

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

d. Comptroller Audit Requirements.

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

For purposes of this section:

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

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

The audit may include, but is not limited to:

- (1) Review and evaluation of independent assurance deliverables required under Contract Section D.37.a.(4). to determine whether the Contractor's or

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

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

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

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

**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. Printing Authorization. The Contractor agrees that no publication coming within the jurisdiction of Tenn. Code Ann. §§ 12-7-101, et. seq., shall be printed pursuant to this Contract unless a printing authorization number has been obtained and affixed as required by Tenn. Code Ann. § 12-7-103 (d).
- E.3. Intellectual Property Indemnity. The Contractor agrees to indemnify and hold harmless the State of Tennessee as well as its officers, agents, and employees from and against any and all claims or suits which may be brought against the State concerning or arising out of any claim of an alleged patent, copyright, trade secret or other intellectual property infringement. In any such claim or action brought against the State, the Contractor shall satisfy and indemnify the State for the amount of any settlement or final judgment, and the Contractor shall be responsible for all legal or other fees or expenses incurred by the State arising from any such claim. The State shall give the Contractor notice of any such claim or suit, however, the failure of the State to give such notice shall only relieve Contractor of its obligations under this Section to the extent Contractor

can demonstrate actual prejudice arising from the State's failure to give notice. This Section shall not grant the Contractor, through its attorneys, the right to represent the State of Tennessee in any legal matter, as provided in Tenn. Code Ann. § 8-6-106.

- E.4. Extraneous Terms and Conditions. Contractor shall fill all orders submitted by the State under this Contract. No purchase order, invoice, or other documents associated with any sales, orders, or supply of any good or service under this Contract shall contain any terms or conditions other than as set forth in the Contract. Any such extraneous terms and conditions shall be void, invalid and unenforceable against the State. Any refusal by Contractor to supply any goods or services under this Contract conditioned upon the State submitting to any extraneous terms and conditions shall be a material breach of the Contract and constitute an act of bad faith by Contractor.
- E.5. Artificial Intelligence (AI) Use and Compliance Requirements. The Contractor agrees that any product, service, or solution incorporating Artificial Intelligence (AI), including Generative AI (GenAI), procured under this Agreement shall comply fully with the State of Tennessee's Enterprise Artificial Intelligence Policy ([Policy 200-POL-007](#)), available at: [tn.gov/content/dam/tn/finance/artificial-intelligence/200-POL-007 Enterprise Artificial Intelligence Policy.pdf](https://tn.gov/content/dam/tn/finance/artificial-intelligence/200-POL-007%20Enterprise%20Artificial%20Intelligence%20Policy.pdf)

The Contractor further agrees to the following:

a. Data Privacy and Security

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

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

b. Prohibition on Model Training

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

c. Transparency and Accountability

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

d. Use of Approved Tools Only

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

e. Ongoing Compliance and Risk Mitigation

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

f. Indemnification

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

E.6. State Furnished Property. The Contractor shall be responsible for the correct use, maintenance, and protection of all articles of nonexpendable, tangible personal property furnished by the State for the Contractor's use under this Contract. Upon termination of this Contract, all property furnished by the State shall be returned to the State in the same condition as when received, less ordinary wear and tear. Should the property be destroyed, lost, or stolen, the Contractor shall be responsible to the State for the fair market value of the property at the time of loss.

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. Environmental Tobacco Smoke. Pursuant to the provisions of the federal "Pro-Children Act of 1994" and the Tennessee "Children's Act for Clean Indoor Air of 1995," the Contractor shall prohibit smoking of tobacco products within any indoor premises in which services are provided pursuant to this Contract to individuals under the age of eighteen (18) years. The Contractor shall post "no smoking" signs in appropriate, permanent sites within such premises. This prohibition shall be applicable during all hours, not just the hours in which children are present. Violators of the prohibition may be subject to civil penalties and fines. This prohibition shall apply to and be made part of any subcontract related to this Contract.

E.9. Lobbying. The Contractor certifies, to the best of its knowledge and belief, that:

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

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

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

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

E.10. Liquidated Damages.

In the event of a Contract performance or compliance failure by the Contractor, the State may, but is not obligated to address such Contract performance or compliance failure and/or assess damages ("Liquidated Damages") in accordance with Attachment B of the Contract. The State shall notify the Contractor of any amounts to be assessed as Liquidated Damages via the Control Memorandum process specified in Contract Section A.77. The Parties agree that due to the complicated nature of the Contractor's obligations under this Contract it would be difficult to specifically designate a monetary amount for a Contract performance or compliance failure, as these amounts are likely to be uncertain and not easily proven. Contractor has carefully reviewed the Liquidated Damages contained in Contract Attachment B and agrees that these amounts represent a reasonable relationship between the amount and what might reasonably be expected in the event of a Contract performance or compliance failure, are a reasonable estimate of the damages that would occur from a Contract performance or compliance failure, and are not punitive. The Parties agree that although the Liquidated Damages represent the reasonable estimate of the damages and injuries sustained by the State due to the Contract performance or compliance failure, they do not include any injury or damage sustained by a third party. The Contractor agrees that the Liquidated Damages are in addition to any amounts Contractor may owe the State pursuant to the indemnity provision or any other sections of this Contract.

The State is not obligated to assess Liquidated Damages as a result of a Contract performance or compliance failure before availing itself of any other remedy. In the event of multiple Contract performance or compliance failures, the Parties recognize that the cumulative effect of these Contract performance failures may exceed the compensation provided by Liquidated Damages. The State may choose to avail itself of any other remedy available under this Contract or at law or equity. The Parties further recognize that the State may not obtain both Liquidated Damages and Actual Damages for the same occurrence of a Contract performance or compliance failure. Without regard to whether the State has imposed Liquidated Damages or pursued any other remedy due to any action or inaction by the Contractor, the State may impose a corrective action plan or similar measure through a Control Memorandum. Such measure is neither punitive nor related to any damages the State might suffer.

- E.11. Partial Takeover of Contract. The State may, at its convenience and without cause, exercise a partial takeover of any service that the Contractor is obligated to perform under this Contract, including any service which is the subject of a subcontract between Contractor and a third party (a "Partial Takeover"). A Partial Takeover of this Contract by the State shall not be deemed a breach of contract. The Contractor shall be given at least thirty (30) days prior written notice of a Partial Takeover. The notice shall specify the areas of service the State will assume and the date the State will be assuming. The State's exercise of a Partial Takeover shall not alter the Contractor's other duties and responsibilities under this Contract. The State reserves the right to withhold from the Contractor any amounts the Contractor would have been paid but for the State's exercise of a Partial Takeover. The amounts shall be withheld effective as of the date the State exercises its right to a Partial Takeover. The State's exercise of its right to a Partial Takeover of this Contract shall not entitle the Contractor to any actual, general, special, incidental, consequential, or any other damages irrespective of any description or amount.
- E.12. Unencumbered Personnel. The Contractor shall not restrict its employees, agents, subcontractors or principals who perform services for the State under this Contract from performing the same or similar services for the State after the termination of this Contract, either

as a State employee, an independent contractor, or an employee, agent, subcontractor or principal of another contractor with the State.

- E.13. 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 or ensure 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. The obligations set forth in this Section shall survive the termination of this Contract.

- E.14. Federal Funding Accountability and Transparency Act (FFATA). This Contract requires the Contractor to provide supplies or services that are funded in whole or in part by federal funds that are subject to FFATA. The Contractor is responsible for ensuring that all applicable requirements, including but not limited to those set forth herein, of FFATA are met and that the Contractor provides information to the State as required.

The Contractor shall comply with the following:

- a. Reporting of Total Compensation of the Contractor's Executives.
  - (1) The Contractor shall report the names and total compensation of each of its five most highly compensated executives for the Contractor's preceding completed fiscal year, if in the Contractor's preceding fiscal year it received:

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

As defined in 2 C.F.R. § 170.315, "Executive" means officers, managing partners, or any other employees in management positions.

- (2) Total compensation means the cash and noncash dollar value earned by the executive during the Contractor's preceding fiscal year and includes the following (for more information see 17 C.F.R. § 229.402(c)(2)):

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

- b. The Contractor must report executive total compensation described above to the State by the end of the month during which this Contract is awarded.
- c. If this Contract is amended to extend the Term, the Contractor must submit an executive total compensation report to the State by the end of the month in which the term extension becomes effective.
- d. The Contractor will obtain a Unique Entity Identifier (UEI) number and maintain its UEI number for the term of this Contract. More information about obtaining a UEI Number can be found at: the System for Award Management (SAM.gov).

The Contractor's failure to comply with the above requirements is a material breach of this Contract for which the State may terminate this Contract for cause. The State will not be obligated to pay any outstanding invoice received from the Contractor unless and until the Contractor is in full compliance with the above requirements.

- E.15. Americans with Disabilities Act. The Contractor must comply with the Americans with Disabilities Act (ADA) of 1990, as amended, including implementing regulations codified at 28 CFR Part 35

"Nondiscrimination on the Basis of Disability in State and Local Government Services" and at 28 CFR Part 36 "Nondiscrimination on the Basis of Disability in Public Accommodations and Commercial Facilities," and any other laws or regulations governing the provision of services to persons with a disability, as applicable. For more information, please visit the ADA website: <http://www.ada.gov>.

E.16. License. State hereby grants to Contractor the non-exclusive, non-transferable license, privilege and authority to use the Property in connection with the project as approved, set out in this Contract at Section A all other rights being reserved to State for the Term of this contract as provided below.

a. Property. The "Property" licensed mark:



(1) Exclusivity. None.

(2) Territory. Worldwide.

b. Term. Contractor shall begin to use the Property as set out in Contract Section A/Attachment Reference and shall cease upon termination of the Contract unless otherwise agreed to herein.

c. Use Limitations and Collateral Materials. The Property may be used on signs, promotional materials, marketing materials, Contractor's visitor website, and/or as otherwise set out in Contract [insert Contract #], Section A.42. The License also includes the right to create and use promotional, advertising and packing material in connection with marketing of the services. In advertising and promoting with use of the Property, Contractor shall seek prior approval as set out in this Section. The Contractor does not have any rights to use the Property on any consumer products or merchandise rights.

d. Use of Signage and Other Materials. Upon expiration of this License, Contractor shall cease use of the Property on current materials. If this License is terminated earlier than contemplated by this Contract, Contractor and State shall negotiate in good faith the wind up of the License.

e. Sub-licensing. Sub-licensing is not allowed.

f. Approvals. All use of the Property shall require State's prior written approval. Failure to obtain approvals at all stages shall be cause for termination of Contractor's use of the Property, only, and not the remainder of the Contract unless failure to use the Property results in a material breach.

g. Intellectual Property Notices. The Property shall always be displayed with the "®" symbol and the following notice shall appear, where space permits, on all marketing or collateral materials bearing the Property:



is a registered trademark and is used under license to the Contractor.

- h. Exclusive Property of State. The Property is and shall remain the exclusive property of State and all rights arising from the use of the Property, shall inure to State. Contractor acknowledges that it does not now have and in the future will not assert any right, title or interest of any kind or nature whatsoever in or to the Property nor will it change or contest any of State's rights therein.
- i. Royalty Rate. This License shall be royalty free.

IN WITNESS WHEREOF,

**CONTRACTOR LEGAL ENTITY NAME:**

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CONTRACTOR SIGNATURE

DATE

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PRINTED NAME AND TITLE OF CONTRACTOR SIGNATORY (above)

DEPARTMENT OF HUMAN SERVICES:

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CLARENCE H. CARTER, COMMISSIONER

DATE

**ATTACHMENT C**

**ATTESTATION RE PERSONNEL USED IN CONTRACT PERFORMANCE**

<b>SUBJECT CONTRACT NUMBER:</b>	
<b>CONTRACTOR LEGAL ENTITY NAME:</b>	
<b>EDISON VENDOR IDENTIFICATION NUMBER:</b>	

**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.**

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**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.

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**PRINTED NAME AND TITLE OF SIGNATORY**

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**DATE OF ATTESTATION**