



STATE OF TENNESSEE
TREASURY DEPARTMENT

**SOLICITATION # 30901-63026
FOR UNCLAIMED PROPERTY AUDITING FIRMS**

1. **INTRODUCTION**

The State of Tennessee, Treasury Department, hereinafter referred to as “the State,” has issued this solicitation with the intent of awarding a contract to multiple qualified, independent, unclaimed property audit firms for the provision of examining, identifying, recovering and otherwise reporting past due unclaimed property to the State.

2. **SCOPE OF SERVICE, CONTRACT PERIOD, & REQUIRED TERMS AND CONDITIONS**

The *Pro Forma Contract* attached to this solicitation (Attachment C) substantially represents the contract document that the contractor selected by the State must sign. It details the State’s required:

- Scope of Services and Deliverables (Section A);
- Contract Period (Section B);
- Payment Terms (Section C);
- Standard Terms and Conditions (Section D); and,
- Special Terms and Conditions (Section E).

3. **PROCUREMENT SCHEDULE**

The following schedule represents the State’s best estimates for this procurement, however, the State reserves the right, at its sole discretion, to adjust the schedule at any time, or to cancel or cancel and reissue a similar solicitation.

EVENT	TIME (central time zone)	DATE (all dates are state business days)
1. Solicitation Issued		June 9, 2025
2. Notice of Intent to Respond Deadline	2:00 p.m.	June 16, 2025
3. Written “Questions & Comments” Deadline	2:00 p.m.	June 20, 2025
4. State Response to Written “Questions & Comments”		July 9, 2025
5. Offer Deadline	2:00 p.m.	July 18, 2025
6. State Completes Qualifications Evidence Review & Identifies Responsive & Responsible Offers		August 1, 2025
7. State Releases Award Notifications		August 11, 2025
8. Contract Signing		August 15, 2025
9. Contractor Signature Deadline	2:00 p.m.	August 22, 2025

4. **RESPONSE REQUIREMENTS**

- 4.1. An offer in response to this solicitation must respond only as required by this solicitation document and must consist of one part: *Qualifications Evidence* (including any supporting documentation).

The State may determine an offer to be non-responsive and ineligible for contract award if it fails to address all items, organize and properly reference the *Qualifications Evidence*.

- 4.1.1. *Qualifications Evidence* – The *Qualifications Evidence Guide* (Attachment A) details specific mandatory requirements for an offer in response to this solicitation. An Offeror must duplicate and use Attachment A, completed with proposal page numbers, to cover (as a table of contents), organize, reference, and complete the *Qualifications Evidence* portion of the solicitation response.

- 4.2. **Offer Prohibitions.** An offer in response to this solicitation MUST NOT:

- include the Offeror's own contract terms and conditions, including compensation terms;
- restrict the rights of the State or otherwise qualify either the offer to deliver services as required by this solicitation;
- include, for consideration in this procurement process, incorrect information that the Offeror knew or should have known was materially incorrect.

- 4.3. **Offer Delivery.** No later than the Offer Deadline (refer to section 3, above), a potential contractor must deliver to the State ALL documentation required in the *Qualifications Evidence Guide* (Attachment A). It must be delivered **via email** to:

Dawn Rochelle, Solicitation Coordinator
Email: Dawn.Rochelle@tn.gov

5. **OFFER REVIEW & CONTRACT AWARD**

An evaluation team of at least three State employees will review the *Qualifications Evidence* and any supporting documentation submitted with each offer. For an offer to be acceptable and eligible for contract award, all evaluators must determine that the *Qualifications Evidence* documents that the Offeror meets minimum requirements specified by this solicitation and is, at least, minimally acceptable as a contractor for the subject services.

The State will award a contract to each Offeror that is deemed eligible for a contract award.

6. **GENERAL INFORMATION & REQUIREMENTS**

- 6.1. **Nondiscrimination.** No person shall be excluded from participation in, be denied benefits of, or be otherwise subjected to discrimination in the performance of a Contract pursuant to this solicitation or in the employment practices of the Contractor on the grounds of handicap or disability, age, race, creed, color, religion, sex, national origin, or any other classification protected by federal, Tennessee state constitutional, or statutory law. The Contractor pursuant to this solicitation shall, upon request, show proof of such nondiscrimination and shall post in conspicuous places, available to all employees and applicants, notices of nondiscrimination.

- 6.2. **Communications.** Reference Solicitation # 30901–43920, in all communications relating to this solicitation, and direct any such communications to the following person designated as the Solicitation Coordinator.

Dawn Rochelle, Solicitation Coordinator
Tennessee Treasury Department
Phone: (615) 253-8770
Email: Dawn.Rochelle@tn.gov

Unauthorized contact about this solicitation with other employees or officials of the State of Tennessee except as provided below may result in disqualification from consideration under this solicitation.

Notwithstanding the foregoing, potential responders may also contact the following as appropriate:

- staff of the Governor's Office of Diversity Business Enterprise for assistance available to minority-owned, woman-owned, service-disabled veteran-owned, businesses owned by persons with disabilities, and small businesses as well as general, public information relating to this solicitation (visit <https://www.tn.gov/generalservices/procurement/central-procurement-office--cpo-/governor-s-office-of-diversity-business-enterprise--godbe--/godbe-general-contacts.html> for contact information); and
- the following individual designated by the State to coordinate compliance with the nondiscrimination requirements of the State of Tennessee, Title VI of the Civil Rights Act of 1964, the Americans with Disabilities Act of 1990, and associated federal regulations:

Mary Jo Price, Chief Operating Officer
Tennessee Treasury Department
13th Floor, Andrew Jackson State Office Building
502 Deaderick Street
Nashville, Tennessee 37243
Phone: (615) 532-0909
Email: maryjo.price@tn.gov

6.3. Conflict of Interest. The State shall not consider an offer from, and this solicitation shall not result in a contract with:

- an individual who is, or within the past six months has been, an employee of the State of Tennessee or who is a volunteer member of a State board or commission that votes for, lets out, overlooks, or any manner superintends the services being procured in this solicitation;
- a company, corporation, or any other contracting entity in which an ownership of two percent (2%) or more is held by an individual who is, or within the past six months has been, an employee of the State of Tennessee (this will not apply either to financial interests that have been placed into a "blind trust" arrangement pursuant to which the employee does not have knowledge of the retention or disposition of such interests or to the ownership of publicly traded stocks or bonds where such ownership constitutes less than 2% of the total outstanding amount of the stocks or bonds of the issuing entity);
- a company, corporation, or any other contracting entity which employs an individual who is, or within the past six months has been, an employee of the State of Tennessee in a position that would allow the direct or indirect use or disclosure of information, which was obtained through or in connection with his or her employment and not made available to the general public, for the purpose of furthering the private interest or personal profit of any person; or,
- any individual, company, or other entity involved in assisting the State in the development, formulation, or drafting of this solicitation or its scope of services (such person or entity being deemed by the State as having information that would afford an unfair advantage).

For these purposes, the State will deem an individual to be an employee of the State of Tennessee until such time as all compensation for salary, termination pay, and annual leave has been paid.

6.4. Disclosure of Proposal Contents. All materials submitted to the State in response to this solicitation become the property of the State of Tennessee. Selection for award does not affect this right. Upon completion of evaluations, indicated by the award notification (refer to section 3, above), the full contents and associated documents submitted in response to this solicitation will be open for review by the public. By submitting an offer, a potential contractor acknowledges and accepts that the full contents and associated documents submitted in response to this solicitation will become open to public inspection.

QUALIFICATIONS EVIDENCE GUIDE

The offer must address all items detailed below and provide, in sequence, the information and documentation as required (referenced with the associated item references). The offer must also detail the *Qualifications Evidence* page number for each item in the appropriate space below and use this guide to cover the Qualifications Evidence (as its table of contents).

In addition to the items below, the State will review each offer for compliance with all solicitation requirements, including but not limited to:

- The offer must be delivered to the State no later than the Offer Deadline.
- The *Qualifications Evidence* must be submitted as required.
- The offer must NOT contain any qualification, limitation, or other restrictions.

OFFEROR LEGAL ENTITY NAME:		
Page # (Offeror completes)	Item Ref.	QUALIFICATIONS EVIDENCE
	A.1.	Detail the name, e-mail address, mailing address, and telephone number of the person the State should contact regarding the offer.
	A.2.	Provide the <i>Statement of Certifications and Assurances</i> (Solicitation Attachment B) completed and signed by an individual empowered to bind the Offeror to the provisions of this solicitation and any resulting contract. The document must be signed without exception or qualification.
	A.3.	Provide a statement, based upon reasonable inquiry, of whether the Offeror or any individual who shall perform work under the contract has a possible conflict of interest (e.g., employment by the State of Tennessee) and, if so, the nature of that conflict. NOTE: Any questions of conflict of interest shall be solely within the discretion of the State, and the State reserves the right to cancel any award.
	A.4.	Provide a statement of whether the Offeror or, to the Offeror's knowledge, any of the Offeror's employees, agents, independent contractors, or subcontractors, proposed to provide work on a contract pursuant to this solicitation, have been convicted of, pled guilty to, or pled <i>nolo contendere</i> to any felony. If so, include an explanation providing relevant details. <i>Any issues relating to such a matter shall be solely within the discretion of the State, and the State reserves the right to reject any offer or cancel any award.</i>
	A.5.	Provide a statement of whether there is any material, pending litigation that the Offeror should reasonably believe could adversely affect its ability to meet contract requirements pursuant to this solicitation or is likely to have a material adverse effect on the Offeror's financial condition. If such exists, list each separately, explain the relevant details, and attach the opinion of counsel addressing whether and to what extent it would impair the Offeror's performance in a contract pursuant to this solicitation. <i>Any issues relating to such a matter shall be solely within the discretion of the State, and the State reserves the right to reject any offer or cancel any award.</i>
	A.6.	Provide a current bank reference indicating that the Offeror's business relationship with its financial institution is in positive standing. Such reference must be written in the form of a standard business letter, signed, and dated within the past three (3) months.
	A.7.	Provide two current positive credit references from vendors with which the Offeror has done business. The references must be written in the form of standard business letters, signed, and dated within the past three (3) months.
	A.8.	Provide an official document or letter from an accredited credit bureau, verified, and dated within the last three (3) months and indicating a satisfactory credit rating for the Offeror

OFFEROR LEGAL ENTITY NAME:		
Page # (Offeror completes)	Item Ref.	QUALIFICATIONS EVIDENCE
		(NOTE: A credit bureau report number without the full report is insufficient and will <u>not</u> be considered responsive.)
	A.9.	Provide an organizational chart of all of the employees that will be conducting, reviewing or supervising audits under a contract awarded pursuant to this solicitation.
	A.10.	Provide documentation and/or narrative of the auditing and/or unclaimed property work experience of each employee that will manage or supervise an audit, including other key employees the Offeror will be assigned to conduct the work under the contract.
	A.11.	<p>Provide a statement that if awarded a contract pursuant to this solicitation that the Offeror's off-site or on-site audit team will be supervised by a member of the Offeror's staff who:</p> <ul style="list-style-type: none"> (a) Is qualified to supervise the audit, as contemplated by Generally Accepted Auditing Standards; and (b) Is a permanent member of the company's staff (as contrasted with an employee hired only to perform the audit); and (c) Has at least five (5) years of unclaimed property audit experience; or (d) Has at least five (5) years of Senior-Level Public Accounting Experience. (<i>Note: "Senior Level" is defined as at least five (5) years of full-time public accounting experience. "Public accounting experience" is defined as performing tax, audit, and management consulting or accounting work).</i>
	A.12.	Provide a statement, including supporting information, which confirms that the Offeror currently possesses the requisite resources and industry experience and expertise in providing the services as requested in this solicitation.
	A.13.	Provide a statement, including supporting information, which confirms that the Offeror previously or currently provides services similar to those described in this solicitation to a state or large city/county government entity or private entity.
	A.14.	Provide a statement, including any supporting information and/or certifications, which describes in detail how the Offeror protects and safeguards any Unclaimed Property Holder data that is at rest and in transit.

STATEMENT OF CERTIFICATIONS AND ASSURANCES

An individual legally empowered to contractually bind the Offeror must complete and sign the *Statement of Certifications and Assurances* below as required, and this signed statement must be included with the offer as required by the Solicitation Attachment A.

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

1. The Offeror will comply with all of the provisions and requirements of the solicitation.
2. The Offeror will provide all services defined in the Scope of Services specified by the *Pro Forma Contract* attached to this solicitation as Attachment C for the total Contract Term.
3. The Offeror accepts and agrees, without qualification, to all terms and conditions set out by the *Pro Forma Contract* attached to the solicitation.
4. The Offeror acknowledges and agrees that a contract resulting from the solicitation shall incorporate, by reference, the offer in response to the solicitation as a part of the contract.
5. The Offeror will comply, as applicable, with:
 - (a) the laws of the State of Tennessee;
 - (b) Title VI of the federal Civil Rights Act of 1964;
 - (c) Title IX of the federal Education Amendments Act of 1972;
 - (d) the Equal Employment Opportunity Act and the regulations issued there under by the federal government;
 - and,
 - (e) the Americans with Disabilities Act of 1990 and the regulations issued there under by the federal government.
6. To the knowledge of the undersigned, the information detailed within the offer in response to the solicitation is accurate.
7. The offer submitted in response to the solicitation was independently prepared, without collusion, under penalty of perjury.
8. No amount shall be paid directly or indirectly to an employee or official of the State of Tennessee as wages, compensation, or gifts in exchange for acting as an officer, agent, employee, subcontractor, or consultant to the Offeror in connection with the solicitation or any resulting contract.
9. The Offeror affirms the following statement, as required by the Iran Divestment Act Tenn. Code Ann. § 12-12-111: "By submission of this bid, each bidder and each person signing on behalf of any bidder certifies, and in the case of a joint bid each party thereto certifies as to its own organization, under penalty of perjury, that to the best of its knowledge and belief that each bidder is not on the list created pursuant to §12-12-106." For reference purposes, the list is currently available online at:
<https://www.tn.gov/generalservices/procurement/central-procurement-office--cpo-/library-/public-information-library.html>

By signing this Statement of Certifications and Assurances, below, the signatory also certifies legal authority to bind the proposing entity to the provisions of this Solicitation and any contract awarded pursuant to it. If the signatory is not the Offeror (if an individual) or the Offeror's company *President* or *Chief Executive Officer*, this document must attach evidence showing the individual's authority to bind the Offeror.

DO NOT SIGN THIS DOCUMENT IF YOU ARE NOT LEGALLY AUTHORIZED TO BIND THE OFFEROR

SIGNATURE: _____

PRINTED NAME & TITLE: _____

DATE: _____

OFFEROR LEGAL ENTITY

NAME: _____

PRO FORMA CONTRACT

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

**CONTRACT
BETWEEN THE STATE OF TENNESSEE,
DEPARTMENT OF TREASURY
AND
[CONTRACTOR NAME]**

This Contract, by and between the State of Tennessee, Department of Treasury ("State") and [CONTRACTOR LEGAL ENTITY NAME] ("Contractor"), is for the provision of examining, identifying, recovering, processing and otherwise reporting past due unclaimed property to the State, 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. Appointment as Agent. The State hereby appoints the Contractor as agent for the State of Tennessee pursuant to Tennessee Code Annotated, Section 66-29-164 for the purpose of assisting the State in carrying out certain provisions of the Tennessee Uniform Unclaimed Property Act.
- A.3. In General. An Audit may be proposed by either Party to the other Party. The Contractor shall identify entities potentially holding unclaimed property who have never reported such unclaimed property, or who have not adequately reported such unclaimed property to the State, and perform all of the following services according to the following specific requirements:
- a. The Contractor shall locate entities believed to be holding or in possession of past-due unclaimed property subject to report and delivery under Tennessee Code Annotated, Sections 66-29-101, *et seq* (the "Holder").
 - b. The Contractor shall identify past due unclaimed property by performing an audit of the financial records of the Holder for unclaimed property. For purposes of this Contract, "Audit" means the examination of the financial records of a Holder, wherein the Contractor takes custody of the Holder's records, either on-site or off-site, and performs a physical examination, either electronically or by hard copy, of such records to determine whether the Holder is in compliance with reporting and remitting of all unclaimed property to the State. Before proceeding with an Audit, the Contractor shall obtain the State's written authorization as indicated in A.4. in this Contract.
 - c. After the Audit is completed, the Contractor shall provide to the State the unclaimed property report in proper format and shall direct the Holder or its transfer agent to promptly transfer or otherwise deliver the unclaimed property to the State.
 - d. The Contractor shall provide an Audit Procedures Manual to be used for all Audits performed on behalf of the State. The Procedures Manual shall include the specific procedures and methodology the Contractor will employ to identify a Holder's unclaimed property liability. The Audit Procedures Manual shall also specifically address how the Contractor will manage the nonexistence of owners' addresses, out-of-proof records, and insufficient or unavailable records.

A.4. Authorization.

- a. The Contractor shall obtain specific written authorization from the State before conducting an Audit of a Holder on the State's behalf.
- b. The Contractor shall include in each authorization request a certification by the Contractor that the Contractor, or an affiliate of the Contractor, has not had a business relationship with regards to reporting, remitting, or processing unclaimed property for the Holder during the previous five (5) years.
- c. For each proposed Audit, the proposing Party shall, at a minimum, provide the other Party with the following information about the Holder and the proposed Audit. These items can be changed upon written agreement by both Parties, without a formal amendment to this Contract.
 - (1) Names and Federal Employer Identification Numbers ("FEIN") of all business entities to be audited, including subsidiaries and any affiliated companies whether or not they are subject to the Audit;
 - (2) Address (physical and mailing), contact person, and telephone number of the Holder's principal place of business as determined by the latest annual report or filed Form 10-K or other such probative evidence;
 - (3) If applicable, name, address, contact person, and telephone number of the Holder's transfer agent;
 - (4) The State(s) of incorporation of the Holder and its subsidiaries and affiliated companies;
 - (5) Description of the line of business the company is engaged in and why the proposing Party is considering the Holder for Audit; and
 - (6) Scope of the Audit, i.e., the property types and time period of the records to be examined.
- d. The State will determine whether participation in any proposed Audit is in the best interest of the State of Tennessee.
- e. The Contractor will determine whether conducting an audit proposed by the State is in the best interest of the Contractor. The Contractor will notify the State of its decision within thirty (30) calendar days of receiving the written request from the State. Notwithstanding the foregoing, the Contractor agrees to conduct at least one (1) Audit per year that the State proposes to the Contractor for Audit.
- f. The decisions of the State shall be final and binding on both Parties in the event of any doubt or differences of opinion as to the procedures to be used or the services to be furnished by the Contractor hereunder.

A.5. Audit.

- a. After receipt of the written authorization letter from the State, the Contractor shall schedule an opening conference with the Holder at a time mutually agreeable with the Holder, but not later than ninety (90) calendar days of the date of State's authorization letter. If the Contractor has not scheduled the opening conference within the ninety-day period, the Contractor shall inform the State in writing as to the reasons why and shall request the assistance and direction of the State as to the next appropriate course of action.
- b. The Contractor shall notify the State of the date and location of the opening conference at least thirty (30) calendar days prior to the conference or as otherwise agreed upon by the Contractor and the State. The State shall be permitted to attend the opening conference. The State, at its sole discretion, may elect to attend either in person or by conference call. The number for the conference call shall be provided to the State at least ten (10) calendar days prior to the conference or as otherwise agreed upon by the Contractor and the State.

- c. Prior to the opening conference, the Contractor shall provide the Holder with a copy of each of the following items:
- (1) A copy of Tennessee's Unclaimed Property law;
 - (2) An executed copy of this Contract; and
 - (3) A non-disclosure agreement signed by the Contractor wherein the Contractor agrees to preserve the Holder's reasonable expectation of privacy of the owner's interest.
- d. During the opening conference, the Contractor shall:
- (1) Identify other states (if any) participating in the examination;
 - (2) Identify in writing the time period to be covered by the Audit, the estimated length of time for the Audit to be completed, and describe the general audit methods to be employed, including sampling and estimation if applicable;
 - (3) Identify, in writing, the State's liaison to whom the Contractor is accountable, including the liaison's full name, title, address, telephone number, and e-mail address, and advise the Holder's representatives that they are free to discuss the Audit directly with the liaison at any time regarding allegations of misconduct, unethical behavior, or significant disagreement relating to the Contractor's legal authority to perform all or any portion of the Audit;
 - (4) Identify, in writing, every senior employee, representative, and agent of the Contractor who will participate in the Audit;
 - (5) Provide the approximate number of persons to be on-site at the Holder's location if an on-site Audit is to be conducted by the Contractor;
 - (6) Explain and describe the components of the Audit, which will typically involve the following phases:
 - i. Basic corporate information gathering;
 - ii. How and where the records are to be produced;
 - iii. Overview of the Audit program;
 - iv. Obtaining and detailed testing of Holder records;
 - v. Calculation of unclaimed property liability;
 - vi. Remediation and due diligence by the Holder; and
 - vii. Closing the Audit.
 - (7) Identify in writing the records that will be required and arrange for access to those records and how the security of those records will be addressed;
 - (8) Specify in writing if the Audit will include an examination of the books and records (being held by the Holder or its agent) involving securities-related property. If so, identify the types of securities and the time-period to be examined. Securities-related property includes, but is not limited to, stocks, bonds, mutual fund shares, and dividends; and
 - (9) Explain that at the closing of the Audit, the State will provide in writing a demand letter to the Holder for the identified items that have not been resolved during the Audit. The Contractor will be required to provide the State with the unclaimed property report and the Holder will be required to remit the property directly to the State in accordance with the delivery instructions located at <http://treasury.tn.gov/> or at such other website address as the State may specify by notice to the Contractor. If securities-related property is to be remitted, the Holder or its transfer agent must make the necessary arrangements to have the property transferred to the State in accordance with the above described delivery instructions.
- e. The Audit scope will be ten (10) prior reporting cycles, unless otherwise authorized by the State in writing. At the State's written direction, the Audit scope shall be extended to include

such additional years as the State shall determine.

- f. The Contractor will use its best efforts to conclude the Audit in the time frame set forth in the Audit schedule provided at the opening conference. The Contractor shall notify the Holder and the State whenever it intends to vary from the time frame presented to the Holder at the opening conference.
- g. The Contractor's off-site or on-site Audit team shall be supervised by a member of the Contractor's staff who:
 - i) Is qualified to supervise the Audit, as contemplated by Generally Accepted Auditing Standards; and
 - ii) Is a permanent member of the Contractor's staff (as contrasted with an employee hired only to perform the Audit); and
 - iii) Has at least five (5) years of unclaimed property audit experience; or
 - iv) Has at least five (5) years of Senior-Level Public Accounting Experience.
 - (1) "Senior Level" is defined as at least five (5) years of full-time public accounting experience.
 - (2) "Public accounting experience" is defined as performing tax, audit, and management consulting or accounting work.
- h. The Contractor must have prior written approval from the State to conduct any estimate or sample used in any Audit that affects the State. The Contractor must present documentation as to the necessity, method, and procedure of any proposed estimate or sample as well as the method of apportionment to other states or parties, whether or not represented by the Contractor. The Contractor shall provide written notice to the Holder containing the estimation methodology to be used and for which years during the time period covered by the examination estimation will be used. The Holder subject to the examination may object to the estimation methodology by following the process outlined in Tennessee Code Annotated, Section 66-29-163.
- i. The Contractor shall prepare and submit monthly work-in-progress reports to the State in an agreeable format on each Audit being conducted on behalf of the State. These reports shall, at a minimum, include the following information. These items can be changed upon written agreement by both Parties, without a formal amendment to this Contract.
 - i) Name of Holder;
 - ii) Holder's FEIN;
 - iii) Date of the opening conference with the Holder;
 - iv) Scope of the Audit, i.e., the property types and time period of the records to be examined;
 - v) Date of last contact with Holder;
 - vi) Estimated completion date;
 - vii) Status of the Audit (i.e., records being reviewed, property delivered, etc.); and
 - viii) Any relevant comments regarding any unusual circumstances surrounding the Audit, difficulties encountered thus far, or difficulties anticipated during the Audit process.
- j. The Contractor must schedule a closing conference with the Holder and the State.
 - i) The Contractor shall notify the State and the Holder of the date and location of the closing conference at least thirty (30) calendar days prior to the conference or as otherwise agreed upon by the Contractor and the State.
 - ii) The State shall, at its sole discretion, be permitted to attend the closing conference either in person or by conference call. The number for the conference call shall be provided to the State at least ten (10) calendar days prior to the conference or as otherwise agreed upon by the Contractor and the State.
 - iii) Prior to the closing conference, the Contractor shall provide a copy of the preliminary

findings of the Audit to the Holder for its review.

- k. Upon completion of the Audit, the Contractor must instruct the Holder, and Holder's agent, if applicable, to file all future reports directly with the State pursuant to Tennessee's reporting requirements.
- l. The State, by written notice, may direct the Contractor to suspend work under this Contract at any time. The Contractor shall not resume work until the Contractor has received written approval from the State to proceed.
- m. All Audits must be conducted solely by the Contractor unless a subcontractor is approved by the State pursuant to Section D.7 below. The Contractor must rely on the detailed and summary books and records of the Holder or of the Holder's agent, as applicable. The Contractor shall not use any books, records, or reports prepared by a third party without prior written approval of the State.
- n. The Contractor must Audit the records of Holders for unreported unclaimed property in a timely manner and with minimal disruption to the Holder's regular business activities.
- o. The Contractor shall notify the State if a Holder files for bankruptcy before or during an approved Audit. The notification shall be made within seven (7) calendar days of discovery by the Contractor of the bankruptcy filing. In such case, the Contractor shall prepare a proof of claim or provide such information to enable the State to file a proof of claim within seven (7) calendar days of discovery by the Contractor of the bankruptcy filing.

A.6. Enforcement Efforts and Audit Completion Deadline.

- a. The State agrees to send such notices that may be required to each Holder Audit candidate naming the Contractor as its agent and to assist the Contractor in obtaining access to the records that are necessary to complete its Audit. If a Holder refuses to permit its records to be reviewed, or is uncooperative, then the Contractor shall notify the State in writing within thirty (30) calendar days of such occurrence.
- b. The Contractor acknowledges and agrees that it cannot initiate legal action or enter into an agreement with a Holder on behalf of the State without the prior written consent of the State. In the event the State decides to file suit to recover the property, the suit shall be filed by the Tennessee State Attorney General, or such Attorney General's designee. The Contractor shall cooperate fully with State attorneys, and shall provide such attorneys with all records and other information in the Contractor's possession regarding the property sought to be obtained, including the provision of deposition testimony and/or trial testimony pertaining to the facts of the Audit and the property sought to be obtained.
- c. The Contractor may inform a Holder of Tennessee law regarding penalties and interest, but shall not impose or threaten to impose such penalties or interest without the State's prior written consent. The State will be responsible for assessing and collecting any penalties from a Holder.

A.7. Audit Report.

- a. Upon completion of the Audit, the Contractor shall prepare and provide to the State, in a form acceptable to the State, a comprehensive and accurate Audit report that the State will use to create the demand letter. Out-of-proof reports will not be accepted unless prior written consent is given by the State. The Audit report shall, at a minimum, include:
 - (1) The name and address of the Holder;
 - (2) The FEIN of the Holder;
 - (3) A listing of property types with the amounts to be reported for each;

- (4) If securities are included in the Audit report, the report must include, at a minimum:
 - i. Name of security
 - ii. Class of security
 - iii. Committee on Uniform Securities Identification (CUSIP) number
 - iv. Description of security
 - v. Number of shares for each issue
 - vi. Maturity date and interest, as applicable;
 - (5) A total of the amounts to be reported;
 - (6) Future reportable items that are not yet due;
 - (7) A narrative summarizing the Audit findings including the periods covered and the records reviewed;
 - (8) Written certification, signed by the Holder or, if applicable, by the Holder's agent, that it has performed the due diligence required by Tennessee Code Annotated, Section 66-29-128;
 - (9) Written certification, signed by the Contractor, that the Audit was completed by the Contractor in accordance with the requirements of this Contract, applicable Tennessee law and the holdings of the U.S. Supreme Court in *Texas v. New Jersey*, 380 U.S. 518, 85 S.Ct. 1136 (1965), and *Delaware v. New York*, 507 U.S. 490, 113 S.Ct. 1550 (1993).
- b. The Contractor shall properly document the Audits it performs on behalf of the State and make the working papers gathered during the Audit available on demand for review by the State. The working papers must include planning information and all related calculations, statistical analyses, and summarizations.
- A.8. Property report and remittance (Delivery). The Contractor shall report all Tennessee property located during the Audit directly to the State using the State's reporting instructions, which are contained on the State's unclaimed property website described in Section A.5.d(9) above. The Contractor shall also direct the Holder or its transfer agent, whichever is applicable, to remit all such property to the State in accordance with the delivery instructions located at the website described in Section A.5.d(9) above.
- A.9. Joint Efforts with Participating States.
- a. The State acknowledges and agrees that the services contemplated hereby may be undertaken concurrently with several other states which have entered into similar agreements with the Contractor (hereinafter referred to as the Participating States) having similar demands in connection with their respective unclaimed property laws. The Contractor represents and warrants that it shall act as the sole agent of the State and the other Participating States in performing the services hereunder and shall not act as an agent for Holders of unclaimed property during the course of the Audit.
 - b. If the Holder has unclaimed property for states not participating in an audit initiated by the State hereunder, it will be the Holder's responsibility to report the property to the appropriate states.
 - c. At the State's request, the Contractor shall supply the State with the names of any other states participating in an Audit hereunder.
- A.10. Disclosure of Findings and Holder Data. The Contractor may disclose information it acquires hereunder to the Participating States pursuant to a plan whereby the State similarly benefits from such reciprocal disclosures. Except as expressly allowed in this Contract, the Contractor shall not disclose any information it may obtain hereunder and all such information is acknowledged to be held confidentially for the State. The Contractor shall advise any party that may be assisting the Contractor in the performance of this Contract pursuant to Section D.7 below, including, but not limited to, attorneys, transfer agents, affiliated businesses or related parties, of the confidential nature thereof.

The Contractor shall ensure that all holder data in its possession or in the possession of its agents is housed in the continental United States, inclusive of backup data, and that the data is secure while at rest or in transit.

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

- A.11. Audit Training. At no additional cost to the State, the Contractor agrees to provide two (2) days of audit training to Tennessee State staff each year if requested by the State. The training will be provided either at the State's facilities in Nashville, Tennessee or remotely by webinar as shall be determined at the State's sole discretion. The training shall occur on such dates and at such times as mutually agreed to by the Parties.
- A.12. Non-Exclusive Contract. The Contractor recognizes that the State has contracted or may contract with other entities to provide the same or similar services as those set forth in this Contract. Consequently, the Contractor acknowledges and agrees that the State has the final and sole authority to decide which entity, if any, will conduct an Audit on behalf of the State in the event more than one entity desires to identify and collect unclaimed property from the same Holder.
- A.13. Representations. The Contractor represents and warrants that:
- a. By entering into this Contract, the Contractor is knowledgeable of Tennessee Code Annotated, Sections 66-29-101, *et. seq.*, relevant U.S. and Tennessee Supreme Court rulings, generally accepted accounting principles, generally accepted auditing standards, and any relevant audit procedures as they relate to the identification and collection of unclaimed property from Holders.
 - b. In the performance of services under this Contract, the Contractor shall not Audit any entity with whom the Contractor, or any affiliated company (i.e., under common control with, controlled by or controlling), has a current agreement or has had a prior agreement to represent the entity, or any related affiliate of the entity, in any capacity including but not limited to, the filing of unclaimed property reports, audit defense, consulting, or any other professional services or activity that could be construed as being in conflict with the work under this Contract.
 - c. Neither the Contractor, nor any affiliated company (i.e., under common control with, controlled by or controlling) will contract with a Holder to provide unclaimed property processing or reporting services for a fee during the time that the Contractor is performing an Audit of the Holder on behalf of the State, nor shall the Contractor, or any affiliate, contract for (or otherwise attempt to sell) abandoned property processing or reporting services to a Holder which is under Audit by the Contractor on behalf of the State until the Audit report has been accepted by the State and a complete delivery of any unclaimed property due the State has been made.
 - d. Neither the Contractor nor any affiliated company (i.e., under common control with, controlled by or controlling) will engage or enter into a contract for a fee with a potential unclaimed property owner that was identified during an Audit of a Holder's records for the purpose of assisting the owner in locating or otherwise recovering the owner's property.
- A.14. Authorized Individuals. Different persons may be authorized by the State to give instructions for different purposes. A resolution or other written action of the State may be received and accepted by the Contractor as conclusive evidence of the authority of any such person or persons to act, and may be considered as "in full force and effect" until written notice to the contrary is received by the Contractor.

- A.15. Applicable Gifts and Solicitations Policy. The Contractor shall not offer to give, or give, any gift to any employee of the State or to any member of a Board, Commission or Committee administratively attached to the State that would violate the State's Gifts and Solicitations Policy, included as Attachment 1 to this Contract.
- A.16. Ownership of Materials. All records, reports, documents and other material delivered or transmitted to the Contractor by the State shall remain the property of the State, and shall be returned by the Contractor to the State, at the Contractor's expense, at termination or expiration of this Contract, or at such earlier time as the State may request. All records, reports, documents, or other material related to this Contract and/or obtained or prepared by the Contractor in connection with the performance of the services hereunder shall become the property of the State, and shall, upon request, be transmitted by the Contractor to the State, at the Contractor's expense, at termination or expiration of this Contract or at such earlier time as the State may request. The Contractor may not produce or otherwise use the products of this Contract without the prior written consent of the State.
- A.17. Transition Upon Termination. Upon the expiration or termination of this Contract for any reason, the Contractor shall be entitled to the fees provided for in Section C.3 of this Contract for all property subsequently delivered to the State by a Holder as a result of the Contractor's performance of its obligations under this Contract.
- A.18. 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.19. Inspection and Acceptance. The State shall have the right to inspect all goods or services provided by Contractor under this Contract. If, upon inspection, the State determines that the goods or services are Defective, the State shall notify Contractor, and Contractor shall re-deliver the goods or provide the services at no additional cost to the State. If after a period of thirty (30) days following delivery of goods or performance of services the State does not provide a notice of any Defects, the goods or services shall be deemed to have been accepted by the State.

B. TERM OF CONTRACT:

This Contract shall be effective on September 15, 2025 ("Effective Date") and extend for a period of sixty (60) months after the Effective Date ("Term"). The State shall have no obligation for goods or services provided by the Contractor prior to the Effective Date.

C. PAYMENT TERMS AND CONDITIONS:

- C.1. Maximum Liability. In no event shall the maximum liability of the State under this Contract exceed TEN MILLION DOLLARS (\$10,000,000)] ("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:
 - (1) Contingency Fee Rate. In consideration of the services performed as required in this Contract, the State shall pay the Contractor a sum equal to:
 - i. Twelve percent (12%) of the value of the identified cash-related unclaimed property that resulted from an Audit of a Holder's books and records, and which is delivered to the State or its designee; and
 - ii. Twelve percent (12%) of the value of the identified securities-related unclaimed property that resulted from an Audit of the books and records of a Holder or of a Holder's agent and which is delivered to the State or its designee. Provided, however, the securities-related property must have been approved by the State to be included in the Audit of the Holder and the intent to examine the Holder's books and records for securities-related property was disclosed in the opening conference. "Securities-related property" includes, but is not limited to, stocks, bonds, mutual fund shares and dividends.
 - (2) Value of Unclaimed Property. The value of unclaimed property shall mean the cash value of the property. If other than cash (securities), then the value of the unclaimed property shall mean the closing price of any security traded on an exchange within three (3) business days of the date the property is registered to the State or received in the State's custodial account. If the property is a security traded over-the-counter, the value shall be the bid price as set forth in the pink sheets within three (3) business days of the date the security is registered to the State or received in the State's custodial account. If the unclaimed property is an unlisted security, or other personal property without a listed value, its value shall be determined by the generally accepted valuation method applicable to such property.

- (3) Fee Waiver. Notwithstanding any provision of this Contract to the contrary, the payment of the Contractor's fees will not be made on unclaimed property until the property is reported and remitted pursuant to the State's reporting instructions. Further, payment of the Contractor's fee will not be made when required approval for an Audit was not granted by the State. Payment of the Contractor's fee will only be made on property that was identified in an Audit as past due.
 - (4) Contingency of Fees. All fees of the Contractor under this Section C.3.b shall be contingent on the State's recovery and collection of past due unclaimed property and the Contractor shall be responsible for the payment or making provision for the payment of all expenses incurred in connection with all services provided herein.
 - (5) Reduction in Fees. The total contingency fee percentage charged by the Contractor to the State shall not exceed the lowest contingent fee percentage charged by the Contractor to any other state for unclaimed property in conjunction with an Audit of the same Holder by the Contractor for the State. In such case, the Contractor shall: (i) provide the State written notice of the lower contingent fee for the Audit and (ii) agree to provide the same fee to the State.
- C.4. Travel Compensation. The Contractor shall not be compensated or reimbursed for travel time, travel expenses, meals, or lodging.
- C.5. Invoice Requirements. The Contractor shall invoice the State only for goods delivered and accepted by the State or services satisfactorily provided at the amounts stipulated in Section C.3., above. Contractor shall submit invoices and necessary supporting documentation, no more frequently than once a month, and no later than thirty (30) days after goods or services have been provided to the following address:

Tennessee Treasury Department
 Unclaimed Property Division
 15th Floor, Andrew Jackson State Office Building
 502 Deaderick Street
 Nashville, Tennessee 37243-0203

- a. Each invoice, on Contractor's letterhead, shall clearly and accurately detail all of the following information (calculations must be extended and totaled correctly):
 - (1) Invoice number (assigned by the Contractor);
 - (2) Invoice date;
 - (3) Contract number (assigned by the State);
 - (4) Customer account name: Tennessee Treasury Department, Division of Unclaimed Property;
 - (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:

John Gabriel, Director of Unclaimed Property Division
Tennessee Treasury Department
15th Floor, Andrew Jackson State Office Building
502 Deaderick Street
Nashville, Tennessee 37243-0203
john.gabriel@tn.gov
Telephone # (615) 253-5354
FAX # (615) 401-6836

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 this Contract upon written notice to the Contractor. The State's exercise of its right to terminate this Contract shall not constitute a breach of Contract by the State. Upon receipt of the written notice, the Contractor shall cease all work associated with the Contract. If the State terminates this Contract due to lack of funds availability, the Contractor shall be entitled to compensation for all conforming goods requested and accepted by the State and for all satisfactory and authorized services completed as of the termination date. Should the State exercise its right to terminate this Contract due to unavailability of funds, the Contractor shall have no right to recover from the State any actual, general, special, incidental, consequential, or any other damages of any description or amount.
- D.5. Termination for Convenience. The State may terminate this Contract for convenience without cause and for any reason. The State shall give the Contractor at least thirty (30) days written notice before the termination date. The Contractor shall be entitled to compensation for all conforming goods delivered and accepted by the State or for satisfactory, authorized services completed as of the termination date. In no event shall the State be liable to the Contractor for compensation for any goods neither requested nor accepted by the State or for any services neither requested by the State nor satisfactorily performed by the Contractor. In no event shall the State's exercise of its right to terminate this Contract for convenience relieve the Contractor of any liability to the State for any damages or claims arising under this Contract.
- D.6. Termination for Cause. If the Contractor fails to properly perform its obligations under this Contract in a timely or proper manner, or if the Contractor materially violates any terms of this

Contract ("Breach Condition"), the State shall have the right to immediately terminate the Contract and withhold payments in excess of compensation for completed services or provided goods. Notwithstanding the above, the Contractor shall not be relieved of liability to the State for damages sustained by virtue of any Breach Condition and the State may seek other remedies allowed at law or in equity for breach of this Contract.

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

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

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

D.9. Nondiscrimination. The Contractor hereby agrees, warrants, and assures that no person shall be excluded from participation in, be denied benefits of, or be otherwise subjected to discrimination in the performance of this Contract or in the employment practices of the Contractor on the grounds of handicap or disability, age, race, creed, color, religion, sex, national origin, or any other classification protected by federal or state law. The Contractor shall, upon request, show proof of nondiscrimination and shall post in conspicuous places, available to all employees and applicants, notices of nondiscrimination.

D.10. Prohibition of Illegal Immigrants. The requirements of Tenn. Code Ann. § 12-3-309 addressing the use of illegal immigrants in the performance of any contract to supply goods or services to the state of Tennessee, shall be a material provision of this Contract, a breach of which shall be grounds for monetary and other penalties, up to and including termination of this Contract.

a. The Contractor agrees that the Contractor shall not knowingly utilize the services of an illegal immigrant in the performance of this Contract and shall not knowingly utilize the services of any subcontractor who will utilize the services of an illegal immigrant in the performance of this Contract. The Contractor shall reaffirm this attestation, in writing, by submitting to the State a completed and signed copy of the document at Attachment 2, 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. 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 1 and 2;
 - 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., 3rd floor Central Procurement Office, Nashville, TN 37243 as the certificate holder. Contractor shall provide the COI ten (10) business days prior to the Effective Date and again thirty (30) calendar days before renewal or replacement of coverage. Contractor shall provide the State evidence that all subcontractors maintain the required insurance or that subcontractors are included under the Contractor's policy. At any time, the State may require Contractor to provide a valid COI. The Parties agree that failure to provide evidence of insurance coverage as required is a material breach of this Contract. If Contractor self-insures, then a COI will not be required to prove coverage. Instead Contractor shall provide a certificate of self-insurance or a letter, on Contractor's letterhead, detailing its coverage, policy amounts, and proof of funds to reasonably cover such expenses. The State reserves the right to require complete, certified 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).
- 2) 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. Technology Professional Liability (Errors & Omissions)/Cyber Liability Insurance

- 1) The Contractor shall maintain technology professional liability (errors & omissions)/cyber liability insurance appropriate to the Contractor's profession in an amount not less than ten million dollars (\$10,000,000) per occurrence or claim and ten million dollars (\$10,000,000) annual aggregate, covering 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 ten million dollars (\$10,000,000) 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.

d. 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.

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

necessary steps to safeguard the confidentiality of such Confidential Information in conformance with the requirements of this contract and with applicable state and federal law.

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

- 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.

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. Work Papers Subject to Review. The Contractor shall make all audit, accounting, or financial analysis work papers, notes, and other documentation available for review by the Comptroller of the Treasury or his representatives, upon request, during normal working hours either while the analysis is in progress or subsequent to the completion of this Contract.
- E.3. Protects and Safeguards Data. 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 CFR 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 Confidential 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 and any Subcontractor used by the Contractor to host State data, including data center vendors, shall be subject to an annual engagement by a licensed CPA firm in accordance with the standards of the American Institute of Certified Public Accountants ("AICPA") for a System and Organization Controls for service organizations ("SOC") 2 Type 2 examination. The scope of the SOC 2 Type 2 examination engagement must include the Security, Availability, Confidentiality, and Processing Integrity Trust Services Criteria. In addition, the Contractor

services that are part of this Contract, including any processing or storage services, must be included in the scope of the SOC 2 Type 2 examination engagement(s).

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

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

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

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 Confidential 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 Confidential State Data it holds (including any copies such as backups) in accordance with the current version of National Institute of Standards and Technology ("NIST") Special Publication 800-88. The Contractor shall provide a written confirmation of destruction to the State within ten (10) business days after destruction.

b. Minimum Requirements

- (1) The Contractor and all data centers used by the Contractor to host State data, including those of all Subcontractors, must comply with the State's Enterprise Information Security Policies as amended periodically. The State's Enterprise Information Security Policies document is found at the following URL: <https://www.tn.gov/finance/strategic-technology-solutions/strategic-technology-solutions/sts-security-policies.html>.
- (2) The Contractor agrees to maintain the Application so that it will run on a current, manufacturer-supported Operating System. "Operating System" shall mean the software that supports a computer's basic functions, such as scheduling tasks, executing applications, and controlling peripherals.
- (3) If the Application requires middleware or database software, Contractor shall maintain middleware and database software versions that are 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.

Signatures appear on following page.

IN WITNESS WHEREOF,

[CONTRACTOR LEGAL ENTITY NAME]:

CONTRACTOR SIGNATURE

DATE

PRINTED NAME AND TITLE OF CONTRACTOR SIGNATORY (above)

TENNESSEE DEPARTMENT OF TREASURY:

DAVID H. LILLARD, JR., STATE TREASURER

DATE

CONTRACT ATTACHMENT 1

TREASURY DEPARTMENT'S GIFTS AND SOLICITATIONS POLICY

No employee or any member of a Board, Commission or Committee administratively attached to the Department shall solicit, accept or agree to accept, directly or indirectly, on behalf themselves or their immediate family, any gift in violation of state law including, but not limited to, any gratuity, service, favor, entertainment, lodging, transportation, loan, loan guarantee rebate, money, any promise, obligation or contract for future awards or compensation or any other thing of monetary value, from any **individual** or **entity** that:

- Has, or is seeking to obtain, contractual or other business or financial relations with the Treasury Department or the Tennessee Consolidated Retirement System;
- Conducts operations or activities that are regulated by the Treasury Department;
- May bid on future procurement from the Department or a Board, Commission, or Committee administratively attached to the Department based on the employee's reasonable belief that the person or entity intends to submit a bid; or
- Has an interest that may be substantially affected by the performance or nonperformance of the employee's official duties.

Generally, gifts from a lobbyist or an employer of a lobbyist are prohibited; however, the following are exceptions to the general gift prohibition:

- A gift given for nonbusiness purpose and motivated by a close personal friendship and not by the position of the employee, and specifically authorized and defined by the Ethics Commission;
- Informational materials in the form of books, articles, periodicals, other written materials, audiotapes, videotapes, or other forms of communication;
- Sample merchandise, promotional items, and appreciation tokens if they are routinely given to customers, suppliers or potential customers or suppliers in the ordinary course of business;
- Unsolicited tokens or awards of appreciation, honorary degrees, or bona fide awards in recognition of public service in the form of a plaque, trophy, desk item, wall memento, and similar items, provided that any such item shall not be in a form which can readily be converted to cash;
- Benefits resulting from business, employment, or other outside activities of the employee or the employee's immediate family, if such benefits are customarily provided to others in similar circumstances and are not enhanced due to the status of the employee;
- Opportunities and benefits made available to all members of an appropriate class of the general public, including but not limited to, discounts afforded to the general public or prizes and awards given out in public contests;
- Expenses of out-of-state travel, if such expenses are paid for or reimbursed by a governmental entity or an established and recognized organization of elected or appointed state government officials;
- Food, refreshments, amenities, goody bags, entertainment, or beverages provided as part of a meal, reception or similar event including tradeshow and professional meetings; and

- Food, refreshments, meals, foodstuffs, entertainment, beverages that are provided in connection with the following: an event where the employee is a speaker or part of a panel discussion at a scheduled meeting of an established or recognized membership organization which regularly meets at in-state events in which invitations are extended to legislative or executive branch employees. The value of the items shall not exceed fifty dollars (\$50.00) per person, per day.*

* The amount may be increased to reflect the percentage of change in the average consumer price index. The Ethics Commission publishes the increased amount on its website. For other gifts offered which are not included in the exceptions above, the employee must obtain the written approval of the Assistant Treasurer for Legal, Compliance and Audit.

CONTRACT ATTACHMENT 2**ATTESTATION RE PERSONNEL USED IN CONTRACT PERFORMANCE**

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

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.

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.

PRINTED NAME AND TITLE OF SIGNATORY

DATE OF ATTESTATION