



AGENDA

**ADVISORY COUNCIL ON STATE PROCUREMENT MEETING #025
MONDAY, OCTOBER 26, 2015 – 1:30 P.M.
TN TOWER – 3rd FLOOR, MULTI-MEDIA ROOM**

AGENDA ITEM		PAGE #
I.	Call to Order	--
II.	Approve Minutes from September 1, 2015 Meeting..... (see attached documentation)	3
III.	Advisory Council Member Changes: (1) Reappointment of Jason Mumpower by Comptroller Justin P. Wilson (2) Appointment of Stewart Shunk by Lt. Governor Ron Ramsey (3) Term Expiration of Tommy Wheeler appointed by Senator Bill Ketron – awaiting appointment from Fiscal Review Chairman Mark White	--
IV.	New Business Proposed revisions to the following Central Procurement Office documents (see attached documentation):	
	(1) Solicitation for Edison-generated Contracts – new document.....	13
	(2) Request for Proposals (RFP) Template	26
	(3) Payment Bond Template – new document	31
	(4) Notice of Intent to Award Model	34
	(5) Governmental Grant (GG) Template.....	39
	(6) Grant (GR) Template	142
	(7) Endowment Grant (GE) Model.....	253
	(8) <i>Procurement Procedures Manual of the Central Procurement Office, Section 4.1,</i> <i>definition of "Subrecipient"</i>	307
	(9) <i>Procurement Procedures Manual of the Central Procurement Office, Section 11 –</i> <i>Templates and Models</i>	312
V.	Other Business	--
VI.	Adjournment	--

**MINUTES OF SEPTEMBER 1, 2015
MEETING**



MINUTES
ADVISORY COUNCIL ON STATE PROCUREMENT MEETING #024
TUESDAY, SEPTEMBER 1, 2015 – 11:00 A.M.
TN TOWER – 3rd FLOOR – NASHVILLE ROOM

Members in Attendance:

Mike Perry, Jason Mumpower, Buddy Lea, Ted Hayden, Sondra Howe, Rick Peppers, Terry McKee, Scottie Domenico, Michelle Lane

Others in Attendance:

Paul Krivacka, Bryan Chriske, Katie Simers (Bohan), Shannon Howell, Colleen Mallea, Kyle Hunter, Andy Kidd, Kaci Stewart, Charlotte McKinney

I. Call to Order: Mike Perry, Chief Procurement Officer, called the meeting to order and recognized that a quorum of members was present.

II. Minutes from the June 24, 2015 Meeting: Mr. Perry asked if there were any corrections or additions to the minutes from the June 24, 2015 meeting. Seeing none, a motion was made by Jason Mumpower, Chief of Staff, Comptroller's Office, to accept the minutes as presented. The motion was seconded by Buddy Lea, Assistant Commissioner, Department of Finance and Administration. All members voted in favor – none opposed.

III. New Business: Mr. Perry stated that Lt. Governor Ron Ramsey had not yet selected an appointee to complete Ms. Jane Greenlee's term of office but that he would inform the Advisory Council members as soon as an appointment had been made.

Mr. Perry asked Paul Krivacka, Lead Attorney/Director of Category Management, Central Procurement Office, to present the Central Procurement Office ("CPO") documents from the New Business section of the agenda.

(1) DA Template – Delegation periods in excess of 12 months

Mr. Krivacka summarized the following points with regard to the DA Template – Delegation periods in excess of 12 months:

- The Policy Review Subcommittee ("Subcommittee") made two revisions to this document.
- The first clarifies the Subcommittee's intent regarding delegation period – the delegation period may be one year regardless of whether that twelve month period matches the state or federal government's fiscal year.

- The second revision identifies the process for requesting a delegation period in excess of one year. Procurement professionals should use a Rule Exception Request designed specifically for the DA or DG templates.

Mr. Krivacka asked if there were any comments or questions regarding the DA Template – delegation periods in excess of 12 months. Seeing none, Mr. Perry asked for a motion on the item. A motion was made by Mr. Mumpower to recommend the DA Template – delegation periods in excess of 12 months as presented to the Procurement Commission for approval. The motion was seconded by Mr. Lea. All members voted in favor – none opposed.

(2) DG Template – Delegation periods in excess of 12 months

Mr. Krivacka summarized the following points with regard to the DG Template – Delegation periods in excess of 12 months:

- The Subcommittee made two revisions to this document.
- The first clarifies the Subcommittee's intent regarding delegation period – the delegation period may be one year regardless of whether that twelve month period matches the state or federal government's fiscal year.
- The second revision identifies the process for requesting a delegation period in excess of one year. Procurement professionals should use a Rule Exception Request designed specifically for the DA or DG templates.

Mr. Krivacka stated that the Office of Comptroller of the Treasury ("COT") found one additional change in the instructions that should be revised from "one (1) fiscal year" to "twelve (12) months," which will make it consistent with the instructions.

Mr. Mumpower made a motion to approve the DG Template – Delegation periods in excess of 12 months contingent upon the change to the instructions as described by Mr. Krivacka. The motion was seconded by Ted Hayden, Executive Director of Compliance, State of Tennessee Real Estate Asset Management. All members voted in favor – none opposed.

(3) Central Procurement Office Policy 2013-006, *Delegation of Authority*

Mr. Krivacka summarized the following points with regard to Central Procurement Office Policy 2013-006, *Delegation of Authority*:

- The Subcommittee revised this policy to reflect the changes to the DA and DG templates.
- The policy now instructs that the delegation period may be up to twelve months unless an approved Rule Exception Request is obtained.

Mr. Krivacka asked if there were any questions or comments regarding Central Procurement Office Policy 2013-006, *Delegation of Authority*. Seeing none, Mr. Lea made a motion to recommend Central Procurement Office Policy 2013-006, *Delegation of Authority* to the Procurement Commission for approval. The motion was seconded by Mr.

Mumpower. All members voted in favor – none opposed.

(4) Rule Exception Request for the DA or DG templates

Mr. Krivacka summarized the following points with regard to the Rule Exception Request for the DA or DG templates:

- This is a new document that procurement professionals will use to request changes to the DA or DG templates.
- The most common anticipated use of this document is to request a delegation period of more than one year.
- If requesting a delegation period of more than one year, procurement professionals must provide certain information.
- This new document better protects the State because it allows the CPO and COT to consider the delegation's funding source and the Agency's internal controls before permitting a delegation period of more than one year.

Mr. Lea added that there was a lot of discussion regarding this item by the Subcommittee and the reason for the creation of a separate Rule Exception Request for the DA or DG templates was the specificity of the information needed for approval. Mr. Lea stated that while not trying to create an infinite number of documents, this document does serve a good purpose because it simplifies the process for agency users, while protecting the State's interests.

Mr. Mumpower added that this is an important document and indicated that in the past COT staff has received many requests like this on June 30. Mr. Mumpower continued that one thing that could complement the creation of this document would be an education and notification process to prepare users for its use prior to June 30, especially in light of the extra level of needed justification.

Chief Procurement Officer Perry fully agreed with Mr. Mumpower's comment and stated that the need for proper notice and training, along with a grace period for implementation when new documents are introduced, was highlighted through the end-to-end process recently completed by the CPO.

Mr. Perry asked if there were any additional questions or comments regarding the Rule Exception Request for the DA or DG templates. Seeing none, a motion was made by Mr. Lea to recommend the Rule Exception Request for the DA or DG templates as presented to the Procurement Commission for approval. The motion was seconded by Mr. Mumpower. All members voted in favor – none opposed.

(5) Rule Exception Request

Mr. Krivacka summarized the following points with regard to the Rule Exception Request:

- This document is one of the CPO's most heavily used documents. It is used to request changes to procurement templates, policies, Rule 17's "necessary contract clauses", and in some cases blanket rule exceptions.

- The Subcommittee revised this document to:
 - More clearly identify when a Rule Exception Request should be used;
 - Update the language to conform with defined terms in contract and grant templates; and
 - Eliminate duplicative or unnecessary fields.

Mr. Krivacka asked if there were any questions or comments regarding the Rule Exception Request.

Seeing no questions or comments, Mr. Lea made a motion to recommend the Rule Exception Request as presented to the Procurement Commission for approval. Mr. Mumpower seconded the motion. All members voted in favor – none opposed.

(6) Revisions and additions to grant templates and models

Mr. Krivacka summarized the following points with regard to Revisions and additions to grant templates and models:

- Based on feedback from Agencies, the Subcommittee revised the “Department of Revenue Registration” provision to direct grantees to the Tennessee Code’s registration requirements. The revised provision will appear in all grant templates and models.
- The Subcommittee made two additions to the “Instructions, Considerations, and Options” section of grant templates and models.
 - The first is an optional provision requiring grantee compliance with the Federal Educational Rights and Privacy Act (“FERPA”) and Tennessee’s Data Accessibility, Transparency and Accountability Act.
 - The second addition is to the GR Template only – the Subcommittee added instructions on when the grantee or the grantee’s subcontractors must execute a Business Associate Agreement to comply with HIPAA.

Mr. Krivacka asked if there were any questions or comments regarding the Revisions and additions to grant templates and models. Seeing none, Mr. Lea made a motion to recommend the Revisions and additions to grant templates and models as presented to the Procurement Commission for approval. Mr. Mumpower seconded the motion. All members voted in favor – none opposed.

(7) Terms and Conditions for purchase orders issued under an Agency’s local purchase authority

Mr. Krivacka summarized the following points with regard to Terms and Conditions for purchase orders issued under an Agency’s local purchase authority:

- The Subcommittee added instructions to this document and made revisions to improve its organization.
- The document now has two sections – Standard Terms and Conditions, which must appear in all purchase orders, and Special Terms and Conditions.

- Agencies have discretion to add appropriate provisions to the Special Terms and Conditions section. However, to best protect the State, an order of precedence clause provides that the Standard Terms and Conditions shall control over any conflicting special terms.

Mr. Lea commented that this change is a great improvement in protecting the State and that there had been problems in the past with some purchase orders not having terms and conditions. Mr. Lea added that the Subcommittee did a great job with this item.

Mr. Perry thanked Mr. Lea for his comments and asked if there were any additional questions or comments regarding the Terms and Conditions for purchase orders issued under an Agency's local purchase authority. Seeing none, Mr. Hayden made a motion to recommend the Terms and Conditions for purchase orders issued under an Agency's local purchase authority as presented to the Procurement Commission for approval. Mr. Mumpower seconded the motion. All members voted in favor – none opposed.

(8) Protest Procedures

Mr. Krivacka summarized the following points with regard to the Protest Procedures:

- The Subcommittee revised the document for consistency with legislative changes to the protest statute.
- The new instructions contain the new legislatively mandated process and grounds for submitting a protest, the amount of the protest bond, and a sample protest bond.
- The Subcommittee made extensive revisions to this document to describe the protest process and requirements in plain English; previously, the document contained large blocks of text from the Tennessee Code and the CPO's rules.

Mr. Perry asked if there were any questions or comments regarding the Protest Procedures. Seeing none, Mr. Lea made a motion to recommend the Protest Procedures as presented to the Procurement Commission for approval. Mr. Mumpower seconded the motion. All members voted in favor – none opposed.

(9) Click-wrap Agreement Approval Request

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

- The Subcommittee prepared this document to minimize risk to the State arising from click-wrap agreements, a type of online contract widely used with respect to software procurements.
- Agency personnel may encounter click-wrap agreements when using their local purchase authority to buy software licenses or upgrades. Mr. Krivacka explained that when downloading software or applications in some cases the user is asked to click to agree to certain terms and conditions; however the State has master contracts with many software providers and the State needs to ensure that a policy is in place that will not allow a user to modify terms and conditions of a master contract by simply agreeing to the terms of a click-wrap agreement.

- CPO policies and procedures do not authorize individuals to modify or amend a contract by using a click-wrap agreement.
- Procurement professionals should use this document to seek approval from the Central Procurement Office and Office for Information Resources (“OIR”) to enter into a click-wrap agreement associated with a one-time purchase of \$50,000 or less.
- A copy of the click-wrap agreement must be attached to this document so CPO and OIR can review its terms and conditions and then resolve any issues with the vendor as needed.

Chief Procurement Officer Perry stated that this is a very significant move by the Advisory Council in that it will help address the problems with staff selecting software outside of OIR policy and/or obligating the State for maintenance of software.

Mr. Perry asked if there were any questions or comments regarding the Click-wrap Agreement Approval Request. Mr. Lea added that this is a change that is long overdue and protects the State’s best interest legally and financially, but since it could be seen as an inconvenience to agency users, it is important that we educate staff on how and why it is being implemented.

Seeing no other questions or comments, Mr. Lea made a motion to recommend the Click-wrap Agreement Approval Request as presented to the Procurement Commission for approval. Mr. Mumpower seconded the motion. All members voted in favor – none opposed.

(10) Sections 4 and 5.1 – Electronic Signatures and Approvals, *Procurement Procedures Manual of the Central Procurement Office*

Mr. Krivacka summarized the following points with regard to Sections 4 and 5.1 – Electronic Signatures and Approvals, *Procurement Procedures Manual of the Central Procurement Office*:

- Electronic signatures and approvals represent an opportunity to make state procurement more efficient and simultaneously reduce its costs.
- The Subcommittee added information to the *Procurement Procedures Manual of the Central Procurement Office* (“Procurement Manual”) to establish a uniform approach to electronic signatures and approvals.
- The new sections on electronic signatures and approvals identify:
 - Who may use an electronic signature or approval;
 - When electronic approvals are acceptable; and
 - Who may electronically approve on behalf of someone else.

Seeing no other questions or comments, Mr. Hayden made a motion to recommend Sections 4 and 5.1 – Electronic Signatures and Approvals, *Procurement Procedures Manual of the Central Procurement Office* as presented to the Procurement Commission for approval. Mr. Mumpower seconded the motion. All members voted in favor – none opposed.

(11) Sections 4 and 5.11 – Adequate Financial Resources, *Procurement Procedures Manual of the Central Procurement Office*

Mr. Krivacka summarized the following points with regard to Sections 4 and 5.11 – Adequate Financial Resources, *Procurement Procedures Manual of the Central Procurement Office*:

- In an effort to promote competition, the Subcommittee added information to the “Evaluation of Responses” section of the Procurement Procedures Manual.
- If traditional sources of information such as a credit report raise questions about a respondent’s financial ability to perform, the evaluation committee may now consider a broad range of information to determine whether the respondent has adequate financial resources. Providing a performance bond is one such option.
- Furthermore, a respondent may be considered responsible if it shows the ability to obtain adequate financial resources.

Mr. Perry asked if there were any questions or comments regarding Sections 4 and 5.11 – Adequate Financial Resources, *Procurement Procedures Manual of the Central Procurement Office*. Seeing none, Mr. Lea made a motion to recommend Sections 4 and 5.11 – Adequate Financial Resources, *Procurement Procedures Manual of the Central Procurement Office* as presented to the Procurement Commission for approval. Mr. Mumpower seconded the motion. All members voted in favor – none opposed.

(12) Sections 4 and 5.15.3.3 – Click-wrap Agreements, *Procurement Procedures Manual of the Central Procurement Office*

Mr. Krivacka summarized the following points with regard to Sections 4 and 5.15.3.3 – Click-wrap Agreements, *Procurement Procedures Manual of the Central Procurement Office*:

- The Subcommittee added a new section to the Procurement Manual to minimize risk to the State arising from click-wrap agreements, a type of online contract widely used with software.
- This section provides that no State employee has the authority to enter into a click-wrap agreement without the prior approval of the Central Procurement Office and Office for Information Resources.
- This section also instructs that no click-wrap agreement can amend or modify an existing contract. Currently, contracts can only be amended or modified through a written amendment approved in accordance with Central Procurement Office rules, policies, and procedures.

Mr. Krivacka stated that this clarifies that it is considered random and unauthorized behavior when an employee enters into a click wrap agreement that modifies an underlying State contract and that the State is not bound by a click wrap agreement. In order to defend against vendor arguments that a contract is amended based on a click wrap agreement, a CPO policy and procedure must be in place that states the employee has no authority to amend a contract through a click wrap agreement.

Mr. Mumpower stated that he agrees with Mr. Krivacka’s comments and is interested to see what the response from the vendor community will be. Seeing no other questions or comments, Mr. Mumpower made a motion to recommend Sections 4 and 5.15.3.3 – Click-wrap Agreements, *Procurement Procedures Manual of the Central Procurement Office* as

presented to the Procurement Commission for approval. Mr. Lea seconded the motion. All members voted in favor – none opposed.

(13) Sections 4, 10.9, and 10.10 – Subscriptions and Software as a Service (SaaS), *Procurement Procedures Manual of the Central Procurement Office*

Mr. Krivacka summarized the following points with regard to Sections 4, 10.9, and 10.10 – Subscriptions and Software as a Service (SaaS), *Procurement Procedures Manual of the Central Procurement Office*:

- The quickly-changing technology marketplace prompted the Subcommittee to add information to the Procurement Manual on subscriptions and software as a service (SaaS).
- The additions to the Procurement Manual:
 - Include detailed definitions of subscriptions and software as a service (SaaS); and
 - Provide guidance to agencies on when something is a subscription and when it is not.
- Also important, these additions to the Procurement Manual will curb agency attempts to classify high technology procurements as “subscriptions” in order to avoid proper contract review.

Mr. Perry asked if there were any questions or comments regarding Sections 4, 10.9, and 10.10 – Subscriptions and Software as a Service (SaaS), *Procurement Procedures Manual of the Central Procurement Office*.

Mr. Mumpower stated that the requirement for education for this item will be key as it has the potential to cause some complaints and push back from agency users. Mr. Mumpower continued that once a distinction is clear about the difference between a subscription and a service, users will be able to move forward and it will reduce risk to the State.

Seeing no other questions or comments, Mr. Mumpower made a motion to recommend Sections 4, 10.9, and 10.10 – Subscriptions and Software as a Service (SaaS), *Procurement Procedures Manual of the Central Procurement Office* as presented to the Procurement Commission for approval. Mr. Hayden seconded the motion. All members voted in favor – none opposed.

(14) Section 11.1 – Document Versions, *Procurement Procedures Manual of the Central Procurement Office*

Mr. Krivacka summarized the following points with regard to Section 11.1 – Document Versions, *Procurement Procedures Manual of the Central Procurement Office*:

- Representatives from the Central Procurement Office, Comptroller of the Treasury, and Department of Finance & Administration met to decide on an approach to grandfathering in older versions of documents.
- Section 11.1 of the Procurement Manual reflects the result of this meeting – agencies may use the previous version of a procurement document provided that the current

version has been in place for six months or less. This will ease concerns from agency users and reduce the amount of rework needed due to agencies submitting older versions of documents for approval.

- Adding this grandfathering in approach to the Procurement Manual helps ensure that agencies receive consistent information about when procurement documents must be updated.

Mr. Perry stated that this was identified as a problem in meetings with agencies during the end-to-end process improvement project. Agencies stated that this problem had resulted in rework and lengthened the procurement process.

Mr. Lea added that this was a good example of the CPO listening to agency feedback and being open to their concerns. Mr. Lea continued that this procedure change provides an avenue for agencies involved in procurements that take a longer period of time to avoid rework unnecessarily and it is an example of providing good customer service.

Mr. Perry asked if there were any additional questions or comments regarding Section 11.1 – Document Versions, *Procurement Procedures Manual of the Central Procurement Office*. Seeing none, Mr. Lea made a motion to recommend Section 11.1 – Document Versions, *Procurement Procedures Manual of the Central Procurement Office* as presented to the Procurement Commission for approval. Mr. Hayden seconded the motion. All members voted in favor – none opposed.

Other Business: Chief Procurement Officer Perry asked if the introduction of the iPads had been a good experience for the Council members. Mr. Mumpower responded that the iPads had enhanced the meeting process and but most importantly he wanted to thank his COT staff, in particular, Bryan Chriske, for all their hard work prior to the meeting. Mr. Mumpower further stated that preparation before the meeting on the part of all Council members is why the meetings proceed so effectively and efficiently. Mr. Perry took this opportunity to thank the Subcommittee for their hours of hard work and tireless efforts toward improving the State procurement program.

Mr. Perry stated that information regarding the appointee to serve out Jane Greenlee's term of office would be conveyed to all Council members upon receipt of the appointment letter from Lt. Governor Ron Ramsey.

Mr. Perry asked if there was any other business to be brought before the Council and saw none.

- IV. Adjournment:** Seeing no other business, a motion for adjournment was made by Mr. Mumpower and seconded by Mr. Lea. All members voted in favor – none opposed.

SOLICITATION FOR EDISON- GENERATED CONTRACTS

(NEW DOCUMENT)

Solicitation for Edison-generated contracts

Section 1

In one paragraph, provide a brief, high-level explanation of the goods or services sought or a summary of the problem to be addressed. Include a summary of the scope or specifications and reference the portion of the document that contains a detailed scope or specifications.

Statewide Contract. The purpose of this Invitation to Bid is to establish a source or sources of supply for all Tennessee State Agencies, Tennessee local governmental entities, members of the University of Tennessee or Tennessee board of regents systems, and the nonprofit entities identified in Tenn. Code Ann. § 33-2-1001.

Table of Contents

Section 2 – Schedule of Events

Section 3

Refer to the Scope or Specifications for a description of how this Contract will be awarded.

Single Award – Lowest Cost. A single contract will be awarded for all line items to the respondent whose response meets the requirements and criteria set forth in this ITB at the lowest cost.

Multiple Awards – Constant Compete. The State will award separate contracts to each respondent that meets the mandatory requirements of this ITB. After award of the contract, the State will seek quotes and issue purchase orders as described in this ITB.

Single Award – Lowest Cost, Pricing For All Line Items Required. A single contract will be awarded for all line items to the respondent whose response meets the requirements and criteria set forth in this ITB at the lowest cost. Line item totals shall be calculated by multiplying the unit price by the line item quantity. If a response contains more than one line item, each line item total shall be added together for a total price for all line items included in the response. To be considered for award, a respondent must submit pricing for all line items.

Single Award – Lowest Composite Score. The State is seeking pricing for three different contract terms: a one (1) year term, a three (3) year term, and a five (5) year term. The State will determine the lowest cost respondent by calculating the lowest composite score for all three contract terms. Line item totals shall be calculated by multiplying the unit price by the line item quantity. If a response contains more than one line item, each line item total shall be added together for a total price for all line items contained in the response. The response must include a price for all line items in each contract term to be considered for an award. The respondent's composite score will be determined by summing the average yearly cost for each contract term option: $\text{One (1) year term cost} + (\text{three (3) year term cost}/3) + (\text{five (5) year term cost}/5) = \text{composite score}$. The State will award the contract to the respondent whose response meets the requirements and criteria set forth in this ITB with the lowest composite score. The State reserves the right to award a one-year, a three-year, or a five-year contract to the respondent that has the lowest composite score.

Option to Award by Grouped Lines. The State may award a single contract for all line items to the respondent whose response meets the requirements and criteria in this ITB at the lowest cost. Alternatively, the State may award separate contracts for each group of line items using the following method: Grouped Lines: %%TN_DGS_T405B_GROUPED_LINES%% If the State awards contracts by group of line items, total group price shall be calculated by summing the line items totals in the group. Line item totals shall be calculated by multiplying the unit price by the line item quantity. Respondents must bid all line items in a group to be considered for an award for that group unless otherwise specified.

Option to Award by Line. The State may award a single contract for all line items to the respondent whose response meets the requirements and criteria in this ITB at the lowest cost. Alternatively, the State may award a separate contract for each line item. Line item totals shall be calculated by multiplying the unit price by the line item quantity.

Section 4 – Standard Terms and Conditions

If section 9, contract terms and conditions, does not contain the contract's Maximum Liability or Estimated Liability, add one of the following:

The total estimated purchase amount for **State Agency Name** during the contract's Term is **number** dollars (\$ #).

The total estimated purchase amount for all Tennessee State Agencies during the contract's Term is **number** dollars (\$ #).

Respondent Registration. Pursuant to Tenn. Code Ann. § 4-56-105 all respondents must be registered prior to the issuance of a contract or a purchase order. Respondents can register online at the State of Tennessee Supplier Portal: <https://supplier.edison.tn.gov>.

Respondent's Ability to Perform. The State shall have the right to require evidence of the Respondent's ability to perform the services or deliver the goods required pursuant to the terms and conditions of this ITB.

Quality of Workmanship and Materials. Unit price responses are requested on products or services that equal or exceed the specifications, unless the specifications limit the dimensions, brands, or model of goods or services. The absence of detailed specifications or the omission of detailed descriptions shall mean that only the best commercial practices and only first quality goods and workmanship shall be supplied.

Performance. The respondent who is awarded a contract will be responsible for delivering the goods or providing the services set out in this ITB. All goods or services are subject to inspection and evaluation by the State.

Clarifications. The State reserves the right to conduct clarifications or negotiations with one or more respondents. All communications, clarifications, and negotiations shall be conducted in a manner that is fair and transparent.

Response Cancellation and Rejection. The State may cancel this ITB in its entirety and reissue it in whole or in part.

The State may reject any or all responses in its sole discretion. Additionally, the State may reject a response that: (a) qualifies the offer to provide goods or services as required by this ITB; (b) proposes alternative goods or services unless expressly requested by this ITB; (c) involves collusion, consultation, communication, or agreement among respondents; (d) includes information the respondent knew or should have known was materially incorrect; or (e) does not comply with the terms, conditions, specifications, or performance requirements of this ITB.

After the State opens the responses, no price changes shall be permitted except pursuant to target pricing or best and final offer negotiations as specified in this ITB.

Responses Due. The response must be received by the State on or before the date and hour designated for the response opening. Responses that are submitted untimely shall be rejected.

Communications and Contacts. Prospective respondents must direct communications concerning this ITB to the following person designated as the Solicitation Coordinator:

NAME
STATE AGENCY NAME
STREET ADDRESS
TELEPHONE NUMBER
E-MAIL ADDRESS
OTHER APPROPRIATE INFORMATION IF ANY

Unauthorized contact about this ITB with employees or officials of the State of Tennessee except as detailed in this ITB may result in disqualification from consideration under this procurement process.

Notwithstanding the foregoing, Respondents may alternatively contact:

1. Staff of the Governor's Office of Diversity Business Enterprise for assistance available to minority-owned, woman-owned, Tennessee service-disabled veteran owned, and small businesses as well as general, public information relating to this RFP (visit www.tn.gov/businessopp/ for contact information); and
2. The following individual designated by the State to coordinate compliance with the nondiscrimination requirements of the State of Tennessee, Title VI of the Civil Rights Act of 1964, the Americans with Disabilities Act, and associated federal regulations:

NAME
STATE AGENCY NAME
STREET ADDRESS
TELEPHONE NUMBER
E-MAIL ADDRESS
OTHER APPROPRIATE INFORMATION IF ANY

Add the following if a pre-response conference will be held.

Questions. Respondents may submit written questions about this ITB to the Solicitation Coordinator. All questions must be submitted no later than number (#) business days after the pre-response conference.

Questions. Respondents may submit written questions about this ITB to the Solicitation Coordinator. All questions must be submitted no later than number (#) business days before the response opening date.

Responses Submitted by Mail. If submitting a response by mail: (1) all prices must be typed or written in ink on the "Line Details" portion of this ITB; (2) any corrections, erasures, or other alterations to prices must be initialed by the respondent; and (3) the response shall be manually signed by the respondent in ink. Each individual response must be returned in a separate envelope package or container and must be properly labeled on the outside referencing the applicable event number and the response opening date. Responses should be mailed in a properly labeled sealed envelope to the following address: Department of General Services, Central Procurement Office Attn: Bidder Services 3rd Floor, William R Snodgrass, Tennessee Tower 312 Rosa L. Parks Avenue Nashville, TN 37243-1102. Failure to comply with these requirements may result in rejection of the response.

Responses Submitted by Mail. If submitting a response by mail: (1) all prices must be typed or written in ink on the "Line Details" portion of this ITB; (2) any corrections, erasures, or other alterations to prices must be initialed by the respondent; and (3) the response shall be manually signed by the respondent in ink. Each individual response must be returned in a separate envelope package or container and must be properly labeled on the outside referencing the applicable event number and the response opening date. Responses should be mailed in a properly labeled sealed envelope to the following address: **State Agency name and address**. Failure to comply with these requirements may result in rejection of the response.

Models Included in Response. All goods or services identified in the response must be new, of current manufacturer production, and must have been formally announced by the manufacturer or provider of services as being commercially available as of the date of response opening. Goods may include internal refurbished or reconditioned components normally used in the manufacturing process and deemed and warranted and sold as new equipment by the manufacturer.

F.O.B. Destination. Respondent's prices shall include delivery of all items F.O.B. destination or as otherwise specified by the State.

Firm Offer. The response constitutes a firm offer that is irrevocable for ninety (90) days. An award of a contract shall, subject to necessary State approvals, be binding on the respondent without any further action by the respondent.

Respondent Certification. By signing or electronically submitting the response, the respondent agrees to the terms and conditions of this ITB and certifies that all goods or services included in the response meet or exceed the Scope or Specifications of this ITB. The respondent agrees that, if it is awarded a contract, it will deliver goods or services that meet or exceed the specifications in this ITB.

Accommodation for People with Disabilities. Any individuals with disabilities who wish to participate in public meetings such as a scheduled pre-response conference or other scheduled function should contact the Solicitation Coordinator to discuss any auxiliary aids or services needed. Such contact should be

made no less than ten (10) business days prior to the public meeting to allow time for the Solicitation Coordinator to provide needed aids or services.

Exceptions or New Terms or Conditions. Exceptions to terms and conditions or new terms and conditions proposed by the respondent that vary from this ITB may, in the discretion of the State, render the response nonresponsive. A response deemed nonresponsive will not be considered for an award of a contract.

Conflict of Interest. The State shall not consider a response from an individual who is, or within the past six (6) months has been, a State employee. For purposes of this ITB:

1. An individual shall be deemed a State employee until such time as all compensation for salary, termination pay, and annual leave has been paid;
2. A contract with or a response from a company, corporation, or any other contracting entity in which a controlling interest is held by any State employee shall be considered to be a contract with or proposal from the employee; and
3. A contract with or a response from a company, corporation, or any other contracting entity that employs an individual who is, or within the past six (6) months has been, a State employee shall not be considered a contract with or a proposal from the employee and shall not constitute a prohibited conflict of interest.

Registration with the Secretary of State. Prior to award and during the contract's term, a corporation must be registered and in good standing with the Tennessee Secretary of State. If a respondent is not registered with the Tennessee Secretary of State, it will have seven (7) business days after the response submission date to register; otherwise, the response may be rejected.

Tax Exemption. The State of Tennessee is exempt from local, state, and federal excise taxes. These taxes shall not be included in respondent's prices. The successful respondent shall pay all taxes lawfully imposed on it with respect to any product or service delivered in accordance with this ITB.

Specifications Govern. Brands or model numbers identified in the specifications of this ITB are deemed to meet all written specifications. In the event of a conflict between specified brands and models and the written specifications, the conflict shall be resolved in favor of the written specifications.

Disclosure of Response Contents. All materials submitted to the State in response to this ITB shall become the State's property. By submitting a response, a respondent acknowledges that the response and associated documents will become open to public inspection in accordance with Tennessee law.

Efforts to Achieve Diversity Business Participation. The Governor's Office of Diversity Business Enterprise ("Go-DBE") is the State's central point of contact to attract and assist minority-owned, woman-owned, Tennessee service-disabled veteran owned, and small business enterprises interested in competing in the State of Tennessee's procurement and contracting activities. These diversity business enterprises are defined as follows:

Minority Business Enterprise (MBE) and Woman Business Enterprise (WBE)

Businesses that are a continuing, independent, for profit business which performs a commercially useful function, and is at least fifty-one percent (51%) owned and controlled by one (1) or more individuals in

the minority or woman category who were impeded from normal entry into the economic mainstream because of past practices of discrimination based on race, ethnic background, or gender.

Service-Disabled Veteran Business Enterprise (SDVBE)

“Tennessee service-disabled veteran owned business” means a service-disabled veteran owned business located in the State of Tennessee that satisfies the criteria in Tenn. Code Ann. § 12-3-1102(8). “Service-disabled veteran” means any person who served honorably in active duty in the armed forces of the United States with at least a twenty percent (20%) disability that is service-connected, i.e., the disability was incurred or aggravated in the line of duty in the active military, naval or air service.

Small Business Enterprise (SBE)

"Tennessee small business" means a business that is a continuing, independent, for profit business which performs a commercially useful function with residence in Tennessee and has total gross receipts of no more than ten million dollars (\$10,000,000) averaged over a three-year period or employs no more than ninety-nine (99) persons on a full-time basis."

For additional program eligibility information, visit:

<http://www.tennessee.gov/generalservices/article/godbe-program-eligibility>.

Instructions

As part of this Invitation to Bid, the respondent should complete the Diversity Utilization Plan below. To assist in your effort to seek and solicit the participation of diversity businesses on this solicitation, a directory of certified Diversity Business Enterprise firms may be found on the State's website at: <http://www.tennessee.gov/generalservices/article/godbe-enterprise-directory> or by calling Go-DBE toll free at 866-894-5026.

RESPONDENT’S DIVERSITY UTILIZATION PLAN

Respondent’s Company Name:		
Solicitation Event Name:		Event Number:
Respondent’s Contact Name:	Phone: ()	Email:
Does the Respondent qualify as the diversity business enterprise? <input type="checkbox"/> Yes <input type="checkbox"/> No		
If yes, which designation does the Respondent qualify? <input type="checkbox"/> MBE <input type="checkbox"/> WBE <input type="checkbox"/> SDVBE <input type="checkbox"/> SBE		
Certifying Agency:		

Estimated level of participation by diversity businesses if awarded a contract pursuant to this ITB:

Diversity Business Information (List all subcontractors, joint-ventures, and suppliers)	% of Contract	Estimated Amount	MBE/ WBE/ SDVBE/ SBE	Currently Certified (Yes or No)
---	---------------	------------------	----------------------	---------------------------------

			Designation	
Business Name:				
Contact Name:				
Contact Phone:				
Business Name:				
Contact Name:				
Contact Phone:				

If awarded a contract pursuant to this ITB, we confirm our commitment to make reasonable business efforts to meet or exceed the commitment to diversity as represented in our Diversity Utilization Plan. We shall assist the State in monitoring our performance of this commitment by providing, as requested, a quarterly report of participation in the performance of this Contract by small business enterprises and businesses owned by minorities, women, and Tennessee service-disabled veterans. Such reports shall be provided to the state of Tennessee Governor's Office of Diversity Business Enterprise (Go-DBE) in form and substance as required by said office. We further agree to request in writing and receive prior approval from the Central Procurement Office for any changes to the use of the above listed diversity businesses.

Authorized Signature: _____ Date: _____

Printed Name and Title of Signatory _____

Section 5 – Special Terms and Conditions

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

Pre-response Conference Notification. The Central Procurement Office will hold a pre-response conference for this solicitation at the date, time, and location specified below: Date/Time: %%TN_DGS_T10_PRE-BID_DATE/TIME%% Location: %%TN_DGS_T10_PRE-BID_LOCATION%% Room: %%TN_DGS_T10_PRE-BID_ROOM%% Prospective respondents are encouraged to attend this pre-response conference; however attendance is not mandatory in order to submit a response. The Central Procurement Office conducts pre-response conferences to discuss and answer questions prior to response due date. The pre-response conference is for informational purposes only. Nothing stated at the pre-response conference shall change the solicitation unless the change is reflected in writing and disseminated to all prospective respondents that attended the pre-response conference.

Mandatory Pre-response Conference. The Central Procurement Office will hold a mandatory pre-response conference for this solicitation at the date, time and location specified below: Date/Time: %%TN_DGS_T11_PRE-BID_MAND_D/T%% Location: %%TN_DGS_T11_PRE-BID_MAND_SITE%% Room: %%TN_DGS_T11_PRE-BID_ROOM%% The Central Procurement

Office conducts pre-response conferences to discuss the draft solicitation, gather information, and give prospective respondents an opportunity to ask questions about the draft solicitation and the State's procurement process. The pre-response conference is for informational purposes only. Nothing stated at the pre-response conference shall change the solicitation unless the change is reflected in writing in the formal Invitation to Bid. Attendance at the pre-response conference is required in order to submit a response. If you do not attend the pre-response conference, your response will not be evaluated for contract award.

Unit Prices Requested on Qualified Products List. The response shall contain unit prices for the brands and model numbers identified in the Qualified Products List ("QPL") below: Reference Line(s): %%TN_DGS_T65_REF_LINES%% Qualified Products List: %%TN_DGS_T65_QPL_SOURCE%% The products included in the response must be on the referenced QPL. All respondents shall submit a certification that the product they propose to provide is of the same formulation as the product provided for State examination, testing, and approval for placement on the QPL. Any change in formulation will require submission of a sample for re-evaluation. The State will not test, evaluate, or place new products on the QPL.

On-site Inspection. All respondents should visit the site to take exact measurements and examine the premises to become familiar with any problems or unusual circumstances. No allowances will be made by the State for errors in quotations due to any respondent not visiting the site prior to submitting their response. Respondents shall be responsible for their own measurements.

Samples. The State may request samples of the products listed below for evaluation and testing: Reference Line(s): %%TN_DGS_T240_REF_LINES%% Samples provided shall be identical to the products identified in the response. If the State requests samples, respondents must provide the samples, at no cost to the State, to the Central Procurement Office within ten (10) calendar days of the request. The Central Procurement Office will not accept any samples unless all transportation charges have been prepaid. Samples must be clearly labeled as follows:

State of Tennessee Department of General Services, Central Procurement Office
312 Rosa L Parks Avenue
William R. Snodgrass Tennessee Tower, 3rd floor
Nashville, TN 37243-1102

Attn: (Solicitation Coordinator)

Name of Respondent:

Address:

ITB Number:

Item Number(s)

Bid Closing Date:

If requested samples are not provided or are improperly labeled, the State may consider the response non-responsive.

Upon the respondent's written request at the time samples are submitted, the State will return samples. Samples not destroyed in the evaluation and testing processes will be returned at the respondent's expense. If the State does not receive a written request for return of samples, the State will utilize or

dispose of samples at its discretion. The State may retain samples from the successful respondent for the contract's term. The State assumes no liability for samples.

Samples. The State may request samples of the products listed below for evaluation and testing:
Reference Line(s): %%TN_DGS_T240_REF_LINES%% Samples provided shall be identical to the products identified in the response. If the State requests samples, respondents must provide the samples, at no cost to the State, within ten (10) calendar days of the request. The State will not accept any samples unless all transportation charges have been prepaid. Samples must be clearly labeled as follows:

Agency name

Agency address

Attn: (Solicitation Coordinator)

Name of Respondent:

Address:

ITB Number:

Item Number(s)

Bid Closing Date:

If requested samples are not provided or are improperly labeled, the State may consider the response non-responsive.

Upon the respondent's written request at the time samples are submitted, the State will return samples. Samples not destroyed in the evaluation and testing processes will be returned at the respondent's expense. If the State does not receive a written request for return of samples, the State will utilize or dispose of samples at its discretion. The State may retain samples from the successful respondent for the contract's term. The State assumes no liability for samples.

Used Equipment. When this ITB authorizes offers of used items, no used item is acceptable if serial numbers or any other manufacturer's identifying label or markings have been removed, obliterated, or changed in any way.

Authorized Service Centers. Respondents must include a list of all authorized factory service centers in their responses.

Prompt Pay Discount. Any prompt pay discounts offered by respondents shall be extended to all authorized users of the contract.

Tennessee Contractor License. Respondents shall comply with Tenn. Code Ann. § 62-6-119 in providing the specified information within this ITB. Any response that does not comply with Tenn. Code Ann. § 62-6-119 shall be rejected.

Purchase of Materials for Highways or Roadways. Respondents must comply with Tenn. Code Ann. § 54-5-135.

Energy Star Products. Any goods ordered by the State must be Energy Star certified and meet applicable Energy Star specifications for energy efficiency.

Response Requested for Software Products. Unit prices are requested for software products that meet the State's requirements. Alternative software products will not be accepted and, if included, may result in rejection of the response. Respondent must submit and supply throughout the contract term the most recent version or release available unless otherwise specified in this ITB. All responses must include full use license rights for the term of the contract or as otherwise specified in the contract. The State will not accept or make payment for outdated software versions or releases. Responses shall include software maintenance and support services when required in the specifications.

Licensed Software. Respondent shall submit an End User License Agreement ("EULA") to be attached to and incorporated into this contract. Nothing contained in the terms and conditions of the EULA shall be contrary to this ITB, the law, rules, regulations, or policies of the State. To the extent of a conflict between any EULA and the contract, the law, rules, regulations, or policies of the State, the terms of the EULA shall be null, void, and unenforceable to the extent of a conflict. The EULA shall contain the following statement, "This EULA is incorporated by reference into the contract as **Attachment Reference** and is subject to its terms and conditions. In the event of any conflict between the terms and conditions of this EULA and the contract, the terms and conditions of the contract shall prevail."

Fixed Discount or Surcharge. The percent discount or surcharge per line item must be fixed for the contract's term.

Percent Discount or Surcharge by Line. Reference Line(s): %%TN_DGS_T75_REF_LINES%% Respondents are required to quote a single percentage (%) offered as a discount or surcharge applying to the products listed in all the published catalogs, price lists, or price schedules and any supplements on which the response is based. Respondents shall use the most current catalogs, price lists, or price schedules as of the response opening date. Any catalog, price list, or price schedule identified or referenced in a response shall be published by the response opening date. Any industry-wide price change by the manufacturer's catalogs, price lists, or price schedules may be submitted with the response. Respondents shall attach the manufacturer's notice of any price changes to the applicable catalogs, price lists, or price schedules. No published, printed prices or items as shown in any manufacturer's catalogs, price lists, or price schedules submitted as part of any response shall be altered, amended, or limited within the product line or lines bid. All product lines subject to the single percentage (%) ITB shall be clearly defined by the respondent. If any items requested in this ITB are not available at the time of the response in any published catalogs, price lists, or price schedules, all such items must be listed with prices and all applicable ordering information. Catalogs, price lists, or price schedules will be evaluated and may be accepted in whole or acceptance may be limited to specific items or groups of items or to a specified dollar amount.

Single Percent Discount or Surcharge. Respondents are required to quote a single percentage (%) offered as a discount or surcharge applying to the products requested and listed in the specified catalog, price list, or price schedule identified on the price sheet. A single percentage for the specified catalog, price list, or price schedule is required.

Safety of Chemical Products. All respondents awarded a contract must be capable of maintaining, for all of its chemical products available under this Contract, a material safety data sheet ("MSDS") on the national MSDS search repository or on the chemical manufacturer's website. A site operated by or on behalf of the manufacturer or a relevant trade association is acceptable so long as the information is

accessible to the public, free of charge. In lieu of posting a MSDS on MSDSSEARCH, the respondent that receives a contract award must include the manufacturer's universal resource locator (URL) for its MSDS. For purposes of this MSDS requirement, the State recognizes the following URL for national MSDS search repository: MSDS-SEARCH, which can be accessed on the internet at: <http://www.msdssearch.com>.

Price Adjustment for Bituminous Material. The monthly average bituminous adjustment factor (“MABAF”) shall be applied to the contract unit price provided the increase or decrease differs five percent (5%) or more from the basic bituminous material index dated $%%TN_DGS_T190_INDEX_DATE%%$ AT \$ $%%TN_DGS_T190_PER_TON%%$ (PER TON). The basic bituminous material index is taken from the Tennessee Department of Transportation’s construction index. The monthly bituminous price index can be obtained from the regional Tennessee Department of Transportation (“TDOT”) office closest to the respondent’s location. This index is used for all asphalt projects in Tennessee and is distributed to all TDOT field offices and contractors statewide.

The monthly average adjustment will be based on TDOT special provision 109B, "Regarding Price Adjustment for Bituminous Material" as per TDOT’s standard specifications for road and bridge construction. The adjustment will be based on the asphalt content and will be calculated in accordance with the following formula only when the percent of price indexes is five percent (5%) or greater/less. $PA = (IC - IB) \times (T \times AC\%)$ where: PA = price adjustment for adjustment month; IB = basic bituminous material index; IC = monthly average bituminous material index; T = tons of bituminous material for adjustment month; and AC% = asphalt content percent used. The following is an example of a price adjustment of over five percent (5%). PA = price adjustment for adjustment month: \$870.00 IB = basic bituminous material index: \$150.00 DATE: $%%TN_DGS_T190_IB_DATE%%$ IC = monthly average bituminous material index: \$180.00 DATE: $%%TN_DGS_T190_IC_DATE%%$ (month asphalt was picked up) T = tons bituminous material for adjustment month: 500 tons AC% = asphalt content percent used: 5.8% 500 tons @ 5.8% = 29 tons adjustment \$180.00 - \$150.00 = \$30.00 x 29 tons = \$870.00 (price adjustment)

The awarded contractor must submit adjustment calculations on a separate invoice at the same time the original invoice is submitted. Failure to submit both invoices together will result in forfeiture of any recompense for the bituminous material index amount greater than five percent (5%). Awarded contracts will include a line which will allow the State to pay contractor for bituminous material price adjustment increases.

Section 6 – Specifications

Procurement professionals draft the specifications outside of Edison and then upload them into Edison.

Section 7

Professional Licensure. All persons, agencies, firms, or other entities that provide legal or financial opinions, which a respondent provides for consideration and evaluation by the State as a part of a response to this ITB, shall be properly licensed to render such opinions. Upon submitting the response, the respondent (and respondent employees and subcontractors, as applicable) must hold all necessary or appropriate business or professional licenses to provide the goods or services as required by the contract. The State may require any respondent to submit evidence of proper licensure.

Department of Revenue Registration. Respondent must be registered with the Tennessee Department of Revenue for the collection of Tennessee sales and use tax. The State shall not award a contract unless the respondent provides proof of such registration or provides documentation from the Department of Revenue that the Contractor is exempt from this registration requirement. The foregoing is a mandatory requirement of an award of a contract pursuant to this ITB. For purposes of this registration requirement, the Department of Revenue may be contacted at: <http://www.tn.gov/revenue/topic/revenue-contacts>.

Prohibition of Illegal Immigrants. Any respondent awarded a contract shall comply with Tenn. Code Ann. § 12-3-309 and submit semi-annual attestations to the State.

Section 8 – Contract Terms and Conditions

This document will be generated independently of the solicitation and then incorporated into the solicitation.

**REQUEST FOR PROPOSALS (RFP)
TEMPLATE**

REDLINE VERSION

REQUEST: Replace section 4.9 of the “Instructions, Considerations, and Options” portion of the RFP Template with the following.

4.9. **Contract Approval and Contract Payments**

Option: Awarded Respondent shall accept the State’s Purchasing Card as a form of payment

Add the following to the end of subsection 4.9.3. only after performing market research and determining that: ~~(a) requiring vendors to accept payments via purchasing card~~ and providing level III data reporting is generally accepted in the marketplace; ~~and (b) requiring prospective Respondents to accept the State's Purchasing Card at no cost to the State will not materially affect competition.~~

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

Document comparison by Workshare Compare on Friday, October 09, 2015
1:55:54 PM

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Description	RFP Template - optional section 4.9_current
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Description	RFP Template - optional section 4.9_clean
Rendering set	Standard

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Inserted cell	
Deleted cell	
Moved cell	
Split/Merged cell	
Padding cell	

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Moved to	0
Style change	0
Format changed	0
Total changes	5

**REQUEST FOR PROPOSALS (RFP)
TEMPLATE**

CLEAN VERSION

REQUEST: Replace section 4.9 of the “Instructions, Considerations, and Options” portion of the RFP Template with the following.

4.9. Contract Approval and Contract Payments

Option: Awarded Respondent shall accept the State’s Purchasing Card as a form of payment

Add the following to the end of subsection 4.9.3. only after performing market research and determining that requiring vendors to accept payments via purchasing card and providing level III data reporting is generally accepted in the marketplace..

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

PAYMENT BOND TEMPLATE

(NEW DOCUMENT)

PAYMENT BOND TEMPLATE

This template prescribes the format and content for a payment bond. Under Tenn. Code Ann. § 12-4-201, a payment bond is required for all public works projects with a contract price exceeding one hundred thousand dollars (\$ 100,000). The bond amount in paragraph two below shall be twenty-five percent (25%) of the contract price, as established by Tenn. Code Ann. § 12-4-201(a)(1).

Procurement professionals shall adhere to this template and follow, replace, or otherwise address red instructional text. Changes to this document other than those identified in the instructions require a Rule Exception as set forth in Tenn. Comp. R. & Regs. 0690-03-01-.17 and the *Procurement Procedures Manual of the Central Procurement Office*.

PAYMENT BOND FOR LABOR AND MATERIALS

This bond (the “Bond”) made **date**, by **contractor name** (“Principal”), a corporation organized under the laws of **name of state**, having its principal office at **contractor’s address**, as principal, and **surety name** (“Surety”), a corporation organized under the laws of **name of state**, and licensed to transact a surety business in the State of Tennessee, having its principal office at **surety’s address**, as surety.

OBLIGATION

WHEREAS, the parties are obligated to the State of Tennessee Department of General Services Central Procurement Office (“State”), whose principal address is 312 Rosa L. Parks Avenue, 3rd Floor, Nashville, TN 37243, as obligee, for the benefit of Claimants as defined below, in the amount of **written amount (\$ number)**, for the payment of which Principal and Surety bind themselves, their heirs, representatives, successors and assigns, jointly and severally, firmly by this Bond.

WHEREAS, Principal has by written agreement, dated **date of agreement**, entered into a contract with State for **description of work** in accordance with the drawings and specifications prepared by **name of architect or engineer**, which contract is made a part of this Bond by this reference, and is referred to as the “Contract.”

CONDITION

The condition of this obligation is such that if the Principal shall promptly make payment to all Claimants as defined in SECTION ONE of this Bond for all labor and materials used or reasonably required for use in the performance of the Contract, then this obligation shall be void; otherwise it shall remain in full force and effect.

AGREEMENT

For the reasons recited above, and in consideration of the parties’ mutual covenants, the parties agree as follows:

SECTION ONE. CLAIMANT DEFINED

“Claimant” is defined as one having a direct contract with Principal or with a subcontractor of Principal for labor, materials, or both, used or reasonably required for use in the performance of the Contract, “labor and material” including that part of water, gas, power, light, heat, oil, gasoline, telephone service or rental of equipment directly applicable to the Contract.

SECTION TWO. ACTION ON SUMS DUE CLAIMANT

Principal and Surety jointly and severally agree with State that every Claimant who has not been paid in full before

the expiration of a period of ninety (90) days after the date on which the last of such Claimant’s work or labor was done or performed, or on which the last of such materials were furnished by Claimant, may sue on this Bond for the use of Claimant in the name of State, prosecute the suit to final judgment for such amount as may be justly due Claimant, and have execution, provided, however, that State shall not be liable for the payment of any costs or expenses of any such suit.

SECTION THREE. LIMITATIONS ON SUIT BY CLAIMANT

Any suit or action commenced under this Bond shall comply with Tenn. Code Ann. § 12-4-205. Claimant shall give written notice to any two of the following: Principal, State, or Surety, above named, within ninety (90) days after completion of the public work. The claim shall state with substantial accuracy the amount claimed and the name of the party to whom materials were furnished, or for whom the work or labor was done or performed. Such notice shall be personally served or sent by certified mail, return receipt requested, in an envelope addressed to Principal, State, or Surety, at any place where an office is regularly maintained for the transaction of business.

SECTION FOUR. PAYMENTS MADE

The amount of this Bond shall be reduced by and to the extent of any payment or payments made in good faith under this Bond, inclusive of the payment by Surety of mechanics’ liens which may be filed of record against the improvement, whether or not claim for the amount of such lien be presented under and against this Bond.

The parties have executed this Bond at **place of execution** the day and year first above written.

PRINCIPAL:

Contractor name

By: _____
Contractor’s authorized signatory

Printed name and title

SURETY:

Surety Name

By: _____
Surety’s authorized signatory

Printed name and title

**NOTICE OF INTENT TO AWARD
MODEL**

REDLINE VERSION

Agency Letterhead

For all solicitation types, procurement professionals should complete this document and send it to respondents after the State has completed evaluation of responses. Procurement professionals should complete form fields and follow, replace, or otherwise address red instructional text (e.g., State Agency Name, amount, will/will not) as indicated and with conforming font and color. This paragraph should be deleted before sending the document to respondents.

Appropriate letterhead

Evaluation Notice

Date:

~~Proposers:~~ Dear Respondents:

Thank you for your ~~proposal in response to solicitation~~ responses to Solicitation Number or Event Number. The ~~state~~ State has completed ~~the~~ its evaluation of all ~~proposals~~ responses, and the subject procurement records are open for public inspection ~~by appointment only from date through date between 8:00AM Central Time and 4:30PM Central Time. To set up an appointment or ask any questions, contact name at email address or phone number.~~

The ~~apparent best evaluated proposer (to be considered~~ following respondent is recommended for contract award) is:

Name:

~~This notice is NOT an acceptance of any offer, and the state retains the right to reject any proposal. In accordance with the subject procurement process and state law, this notice~~ notification by the State of intent to award shall NOT create rights, interests, or claims of entitlement in the above-named or any proposer. No proposer shall acquire any such right unless and until a contract is fully signed by the contract parties and approved, in accordance with applicable Tennessee laws and regulations as indicated within the RFP pro forma contract) any respondent. This notification is not an acceptance of any offer, and the State retains the right to reject any response.






~~We~~ appreciate your interest in doing business with the State of Tennessee and hope that you will respond to future solicitations.

Appropriate signature

~~Procuring Agency Signature~~
Name and title of signatory

Document comparison by Workshare Compare on Tuesday, August 25, 2015
12:15:33 PM

Input:	
Document 1 ID	file://C:\Users\BA10408\Desktop\Notice of Intent to Award_current.doc
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Description	Notice of Intent to Award Model_clean
Rendering set	Standard

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Moved deletion	
Inserted cell	
Deleted cell	
Moved cell	
Split/Merged cell	
Padding cell	

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Deletions	16
Moved from	0
Moved to	0
Style change	0
Format changed	0
Total changes	32

**NOTICE OF INTENT TO AWARD
MODEL**

CLEAN VERSION

For all solicitation types, procurement professionals should complete this document and send it to respondents after the State has completed evaluation of responses. Procurement professionals should complete form fields and follow, replace, or otherwise address red instructional text (e.g., **State Agency Name**, **amount**, **will/will not**) as indicated and with conforming font and color. This paragraph should be deleted before sending the document to respondents.

Appropriate letterhead

Date:

Dear Respondents:

Thank you for your responses to **Solicitation Number or Event Number**. The State has completed its evaluation of all responses, and the subject procurement records are open for public inspection by appointment only from **date** through **date** between 8:00AM Central Time and 4:30PM Central Time. To set up an appointment or ask any questions, contact **name** at **email address** or **phone number**.

The following respondent is recommended for contract award:

Name

This notification by the State of intent to award **shall NOT create rights, interests, or claims of entitlement in** any respondent. This notification is not an acceptance of any offer, and the State retains the right to reject any response.

I appreciate your interest in doing business with the State of Tennessee and hope that you will respond to future solicitations.

Appropriate signature

Name and title of signatory

**GOVERNMENTAL GRANT (GG)
TEMPLATE**

REDLINE VERSION

GOVERNMENTAL GRANT (GG) TEMPLATE

This template prescribes the format and content for a cost-reimbursement grant contract with a federal or Tennessee local governmental entities and their agents or instrumentalities.

Procurement professionals shall adhere to this template with revisions only as instructions permit. Changes to this template require a Rule Exception Request as set forth in Tenn. Comp. R. & Regs. 0690-03-01-.17 and the *Procurement Procedures Manual of the Central Procurement Office*.

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



GOVERNMENTAL GRANT CONTRACT

(cost reimbursement grant contract with a federal or Tennessee local governmental entity or their agents and instrumentalities)

Begin Date	End Date	Agency Tracking #	Edison ID		
Grantee Legal Entity Name			Edison Vendor ID		
Subrecipient or Contractor <input type="checkbox"/> Subrecipient <input type="checkbox"/> Contractor		CFDA #	Grantee's fiscal year end		
Service Caption (one line only)					
Funding —					
FY	State	Federal	Interdepartmental	Other	TOTAL Grant Contract Amount
TOTAL:					
Grantee Selection Process Summary					
<input type="checkbox"/> Competitive Selection		Describe the competitive selection process used.			
<input type="checkbox"/> Non-competitive Selection		Describe the reasons for a non-competitive grantee selection process.			
Budget Officer Confirmation: There is a balance in the appropriation from which obligations hereunder are required to be paid that is not already encumbered to pay other obligations.			<i>CPO USE - GG</i>		
Speed Chart (optional)		Account Code (optional)			

**GRANT CONTRACT
BETWEEN THE STATE OF TENNESSEE,
STATE AGENCY NAME
AND
GRANTEE NAME**

This grant contract ("Grant Contract"), by and between the State of Tennessee, **State Agency Name**, hereinafter referred to as the "State" or the "Grantor State Agency" and Grantee **Legal Entity Name**, hereinafter referred to as the "Grantee," is for the provision of **Scope of Service Caption**, as further defined in the "SCOPE OF SERVICES AND DELIVERABLES."

Grantee Edison Vendor ID # **Number**

A. SCOPE OF SERVICES AND DELIVERABLES:

- A.1. The Grantee shall provide the scope of services and deliverables ("Scope") as required, described, and detailed in this Grant Contract.
- A.#. **Specify the Scope that the Grantee must provide under this Grant Contract. Do NOT include payment terms in the Scope.**

B. TERM OF CONTRACT:

This Grant Contract shall be effective on **DATE** ("Effective Date") and extend for a period of **number (#) months** after the Effective Date ("Term"). The State shall have no obligation to the Grantee for fulfillment of the Scope outside the Term.

C. PAYMENT TERMS AND CONDITIONS:

- C.1. **Maximum Liability.** In no event shall the maximum liability of the State under this Grant Contract exceed **Written Dollar Amount (\$Number)** ("Maximum Liability"). The Grant Budget, attached and incorporated as Attachment **Reference** is the maximum amount due the Grantee under this Grant Contract. The Grant Budget line-items include, but are not limited to, all applicable taxes, fees, overhead, and all other direct and indirect costs incurred or to be incurred by the Grantee.
- C.2. **Compensation Firm.** The Maximum Liability of the State is not subject to escalation for any reason unless amended. The Grant Budget amounts are firm for the duration of the Grant Contract and are not subject to escalation for any reason unless amended, except as provided in Section C.6.
- C.3. **Payment Methodology.** The Grantee shall be reimbursed for actual, reasonable, and necessary costs based upon the Grant Budget, not to exceed the Maximum Liability established in Section C.1. Upon progress toward the completion of the Scope, as described in Section A of this Grant Contract, the Grantee shall submit invoices prior to any reimbursement of allowable costs.
- C.4. **Travel Compensation.** Reimbursement to the Grantee for travel, meals, or lodging shall be subject to amounts and limitations specified in the "State Comprehensive Travel Regulations," as they are amended from time to time, and shall be contingent upon and limited by the Grant Budget funding for said reimbursement.
- C.5. **Invoice Requirements.** The Grantee shall invoice the State no more often than monthly, with all necessary supporting documentation, and present such to:

State Agency Billing Address

- a. Each invoice shall clearly and accurately detail all of the following required information (calculations must be extended and totaled correctly).
- (1) Invoice/Reference Number (assigned by the Grantee).
 - (2) Invoice Date.
 - (3) Invoice Period (to which the reimbursement request is applicable).
 - (4) Grant Contract Number (assigned by the State).
 - (5) Grantor: **State Agency & Division Name**.
 - (6) Grantor Number (assigned by the Grantee to the above-referenced Grantor).
 - (7) Grantee Name.
 - (8) Grantee Tennessee Edison Registration ID Number Referenced in Preamble of this Grant Contract.
 - (9) Grantee Remittance Address.
 - (10) Grantee Contact for Invoice Questions (name, phone, or fax).
 - (11) Itemization of Reimbursement Requested for the Invoice Period— it must detail, at minimum, all of the following:
 - i. The amount requested by Grant Budget line-item (including any travel expenditure reimbursement requested and for which documentation and receipts, as required by "State Comprehensive Travel Regulations," are attached to the invoice).
 - ii. The amount reimbursed by Grant Budget line-item to date.
 - iii. The total amount reimbursed under the Grant Contract to date.
 - iv. The total amount requested (all line-items) for the Invoice Period.
- b. The Grantee understands and agrees to all of the following.
- (1) An invoice under this Grant Contract shall include only reimbursement requests for actual, reasonable, and necessary expenditures required in the delivery of service described by this Grant Contract and shall be subject to the Grant Budget and any other provision of this Grant Contract relating to allowable reimbursements.
 - (2) An invoice under this Grant Contract shall not include any reimbursement request for future expenditures.
 - (3) An invoice under this Grant Contract shall initiate the timeframe for reimbursement only when the State is in receipt of the invoice, and the invoice meets the minimum requirements of this section C.5.
- C.6. Budget Line-items. Expenditures, reimbursements, and payments under this Grant Contract shall adhere to the Grant Budget. The Grantee may vary from a Grant Budget line-item amount by up to one percent (1%) of the line-item amount, provided that any increase is off-set by an equal reduction of other line-item amount(s) such that the net result of variances shall not increase the total Grant Contract amount detailed by the Grant Budget. Any increase in the Grant Budget, grand total amounts shall require an amendment of this Grant Contract.
- C.7. Disbursement Reconciliation and Close Out. The Grantee shall submit any final invoice and a grant disbursement reconciliation report within sixty (60) days of the Grant Contract end date, in form and substance acceptable to the State.
- a. If total disbursements by the State pursuant to this Grant Contract exceed the amounts permitted by the section C, payment terms and conditions of this Grant Contract, the Grantee shall refund the difference to the State. The Grantee shall submit the refund with the final grant disbursement reconciliation report.
 - b. The State shall not be responsible for the payment of any invoice submitted to the State after the grant disbursement reconciliation report. The State will not deem any Grantee

- costs submitted for reimbursement after the grant disbursement reconciliation report to be allowable and reimbursable by the State, and such invoices will NOT be paid.
- c. The Grantee's failure to provide a final grant disbursement reconciliation report to the State as required by this Grant Contract shall result in the Grantee being deemed ineligible for reimbursement under this Grant Contract, and the Grantee shall be required to refund any and all payments by the State pursuant to this Grant Contract.
 - d. The Grantee must close out its accounting records at the end of the Term in such a way that reimbursable expenditures and revenue collections are NOT carried forward.
- C.8. Indirect Cost. Should the Grantee request reimbursement for indirect costs, the Grantee must submit to the State a copy of the indirect cost rate approved by the cognizant federal agency or the cognizant state agency, as applicable. The Grantee will be reimbursed for indirect costs in accordance with the approved indirect cost rate and amounts and limitations specified in the attached Grant Budget. Once the Grantee makes an election and treats a given cost as direct or indirect, it must apply that treatment consistently and may not change during the Term. Any changes in the approved indirect cost rate must have prior approval of the cognizant federal agency or the cognizant state agency, as applicable. If the indirect cost rate is provisional during the Term, once the rate becomes final, the Grantee agrees to remit any overpayment of funds to the State, and subject to the availability of funds the State agrees to remit any underpayment to the Grantee.
- C.9. Cost Allocation. If any part of the costs to be reimbursed under this Grant Contract are joint costs involving allocation to more than one program or activity, such costs shall be allocated and reported in accordance with the provisions of Department of Finance and Administration Policy Statement 03 or any amendments or revisions made to this policy statement during the Term.
- C.10. Payment of Invoice. A payment by the State shall not prejudice the State's right to object to or question any reimbursement, invoice, or related matter. A payment by the State shall not be construed as acceptance of any part of the work or service provided or as approval of any amount as an allowable cost.
- C.11. Non-allowable Costs. Any amounts payable to the Grantee shall be subject to reduction for amounts included in any invoice or payment that are determined by the State, on the basis of audits or monitoring conducted in accordance with the terms of this Grant Contract, to constitute unallowable costs.
- C.12. State's Right to Set Off. The State reserves the right to set off or deduct from amounts that are or shall become due and payable to the Grantee under this Grant Contract or under any other agreement between the Grantee and the State of Tennessee under which the Grantee has a right to receive payment from the State.
- C.13. Prerequisite Documentation. The Grantee shall not invoice the State under this Grant Contract until the State has received the following, properly completed documentation.
- a. The Grantee shall complete, sign, and return to the State an "Authorization Agreement for Automatic Deposit (ACH Credits) Form" provided by the State. By doing so, the Grantee acknowledges and agrees that, once this form is received by the State, all payments to the Grantee under this or any other grant contract will be made by automated clearing house ("ACH").
 - b. The Grantee 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 Grantee's Federal Employer Identification Number or Social Security Number referenced in the Grantee's Edison registration information.

D. STANDARD TERMS AND CONDITIONS:

- D.1. Required Approvals. The State is not bound by this Grant Contract until it is signed by the parties and approved by appropriate officials in accordance with applicable Tennessee laws and regulations (depending upon the specifics of this Grant Contract, the officials may include, but are not limited to, the Commissioner of Finance and Administration, the Commissioner of Human Resources, and the Comptroller of the Treasury).
- D.2. Modification and Amendment. This Grant Contract may be modified only by a written amendment signed by all parties and approved by the officials who approved the Grant Contract and, depending upon the specifics of the Grant Contract as amended, any additional officials required by Tennessee laws and regulations (the officials may include, but are not limited to, the Commissioner of Finance and Administration, the Commissioner of Human Resources, and the Comptroller of the Treasury).
- D.3. Termination for Convenience. The State may terminate this Grant Contract without cause for any reason. A termination for convenience shall not be a breach of this Grant Contract by the State. The State shall give the Grantee at least thirty (30) days written notice before the effective termination date. The Grantee shall be entitled to compensation for authorized expenditures and satisfactory services completed as of the termination date, but in no event shall the State be liable to the Grantee for compensation for any service that has not been rendered. The final decision as to the amount for which the State is liable shall be determined by the State. The Grantee shall not have any right to any actual general, special, incidental, consequential, or any other damages whatsoever of any description or amount for the State's exercise of its right to terminate for convenience.
- D.4. Termination for Cause. If the Grantee fails to properly perform its obligations under this Grant Contract, or if the Grantee violates any terms of this Grant Contract, the State shall have the right to immediately terminate this Grant Contract and withhold payments in excess of fair compensation for completed services. Notwithstanding the exercise of the State's right to terminate this Grant Contract for cause, the Grantee shall not be relieved of liability to the State for damages sustained by virtue of any breach of this Grant Contract by the Grantee.
- D.5. Subcontracting. The Grantee shall not assign this Grant Contract or enter into a subcontract for any of the services performed under this Grant Contract without obtaining the prior written approval of the State. If such subcontracts are approved by the State, each shall contain, at a minimum, sections of this Grant Contract pertaining to "Conflicts of Interest," "Lobbying," "Nondiscrimination," "Public Accountability," "Public Notice," and "Records" (as identified by the section headings). Notwithstanding any use of approved subcontractors, the Grantee shall remain responsible for all work performed.
- D.6. Conflicts of Interest. The Grantee warrants that no part of the total Grant Contract 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 Grantee in connection with any work contemplated or performed relative to this Grant Contract.
- D.7. Lobbying. The Grantee certifies, to the best of its knowledge and belief, that:
- a. No federally appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any federal contract, the making of any federal grant, the making of any federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal contract, grant, loan, or cooperative agreement.

- b. If any funds other than federally appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this contract, grant, loan, or cooperative agreement, the Grantee shall complete and submit Standard Form-LLL, "Disclosure of Lobbying Activities," in accordance with its instructions.
- c. The Grantee shall require that the language of this certification be included in the award documents for all sub-awards at all tiers (including subcontracts, sub-grants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

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

- D.8. Communications and Contacts. All instructions, notices, consents, demands, or other communications required or contemplated by this Grant 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 as set out below:

The State:

State Contact Name & Title
 State Agency Name
 Address
 Email Address
 Telephone # Number
 FAX # Number

The Grantee:

Grantee Contact Name & Title
 Grantee Name
 Address
 Email Address
 Telephone # Number
 FAX # Number

A change to the above contact information requires written notice to the person designated by the other party to receive notice.

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

- D.9. Subject to Funds Availability. This Grant 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 Grant Contract upon written notice to the Grantee. The State's right to terminate this Grant Contract due to lack of funds is not a breach of this Grant Contract by the State. Upon receipt of the written notice, the Grantee shall cease all work associated with the Grant Contract. Should such an event occur, the Grantee shall be entitled to compensation for all satisfactory and authorized services completed as of the termination date. Upon such termination, the Grantee shall have no right to recover from the State any actual,

general, special, incidental, consequential, or any other damages whatsoever of any description or amount.

- D.10. Nondiscrimination. The Grantee 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 Grant Contract or in the employment practices of the Grantee on the grounds of handicap or disability, age, race, color, religion, sex, national origin, or any other classification protected by federal, Tennessee state constitutional, or statutory law. The Grantee shall, upon request, show proof of nondiscrimination and shall post in conspicuous places, available to all employees and applicants, notices of nondiscrimination.
- D.11. HIPAA Compliance. The State and the Grantee shall comply with obligations under the Health Insurance Portability and Accountability Act of 1996 (HIPAA), Health Information Technology for Economic and Clinical Health Act (HITECH) 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 Grant Contract.
- a. The Grantee warrants to the State that it is familiar with the requirements of the Privacy Rules and will comply with all applicable HIPAA requirements in the course of this Grant Contract.
 - b. The Grantee warrants that it will cooperate with the State, including cooperation and coordination with State privacy officials and other compliance officers required by the Privacy Rules, in the course of performance of this Grant Contract so that both parties will be in compliance with the Privacy Rules.
 - c. The State and the Grantee 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 the Grantee in compliance with the Privacy Rules. This provision shall not apply if information received by the State under this Grant Contract is NOT "protected health information" as defined by the Privacy Rules, or if the Privacy Rules permit the State to receive such information without entering into a business associate agreement or signing another such document.
- D.12. Public Accountability. If the Grantee is subject to Tenn. Code Ann. § 8-4-401 *et seq.*, or if this Grant Contract involves the provision of services to citizens by the Grantee on behalf of the State, the Grantee agrees to establish a system through which recipients of services may present grievances about the operation of the service program. The Grantee shall also display in a prominent place, located near the passageway through which the public enters in order to receive Grant supported services, a sign at least eleven inches (11") in height and seventeen inches (17") in width stating:
- NOTICE: THIS AGENCY IS A RECIPIENT OF TAXPAYER FUNDING. IF YOU OBSERVE AN AGENCY DIRECTOR OR EMPLOYEE ENGAGING IN ANY ACTIVITY WHICH YOU CONSIDER TO BE ILLEGAL, IMPROPER, OR WASTEFUL, PLEASE CALL THE STATE COMPTROLLER'S TOLL-FREE HOTLINE: 1-800-232-5454.
- The sign shall be on the form prescribed by the Comptroller of the Treasury. The Grantor State Agency shall obtain copies of the sign from the Comptroller of the Treasury, and upon request from the Grantee, provide Grantee with any necessary signs.
- D.13. Public Notice. All notices, informational pamphlets, press releases, research reports, signs, and similar public notices prepared and released by the Grantee in relation to this Grant Contract shall

include the statement, "This project is funded under a grant contract with the State of Tennessee." All notices by the Grantee in relation to this Grant Contract shall be approved by the State.

- D.14. Licensure. The Grantee, its employees, and any approved subcontractor shall be licensed pursuant to all applicable federal, state, and local laws, ordinances, rules, and regulations and shall upon request provide proof of all licenses.
- D.15. Records. The Grantee and any approved subcontractor shall maintain documentation for all charges under this Grant Contract. The books, records, and documents of the Grantee and any approved subcontractor, insofar as they relate to work performed or money received under this Grant Contract, shall be maintained in accordance with applicable Tennessee law. In no case shall the records be maintained for a period of less than five (5) full years from the date of the final payment. The Grantee's records shall be subject to audit at any reasonable time and upon reasonable notice by the Grantor State Agency, the Comptroller of the Treasury, or their duly appointed representatives.
- The records shall be maintained in accordance with Governmental Accounting Standards Board (GASB) Accounting Standards or the Financial Accounting Standards Board (FASB) Accounting Standards Codification, as applicable, and any related AICPA Industry Audit and Accounting guides.
- In addition, documentation of grant applications, budgets, reports, awards, and expenditures will be maintained in accordance with U.S. Office of Management and Budget's *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*.
- Grant expenditures shall be made in accordance with local government purchasing policies and procedures and purchasing procedures for local governments authorized under state law.
- The Grantee shall also comply with any recordkeeping and reporting requirements prescribed by the Tennessee Comptroller of the Treasury.
- The Grantee shall establish a system of internal controls that utilize the COSO Internal Control - Integrated Framework model as the basic foundation for the internal control system. The Grantee shall incorporate any additional Comptroller of the Treasury directives into its internal control system.
- Any other required records or reports which are not contemplated in the above standards shall follow the format designated by the head of the Grantor State Agency, the Central Procurement Office, or the Commissioner of Finance and Administration of the State of Tennessee.
- D.16. Monitoring. The Grantee's activities conducted and records maintained pursuant to this Grant Contract shall be subject to monitoring and evaluation by the State, the Comptroller of the Treasury, or their duly appointed representatives.
- D.17. Progress Reports. The Grantee shall submit brief, periodic, progress reports to the State as requested.
- D.18. Annual and Final Reports. The Grantee shall submit, within three (3) months of the conclusion of each year of the Term, an annual report. For grant contracts with a term of less than one (1) year, the Grantee shall submit a final report within three (3) months of the conclusion of the Term. For grant contracts with multiyear terms, the final report will take the place of the annual report for the final year of the Term. The Grantee shall submit annual and final reports to the Grantor State Agency and the Department of Finance and Administration ("F&A"). Send electronic copies of annual and final reports to F&A at fa.audit@tn.gov. At minimum, annual and final reports shall include: (a) the Grantee's name; (b) the Grant Contract's Edison identification number, Term, and total amount; (c) a narrative section that describes the program's goals, outcomes, successes and setbacks, whether the Grantee used benchmarks or indicators to determine progress, and whether any proposed activities were not completed; and (d) other relevant details requested by the Grantor

State Agency. Annual and final report documents to be completed by the Grantee shall appear on the Grantor State Agency's website or as an attachment to the Grant Contract.

The following red text is instructional language for D.19 and should be deleted from the contract. Tennessee law provides specific audit requirements based upon the classification of the Grantee. In those circumstances, the Grantee must be audited in compliance with Tennessee statutory requirements. These instances include, without limitation, the following when the Grantee is considered a:

1. ~~1)~~ State government and county government under Tenn. Code Ann. § 4-3-301;
2. ~~2)~~ TNInvestco under Tenn. Code Ann. § 4-28-110(a)(4);
3. ~~3)~~ Municipality under Tenn. Code Ann. § 6-56-105;
4. ~~4)~~ Tourism development authority under Tenn. Code Ann. § 7-69-105;
5. ~~5)~~ Utility district under Tenn. Code Ann. § 7-82-401;
6. ~~6)~~ Emergency communication district under Tenn. Code Ann. § 7-86-113;
7. ~~7)~~ Public building authority under Tenn. Code Ann § 12-10-109;
8. ~~8)~~ Insurance pool under Tenn. Code Ann. § 29-20-401(g)(1)(A);
9. ~~9)~~ Community corrections fund under Tenn. Code Ann. § 40-36-303(d);
10. ~~10)~~ School under Tenn. Code Ann. § 49-2-112;
11. ~~11)~~ Charter school under Tenn. Code Ann. § 49-13-111;
12. ~~12)~~ Medicaid provider under Tenn. Code Ann. § 71-5-130;
13. ~~13)~~ Contractor with the Department of Intellectual and Developmental Disabilities under the Medicaid waiver program;
14. ~~14)~~ Human resource agency under Tenn. Code Ann. § 13-26-106; or
15. ~~15)~~ Developmental district under Tenn. Code Ann. § 13-14-112.

If the Grantee is not statutorily subject to an audit, insert the Audit Report provision in the "Instructions, Considerations, and Options" section of the template.

D.19. Audit Report. The Grantee shall be audited in accordance with applicable Tennessee law.

If the Grantee is subject to an audit under this provision, then the Grantee shall complete Attachment [reference the Parent Child Information document].

When a federal single audit is required, the audit shall be performed in accordance with U.S. Office of Management and Budget's *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*.

A copy of the audit report shall be provided to the Comptroller by the licensed, independent public accountant. Audit reports shall be made available to the public.

D.20. Procurement. If other terms of this Grant Contract allow reimbursement for the cost of goods, materials, supplies, equipment, motor vehicles, or contracted services, procurements by the Grantee shall be competitive where practicable. For any procurement for which reimbursement is paid under this Grant Contract, the Grantee shall document the competitive procurement method. In each instance where it is determined that use of a competitive procurement method is not practicable, supporting documentation shall include a written justification for the decision and for the use of a non-competitive procurement. If the Grantee is a subrecipient, the Grantee shall comply with 2 C.F.R. §§ 200.318—200.326 when procuring property and services under a federal award.

The Grantee shall obtain prior approval from the State before purchasing any equipment or motor vehicles under this Grant Contract.

D.21. Strict Performance. Failure by any party to this Grant Contract to insist in any one or more cases upon the strict performance of any of the terms, covenants, conditions, or provisions of this Grant Contract is not a waiver or relinquishment of any term, covenant, condition, or provision. No term or

condition of this Grant Contract shall be held to be waived, modified, or deleted except by a written amendment signed by the parties.

- D.22. Independent Contractor. The parties shall not act as employees, partners, joint venturers, or associates of one another in the performance of this Grant Contract. The parties acknowledge that they are independent contracting entities and that nothing in this Grant Contract shall be construed to create a principal/agent relationship or to allow either 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 shall not be deemed or construed to be the employees or agents of the other party for any purpose whatsoever.
- D.23. State Liability. The State shall have no liability except as specifically provided in this Grant Contract.
- 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, workaroud plans or other means. A strike, lockout or labor dispute shall not excuse either party from its obligations under this Grant Contract. Except as set forth in this Section, any failure or delay by a party in the performance of its obligations under this Grant Contract arising from a Force Majeure Event is not a default under this Grant 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 Grantee's representatives, suppliers, subcontractors, customers or business apart from this Grant Contract is not a Force Majeure Event under this Grant Contract. Grantee 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 Grantee's performance longer than forty-eight (48) hours, the State may, upon notice to Grantee: (a) cease payment of the fees until Grantee resumes performance of the affected obligations; or (b) immediately terminate this Grant Contract or any purchase order, in whole or in part, without further payment except for fees then due and payable. Grantee will not increase its charges under this Grant Contract or charge the State any fees other than those provided for in this Grant Contract as the result of a Force Majeure Event.
- D.25. Tennessee Department of Revenue Registration. The Grantee 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 Grant Contract.
- D.26. Charges to Service Recipients Prohibited. The Grantee shall not collect any amount in the form of fees or reimbursements from the recipients of any service provided pursuant to this Grant Contract.
- D.27. No Acquisition of Equipment or Motor Vehicles. This Grant Contract does not involve the acquisition and disposition of equipment or motor vehicles acquired with funds provided under this Grant Contract.
- D.28. State and Federal Compliance. The Grantee shall comply with all applicable state and federal laws and regulations in the performance of this Grant Contract. The U.S. Office of Management and Budget's Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards is available here: http://www.ecfr.gov/cgi-bin/text-idx?SID=c6b2f053952359ba94470ad3a7c1a975&tpl=/ecfrbrowse/Title02/2cfr200_main_02.tpl

- D.29. Governing Law. This Grant Contract shall be governed by and construed in accordance with the laws of the State of Tennessee. The Grantee agrees that it will be subject to the exclusive jurisdiction of the courts of the State of Tennessee in actions that may arise under this Grant Contract. The Grantee acknowledges and agrees that any rights or claims against the State of Tennessee or its employees hereunder, and any remedies arising there from, shall be subject to and limited to those rights and remedies, if any, available under Tenn. Code Ann. §§ 9-8-101 through 9-8-407.
- D.30. Completeness. This Grant Contract is complete and contains the entire understanding between the parties relating to the subject matter contained herein, including all the terms and conditions agreed to by the parties. This Grant Contract supersedes any and all prior understandings, representations, negotiations, or agreements between the parties, whether written or oral.
- D.31. Severability. If any terms and conditions of this Grant Contract are held to be invalid or unenforceable as a matter of law, the other terms and conditions shall not be affected and shall remain in full force and effect. To this end, the terms and conditions of this Grant Contract are declared severable.
- D.32. Headings. Section headings are for reference purposes only and shall not be construed as part of this Grant Contract.

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 Grant Contract, the special terms and conditions shall be subordinate to the Grant Contract's other terms and conditions.

Add ALL Necessary or Contingently Required Special Terms & Conditions

IN WITNESS WHEREOF,

GRANTEE LEGAL ENTITY NAME:

GRANTEE SIGNATURE

DATE

PRINTED NAME AND TITLE OF GRANTEE SIGNATORY (above)

GRANTOR STATE AGENCY NAME:

NAME & TITLE

DATE

ATTACHMENT REFERENCE

GRANT BUDGET				
Additional Identification Information As Necessary				
The Grant Budget line-item amounts below shall be applicable only to expense incurred during the following				
Applicable Period: BEGIN: DATE END: DATE				
POLICY 03 Object Line-item Reference	EXPENSE OBJECT LINE-ITEM CATEGORY ¹	GRANT CONTRACT	GRANTEE PARTICIPATION	TOTAL PROJECT
1. 2	Salaries, Benefits & Taxes	0.00	0.00	0.00
4, 15	Professional Fee, Grant & Award ²	0.00	0.00	0.00
5, 6, 7, 8, 9, 10	Supplies, Telephone, Postage & Shipping, Occupancy, Equipment Rental & Maintenance, Printing & Publications	0.00	0.00	0.00
11. 12	Travel, Conferences & Meetings	0.00	0.00	0.00
13	Interest ²	0.00	0.00	0.00
14	Insurance	0.00	0.00	0.00
16	Specific Assistance To Individuals	0.00	0.00	0.00
17	Depreciation ²	0.00	0.00	0.00
18	Other Non-Personnel ²	0.00	0.00	0.00
20	Capital Purchase ²	0.00	0.00	0.00
22	Indirect Cost	0.00	0.00	0.00
24	In-Kind Expense	0.00	0.00	0.00
25	GRAND TOTAL	0.00	0.00	0.00

¹ Each expense object line-item shall be defined by the Department of Finance and Administration Policy 03, *Uniform Reporting Requirements and Cost Allocation Plans for Subrecipients of Federal and State Grant Monies, Appendix A*. (posted on the Internet at: <http://www.state.tn.us/finance/act/documents/policy3.pdf>).

² Applicable detail follows this page if line-item is funded.

ATTACHMENT REFERENCE

GRANT BUDGET LINE-ITEM DETAIL:

PROFESSIONAL FEE, GRANT & AWARD	AMOUNT
Specific, Descriptive, Detail (Repeat Row As Necessary)	Amount
TOTAL	Amount

INTEREST	AMOUNT
Specific, Descriptive, Detail (Repeat Row As Necessary)	Amount
TOTAL	Amount

DEPRECIATION	AMOUNT
Specific, Descriptive, Detail (Repeat Row As Necessary)	Amount
TOTAL	Amount

OTHER NON-PERSONNEL	AMOUNT
Specific, Descriptive, Detail (Repeat Row As Necessary)	Amount
TOTAL	Amount

CAPITAL PURCHASE	AMOUNT
Specific, Descriptive, Detail (Repeat Row As Necessary)	Amount
TOTAL	Amount

ATTACHMENT REFERENCE**Parent Child Information**

~~Send completed documents as a PDF file to epo.auditnotice@tn.gov. The Grantee should **complete this form and submit it with the Grant Contract**. The Grantee should submit only one, completed "Parent Child Information" document to the State during the Grantee's fiscal year **if the Grantee indicates it is subject to an audit on the "Notice of Audit Report" document.**~~

"Parent" means an entity whose IRS filing contains the information of at least one other entity.

"Child" means an entity whose information is contained in another entity's IRS filing.

Grantee's Edison Vendor ID number:

Is **Grantee Legal Entity Name** a parent? Yes No

If yes, provide the name and Edison Vendor ID number, if applicable, of any child entities.

Is **Grantee Legal Entity Name** a child? Yes No

If yes, complete the fields below.

Parent entity's name: _____

Parent entity's tax identification number: _____

Note: If the parent entity's tax identification number is a social security number, this form must be submitted via US mail to:

Central Procurement Office, Grants Program Manager
3rd Floor, WRS Tennessee Tower
312 Rosa L Parks Avenue
Nashville, TN 37243

Parent entity's contact information

Name of primary contact person: _____

Address: _____

Phone number: _____

Email address: _____

Parent entity's Edison Vendor ID number, if applicable: _____

GG INSTRUCTIONS, CONSIDERATIONS, and OPTIONS

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

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

COVER SHEET

A summary cover sheet properly completed and in accordance with the template is required. Complete summary cover sheet fields as indicated within the template and the following field directions.

<i>Agency Tracking #</i>	unique tracking number comprised of: 5-digit business unit # + unique, 5-digit # example: 31707-12345
<i>Subrecipient or Contractor</i>	Subrecipient or Contractor in accordance with the OMB's Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards
<i>Funding</i>	Amounts by fiscal year and funding source with row and column totals; contract Maximum Liability MUST equal the sum of the TOTAL Grant Contract Amount column (i.e., the grand total amount for all fiscal years & all sources of funding)

PREAMBLE

Add additional information only if necessary.

A. SCOPE OF SERVICES

It is the responsibility of the Grantor State Agency to adequately draft a scope of services. Oversight examiners will rely on the authorized signature of the Grantor State Agency on the Grant Contract as certification and assurance that the proposed scope of services is clear and correct, adequate for all legal and enforcement purposes, and sufficiently detailed to ensure Grantee accountability and results.

Do NOT include payment terms in the scope of services.

Draft the scope of services to clearly, specifically, and definitively detail Grantee duties, responsibilities, and the associated performance requirements. Describe, in detail, the service and deliverable requirements and all related specifications.

Option: Grant Proposal Attachment

It is NOT acceptable to attach the associated grant proposal to the Grant Contract in lieu of a properly drafted scope of services. Proposals for funding are NOT adequately definitive to stand alone as the description of Grantee duties and responsibilities or performance requirements.

To attach an associated grant proposal to the Grant Contract in support of a properly drafted scope of service, use the following optional section.

A.#. Incorporation of Additional Documents. Each of the following documents is included as a part of this Grant Contract by reference or attachment. In the event of a discrepancy or ambiguity regarding the Grantee's duties, responsibilities, and performance hereunder, these items shall govern in order of precedence below.

- a. this Grant Contract document with any attachments or exhibits (excluding the items listed at subsections b. and c., below);
- b. the State grant proposal solicitation as may be amended, if any;

- c. the Grantee's proposal (Attachment **Reference**) incorporated to elaborate supplementary scope of services specifications.

Option: Federal Award Identification Worksheet

If the Grantee is a subrecipient and the Grant Contract involves any federal funds, the Grantor must complete the federal award identification worksheet on the following page and reference the worksheet by adding the following section. Include the worksheet as an attachment to the Grant Contract. If some federal award identification information is not available, provide as much information as is available. Agencies should update the worksheet no more than once every six (6) months to reflect any changes. Send the updated worksheet to the Grantee and upload a copy into Edison.

- A.#. Incorporation of Federal Award Identification Worksheet. The federal award identification worksheet, which appears as Attachment #, is incorporated in this Grant Contract.

ATTACHMENT REFERENCE**Federal Award Identification Worksheet**

Subrecipient's name (must match registered name in DUNS)	
Subrecipient's DUNS number	
Federal Award Identification Number (FAIN)	
Federal award date	
CFDA number and name	
Grant contract's begin date	
Grant contract's end date	
Amount of federal funds obligated by this grant contract	
Total amount of federal funds obligated to the subrecipient	
Total amount of the federal award to the pass-through entity (Grantor State Agency)	
Name of federal awarding agency	
Name and contact information for the federal awarding official	
Is the federal award for research and development?	
Indirect cost rate for the federal award (See 2 C.F.R. §200.331 for information on type of indirect cost rate)	

B. GRANT CONTRACT TERM

Procurement professionals should obtain the Grantee's signature first before submitting the Grant Contract for State signatures or approvals. Procurement professionals shall obtain all required approvals prior to the Effective Date written in the Grant Contract and submit it for Central Procurement Office approval no less than thirty (30) days before the Effective Date.

If a signed Grant Contract is not submitted to the Central Procurement Office at least thirty (30) days prior to the Effective Date, then the CPO may require that the Grant Contract be resubmitted with a new Effective Date or require a Rule Exception Request that explains why the Grant Contract was submitted less than thirty (30) days before the Effective Date. In no event shall the Grantee deliver goods or perform services prior to the Effective Date.

When the Grant Contract is required to be obligated by a certain date because of a federal award, the Grantor State Agency is exempt from this requirement if the Grantor State Agency obtains a rule exception request. The rule exception request must include supporting documentation for the Grant Contract's effective date, which may include a hyperlink to federal award information.

Draft the Grant Contract with an appropriate, definitive, and complete Term. Note that no Grant Contract with a Term exceeding sixty (60) months shall be awarded unless approved by the Central Procurement Officer as being in the best interests of the State. (Tenn. Comp. R. & Regs. 0690-03-01-.14(2)(c)). Comptroller of the Treasury approval will also be required.

Option: Term Renewal or Extension

To reserve the right to extend the Grant Contract's term beyond the original period, change the designation of the paragraph under B. to B.1. and add one or both of the following sections, revising the length of the extension period(s) as appropriate.

- B.#.** Renewal Options. This Grant Contract may be renewed upon satisfactory completion of the Term. The State reserves the right to execute up to **number (#)** renewal options under the same terms and conditions for a period not to exceed twelve (12) months each by the State, at the State's sole option. In no event, however, shall the maximum Term, including all renewals or extensions, exceed a total of sixty (60) months.
- B.#.** Term Extension. It is understood and agreed that the State may extend the Term an additional period of time, not to exceed one hundred-eighty (180) days beyond the expiration date of this Grant Contract, under the same terms and conditions. In no event, however, shall the maximum Term, including all extensions or renewals, exceed a total of sixty (60) months.

C. PAYMENT TERMS AND CONDITIONS

Revise Payment Terms and Conditions sections only as provided in the instructions.

Payment Methodology

Pursuant to Central Procurement Office Policy 2013-007, any Grantor State Agency seeking to effect a partial, periodic, or total advance payment shall submit a Rule Exception Request to justify the advance payment.

Option: Partial Advance Payment

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

- C.3.** Payment Methodology – Partial Advance Payment. The Grantee shall be reimbursed for actual, reasonable, and necessary costs based upon the Grant Budget, not to exceed the maximum liability established in section C.1. The amount of **Written Dollar Amount (\$Number)** shall be paid to the Grantee in advance upon approval of this Grant Contract. Upon progress toward the

completion of the work, as described in section A of this Grant Contract, the Grantee shall submit invoices for payment prior to any additional reimbursement of allowable costs. The total of all payments to the Grantee shall not exceed the maximum liability of this Grant Contract.

Option: Periodic Advance Payment

To effect periodic advance payments: (1) Replace the Section with the following.

- C.3. Payment Methodology – Periodic Advance Payment. The Grantee shall be reimbursed for actual, reasonable, and necessary costs based upon the Grant Budget, not to exceed the maximum liability established in section C.1. The amount of **Written Dollar Amount (\$Number)** shall be paid to the Grantee in advance upon approval of this Grant Contract and on **Date(s) on which the state will make advance payment(s)**. The total of said payments shall not exceed the maximum liability of this Grant Contract.

- (2) Delete the Invoice Requirements Section (renumbering any subsequent sections accordingly).
- (3) Replace the first paragraph of the Disbursement Reconciliation and Close Out Section with the following (which may be further revised to require more frequent grant disbursement reconciliation reports).

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

Option: Total Advance Payment

To effect a total advance payment: (1) Replace the Section with the following.

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

- (2) Delete the Invoice Requirements Section (renumbering any subsequent sections accordingly).
- (3) Replace the first paragraph of the Disbursement Reconciliation and Close Out Section with the following.

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

Invoice Requirements

Add clear, non-conflicting, invoice requirements to the Section as appropriate (revising the first sentence "no more often than monthly" requirement as necessary).

Delete the Section (and renumber subsequent sections appropriately) if the Payment Methodology Section provides for a total advance payment or periodic advance payments.

Option: Late Invoices Prohibition

Add the following new subsection C.5.b.(4) when appropriate and revise the maximum number of days to thirty (30) or more.

- (4) An invoice under this Grant Contract shall be presented to the State within sixty (60) days after the end of the calendar month in which the subject costs were incurred or services were rendered by the Grantee. An invoice submitted more than sixty (60) days after such date will NOT be paid. The State will not deem such Grantee costs to be allowable and reimbursable by the State unless, at the sole discretion of the State, the failure to submit a timely invoice is warranted. The Grantee shall submit a special, written request for reimbursement with any such untimely invoice. The request must detail the reason the invoice is untimely as well as the Grantee's plan for submitting future invoices as required, and it must be signed by a Grantee agent that would be authorized to sign this Grant Contract.

Budget Line-Items

Option 1: Revise line-item variance amount as appropriate and up to the maximum of twenty percent (20%). Budget line-item variation of more than the specified percentage will require an amendment. The Budget Line-Items provision should NOT be amended after Grant Contract approval.

Option 2: Grantee May Request Budget Line-Item Variance Exceeding Twenty Percent (20%) Per Line Item

Replace the Section with the following:

C.6. Grant Budget and Revisions to Grant Budget Line-Items. Expenditures, reimbursements, and payments under this Grant Contract shall adhere to the Grant Budget.

- a. The Grantee may vary from a Grant Budget line-item amount by up to twenty percent (20%) of the line-item amount, provided that any increase is off-set by an equal reduction of other line-item amounts. The net result of any changes to Grant Budget line-item amounts shall not result in funding for a line-item that was previously funded at zero dollars (\$0.00) or increase the total Grant Contract amount detailed by the Grant Budget.
- b. The Grantee may request in writing Grant Budget line-item revisions exceeding the limitation set forth in section C.6.a., above, giving full details supporting the Grantee's request, provided that such revisions do not result in funding for a line-item that was previously funded at zero dollars (\$0.00) and do not increase the total Grant Contract amount. Grant Budget line-item revisions may not be made without prior, written approval of the State in which the terms of the approved revisions are detailed. Any approval of a revision to a Grant Budget line-item greater than twenty percent (20%) shall be superseded by a subsequent revision of the Grant Budget by Grant Contract amendment.
- c. Any increase in the total Grant Contract amount shall require a Grant Contract Amendment.

Option 3: NO Line-Item Variance

Replace the Section with the following:

C.6. Budget Line-Items. Expenditures, reimbursements, and payments under this Grant Contract shall adhere to the Grant Budget. Reimbursable expenditures may NOT vary from the Grant Budget line-item amounts.

Option 4:

The Department of Health may add the following Section as appropriate:

- C.6. Budget Line-items. Expenditures, reimbursements, and payments under this Grant Contract shall adhere to the Grant Budget. The Grantee may move up to one percent (1%) of a line-item amount to another line item category provided that any increase is off-set by an equal reduction of other line-item amount(s) and the total Grant Contract amount detailed by the Grant Budget does not increase. An increase of any line item funded at zero dollars (\$0.00) shall require prior approval of the Grantor State Agency.

Option 5:

The Department of Transportation may add the following Section as appropriate:

- C.6. Budget Line-item: Expenditures, reimbursements, and payments under this Grant Contract shall adhere to the Grant Budget. The Grantee may request revisions of Grant Budget line-items by letter, giving full details supporting such request, provided that such revisions do not increase total Grant Budget amount. Grant Budget line-item revisions may not be made without prior, written approval of the State in which the terms of the approved revisions are explicitly set forth. Any increase in the total Grant Budget amount shall require a Grant Contract amendment.

Disbursement Reconciliation and Close Out

To require additional grant disbursement reconciliation reports, revise the first paragraph of the standard C.7. Disbursement Reconciliation and Close Out language, as necessary.

Option: Grantee Match Requirement

If the Grant Budget details a grantee match requirement (in which the maximum total amount reimbursable by the state under the grant will be reduced by the amount of any Grantee failure to meet the match requirement) replace the Disbursement Reconciliation and Close Out Section with the following (revising the maximum number of days to no less than thirty (30)).

- C.7. Disbursement Reconciliation and Close Out. The Grantee shall submit any final invoice and a grant disbursement reconciliation report within sixty (60) days of the Grant Contract end date and in form and substance acceptable to the State.
- a. The Grant Budget specifies a Grantee Match Requirement and the final grant disbursement reconciliation report shall detail all Grantee expenditures recorded to meet this requirement.
 - i. No Grantee expenditure shall be recorded and reported toward meeting a Grantee Match Requirement of more than one grant contract with the State.
 - ii. The final grant disbursement reconciliation report shall specifically detail the exact amount of any Grantee failure to meet a Match Requirement, and the maximum total amount reimbursable by the State pursuant to this Grant Contract, as detailed by the Grant Budget column "Grant Contract," shall be reduced by the amount that the Grantee failed to contribute to the Total Project as budgeted.
 - b. If total disbursements by the State pursuant to this Grant Contract exceed the amounts permitted by the section C, payment terms and conditions of this Grant Contract (including any adjustment pursuant to subsection a.ii. above), the Grantee shall refund the difference to the State. The Grantee shall submit the refund with the final grant disbursement reconciliation report.
 - c. The State shall not be responsible for the payment of any invoice submitted to the state after the grant disbursement reconciliation report. The State will not deem any Grantee costs submitted for reimbursement after the grant disbursement reconciliation report to be allowable and reimbursable by the State, and such invoices will NOT be paid.

- d. The Grantee's failure to provide a final grant disbursement reconciliation report to the state as required shall result in the Grantee being deemed ineligible for reimbursement under this Grant Contract, and the Grantee shall be required to refund any and all payments by the state pursuant to this Grant Contract.
- e. The Grantee must close out its accounting records at the end of the contract period in such a way that reimbursable expenditures and revenue collections are NOT carried forward.

D. STANDARD TERMS AND CONDITIONS

Do NOT add terms and conditions to section D. Any additional, necessary terms and conditions may be added to the section E, Special Terms and Conditions.

Termination for Convenience

Increase the thirty (30) days written notice requirement as appropriate.

Option: Bilateral Termination

Replace the Section with the following bilateral termination provision only if the contracting agency can justify that the bilateral provision is in the best interest of the state.

- D. #. Bilateral Termination for Convenience. The Grant Contract may be terminated by either party by giving written notice to the other, at least thirty (30) days before the effective date of termination. Should either party exercise this provision, the Grantee shall be entitled to reimbursement for authorized expenditures and satisfactory services completed as of the termination date, but in no event shall the State be liable to the Grantee for any service which has not been rendered. The final decision as to the amount, for which the State is liable, shall be determined by the State. In the event of disagreement, the Grantee may file a claim with the Tennessee Claims Commission to seek redress.

Termination for Cause

The Department of Environment and Conservation may add the following Section as appropriate:

- D.4. Termination for Cause. If the Grantee fails to properly perform its obligations under the Grant Contract in a timely or proper manner, or if the Grantee violates any term(s) of this Grant Contract, the State shall have the right to immediately terminate the Grant Contract and withhold payment in excess of fair compensation for completed services. Notwithstanding the above, the Grantee shall not be relieved of liability to the State for damages sustained by virtue of any breach of this Grant Contract by the Grantee. Specifically, the Grantee shall be liable to the State for the full amount paid by the State to the Grantee under this Grant Contract if the Grantee fails to fully meet the requirements of the Scope of Services.

HIPAA Compliance

A Grantee must execute a Business Associate Agreement (BAA) if: (a) the Grantee is a "covered entity" as defined in the Privacy Rules; (b) the Grantee engages another person or entity outside of its workforce to perform activities on its behalf; and (c) those activities involve access to protected health information.

If the Grantor State Agency obtains an approved Rule Exception Request to delete the HIPAA Compliance provision, add the following Section:

- D.11. **Reserved.**

Audit Report

If the Grantee is not statutorily subject to an audit, insert the following and add the Notice of Audit Report and Parent Child Information documents as attachment.

- D.19. **Audit Report.** For purposes of this Section, pass-through entity means a non-federal entity that provides a subaward to a subrecipient to carry out part of a federal program.

The Grantee shall provide audited financial statements to the Tennessee Comptroller of the Treasury ("Comptroller") if during the Grantee's fiscal year, the Grantee: (1) expends seven hundred fifty thousand dollars (\$750,000) or more in direct and indirect federal financial assistance and the State is a pass-through entity; (2) expends seven hundred fifty thousand dollars (\$750,000) or more in state funds from the State; or (3) expends seven hundred fifty thousand dollars (\$750,000) or more in federal financial assistance and state funds from the State, and the State is a pass-through entity. At least ninety (90) days before the end of its fiscal year, the Grantee shall complete Attachment [reference the Notice of Audit Report document] to notify the State whether or not Grantee is subject to an audit. The Grantee should submit only one, completed Notice of Audit Report document during the Grantee's fiscal year. Any Grantee that is subject to an audit and so indicates on Attachment [reference the Notice of Audit Report document] shall complete Attachment [reference the Parent Child Information document]. If the Grantee is subject to an audit, Grantee shall obtain the Comptroller's approval before engaging a licensed, independent public accountant to perform the audit. The Grantee may contact the Comptroller for assistance identifying auditors.

All audits shall be performed in accordance with the Comptroller's requirements, as posted on its web site. When a federal single audit is required, the audit shall be performed in accordance with U.S. Office of Management and Budget's *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*.

A copy of the audit report shall be provided to the Comptroller by the licensed, independent public accountant. Audit reports shall be made available to the public.

The audit contract between the Grantee and the Auditor shall be on a contract form prescribed by the Comptroller. The Grantee shall be responsible for payment of fees for an audit prepared by a licensed, independent public accountant. Payment of the audit fees by the Grantee shall be subject to the provision relating to such fees contained within this Grant Contract. The Grantee shall be responsible for reimbursing the Comptroller for any costs of an audit prepared by the Comptroller.

ATTACHMENT REFERENCE

Notice of Audit Report

Check one of the two boxes below and complete the remainder of this document as instructed. Send completed documents as a PDF file to cpo.auditnotice@tn.gov. **The Grantee should submit only one, completed "Notice of Audit Report" document to the State *during ninety (90) days prior to the Grantee's fiscal year.***

- Grantee Legal Entity Name is subject to an audit for fiscal year #.
- Grantee Legal Entity Name is not subject to an audit for fiscal year #.

Grantee's Edison Vendor ID Number:

Grantee's fiscal year end:

Any Grantee that is subject to an audit must complete the information below.

Grantee's Edison Vendor ID Number:

Type of funds expended	Estimated amount of funds expended by end of Grantee's fiscal year
Federal pass-through funds a. Funds passed through the State of Tennessee b. Funds passed through any other entity	a. d.
Funds received directly from the federal government	
Non-federal funds received directly from the State of Tennessee	

Independent Contractor

Replace this provision with the following if the grantee is an entity of the federal government.

- D.22. Independent Contractor. The parties, in the performance of this Grant Contract, shall be acting in their individual capacities and not as employees, partners, joint venturers, or associates of one another. The parties acknowledge that they are independent contracting entities and that nothing in this Grant Contract shall be construed to create a principal/agent relationship or to allow either 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 shall not be deemed or construed to be the employees or agents of the other party for any purpose whatsoever.

The Grantee, being a federal agency, shall be considered to be self-insured for the purposes of public liability. The Grantee is also subject to the Federal Torts Claims Act.

Charges to Service Recipients Prohibited

If the Grantor State Agency obtains an approved Rule Exception to delete the Charges to Service Recipients Prohibited provision, add the following Section: The Department of Transportation Division of Multimodal Resources, Department of Human Services, and Department of Environment and Conservation may use the following section as needed.

- D.26. **Reserved.**

Charges to Service Recipients Prohibited

The Department of Health may use the following term as applicable:

- D.26. Charges to Service Recipients Prohibited. The Grantee shall not collect any amount in the form of fees or reimbursements from the recipients of any service provided pursuant to this Grant Contract, with the exception of:
- (a) patient liability amounts (including copay, coinsurance, and deductibles) established by insurance plans and assigned to the patient,
 - (b) charges based on patients' income and family size, and
 - (c) other fees as established by the State.

The Grantee shall be allowed to bill the patient's insurance, including governmental insurers such as TennCare, where appropriate. The parties shall comply with all applicable governmental and insurance plan reimbursement rules, including but not limited to Medicaid/TennCare or Medicare. The parties further agree that benefits provided or received under this Grant Contract are not contingent on referrals nor are they paid under arrangement to provide healthcare services reimbursed by Medicare or Medicaid/TennCare.

Charges to Service Recipients Prohibited

The Department of Health may use the following term as applicable:

- D. 26. Charges to Service Recipients Prohibited. The Grantee shall not collect any amount in the form of fees or reimbursements from the recipients of any service provided pursuant to this Grant Contract, with the exception of co-pays paid by the recipient and reimbursement from the recipient's third party insurance provider. The Grantee shall be allowed to bill the recipients' insurance, including governmental insurers such as TennCare, where appropriate. The parties shall comply with all TennCare reimbursement rules. The parties further agree that benefits provided or received under this Grant Contract are not contingent on referrals nor are they paid under arrangement to provide healthcare services reimbursed by Medicare or Medicaid/TennCare. This grant award plus the co-pays paid by the recipients and payment from the recipients' third party insurance provided received by the Grantee shall not exceed the Grantee's total program cost.

No Acquisition of Equipment or Motor Vehicles

Delete the Section if the Grant Budget provides funding for the acquisition of equipment or motor vehicles and insert the State Interest In Equipment or Motor Vehicles Section below.

State Interest in Equipment or Motor Vehicles

Attorney General staff have advised that the Grantor State Agency must file a UCC-1 or perfect in accordance with applicable law to the extent that it wishes to secure a security agreement and priority.

Add the following Section if the Grant Contract provides for the reimbursement of expenditures for equipment or motor vehicles (revising the second to last sentence of the first paragraph as necessary to establish a lower dollar threshold for the definition of "equipment or motor vehicles").

- D.27. State Interest in Equipment or Motor Vehicles. The Grantee shall take legal title to all equipment or motor vehicles purchased totally or in part with funds provided under this Grant Contract, subject to the State's equitable interest therein, to the extent of its *pro rata* share, based upon the State's contribution to the purchase price. The term "equipment" shall include any article of nonexpendable, tangible, personal property having a useful life of more than one year and an acquisition cost which equals or exceeds five thousand dollars (\$5,000.00). The term "motor vehicle" shall include any article of tangible personal property that is required to be registered under the "Tennessee Motor Vehicle Title and Registration Law", Tenn. Code Ann. Title 55, Chapters 1-6.

As authorized by the Tennessee Uniform Commercial Code, Tenn. Code Ann. Title 47, Chapter 9 and the "Tennessee Motor Vehicle Title and Registration Law," Tenn. Code Ann. Title 55, Chapters 1-6, the parties intend this Grant Contract to create a security interest in favor of the State in the equipment or motor vehicles acquired by the Grantee pursuant to the provisions of this Grant Contract. A further intent of this Grant Contract is to acknowledge and continue the security interest in favor of the State in the equipment or motor vehicles acquired by the Grantee pursuant to the provisions of this program's prior year Grant Contracts between the State and the Grantee.

The Grantee grants the State a security interest in all equipment or motor vehicles acquired in whole or in part by the Grantee under this Grant Contract. This Grant Contract is intended to be a security agreement pursuant to the Uniform Commercial Code for any of the equipment or motor vehicles herein specified which, under applicable law, may be subject to a security interest pursuant to the Uniform Commercial Code, and the Grantee hereby grants the State a security interest in said equipment or motor vehicles. The Grantee agrees that the State may file this Grant Contract or a reproduction thereof, in any appropriate office, as a financing statement for any of the equipment or motor vehicles herein specified. Any reproduction of this or any other security agreement or financing statement shall be sufficient as a financing statement. In addition, the Grantee agrees to execute and deliver to the State, upon the State's request, any financing statements, as well as extensions, renewals, and amendments thereof, and reproduction of this Grant Contract in such form as the State may require to perfect a security interest with respect to said equipment or motor vehicles. The Grantee shall pay all costs of filing such financing statements and any extensions, renewals, amendments and releases thereof, and shall pay all reasonable costs and expenses of any record searches for financing statements the State may reasonably require. Without the prior written consent of the State, the Grantee shall not create or suffer to be created pursuant to the Uniform Commercial Code any other security interest in said equipment or motor vehicles, including replacements and additions thereto. Upon the Grantee's breach of any covenant or agreement contained in this Grant Contract, including the covenants to pay when due all sums secured by this Grant Contract, the State shall have the remedies of a secured party under the Uniform Commercial Code and, at the State's option, may also invoke the remedies herein provided.

The Grantee agrees to be responsible for the accountability, maintenance, management, and inventory of all property purchased totally or in part with funds provided under this Grant Contract. The Grantee shall maintain a perpetual inventory system for all equipment or motor vehicles purchased with funds provided under this Grant Contract and shall submit an inventory control report which must include, at a minimum, the following:

- a. Description of the equipment or motor vehicles;
- b. Manufacturer's serial number or other identification number, when applicable;

- c. Consecutive inventory equipment or motor vehicles tag identification;
- d. Acquisition date, cost, and check number;
- e. Fund source, State Grant number, or other applicable fund source identification;
- f. Percentage of state funds applied to the purchase;
- g. Location within the Grantee's operations where the equipment or motor vehicles is used;
- h. Condition of the property or disposition date if Grantee no longer has possession;
- i. Depreciation method, if applicable; and
- j. Monthly depreciation amount, if applicable.

The Grantee shall tag equipment or motor vehicles with an identification number which is cross referenced to the equipment or motor vehicle item on the inventory control report. The Grantee shall inventory equipment or motor vehicles annually. The Grantee must compare the results of the inventory with the inventory control report and investigate any differences. The Grantee must then adjust the inventory control report to reflect the results of the physical inventory and subsequent investigation.

The Grantee shall submit its inventory control report of all equipment or motor vehicles purchased with funding through this Grant Contract within thirty (30) days of its end date and in form and substance acceptable to the State. This inventory control report shall contain, at a minimum, the requirements specified above for inventory control. The Grantee shall notify the State, in writing, of any equipment or motor vehicle loss describing the reasons for the loss. Should the equipment or motor vehicles be destroyed, lost, or stolen, the Grantee shall be responsible to the State for the *pro rata* amount of the residual value at the time of loss based upon the State's original contribution to the purchase price.

Upon termination of the Grant Contract, where a further contractual relationship is not entered into, or at another time during the term of the Grant Contract, the Grantee shall request written approval from the State for any proposed disposition of equipment or motor vehicles purchased with Grant funds. All equipment or motor vehicles shall be disposed of in such a manner as the parties may agree from among alternatives approved by the Tennessee Department of General Services as appropriate and in accordance with any applicable federal laws or regulations.

Prevailing Wage Rates

Add the following Section if the Grant Contract involves a construction project for the purpose of building, repairing, locating, relocating or repairing any Tennessee streets, highways, or bridges.

- D.#. Prevailing Wage Rates. All State contracts for highway construction projects that are for the purpose of building, rebuilding, locating, relocating or repairing any streets, highways or bridges require compliance with the prevailing wage laws provided in Tenn. Code Ann. §§ 12-4-401--415.

Audit Report

Add the following text just prior to the final sentence of the section as appropriate.

The State may reimburse the Grantee for a reasonably proportionate share of the costs of audits required by and performed in accordance with the "Single Audit Act Amendments of 1996" as provided in 2 C.F.R. § 200.425.

Procurement

Replace the Section with the following if contracting agency head approval is required for non-competitive procurements under the grant.

- D.#. Procurement. If other terms of this Grant Contract allow reimbursement for the cost of goods, materials, supplies, equipment, motor vehicles, or contracted services, such procurement(s) shall be made on a competitive basis, including the use of competitive bidding procedures, where practicable. The Grantee shall maintain documentation for the basis of each procurement for

which reimbursement is paid pursuant to this Grant Contract. In each instance where it is determined that use of a competitive procurement method is not practicable, supporting documentation shall include a written justification, approved by the **State Agency Head Title**, for such decision and non-competitive procurement. Further and notwithstanding the foregoing, if such reimbursement is to be made with funds derived wholly or partially from federal sources, the determination of cost shall be governed by and reimbursement shall be subject to the Grantee's compliance with applicable federal procurement requirements.

The Grantee shall obtain prior approval from the State before purchasing any equipment or motor vehicles under this Grant Contract.

E. SPECIAL TERMS AND CONDITIONS

Add the following sections as appropriate and in the order below. An approved Rule Exception Request is required to add any Section E provisions that are not among the options below. Should any of these special terms and conditions conflict with any other terms and condition of this Grant Contract, the special terms and conditions shall be subordinate to the Grant Contract's other terms and conditions.

Debarment and Suspension

Add the following Section if required by federal law and the Grant Contract involves federal funds.

E.#. Debarment and Suspension. The Grantee 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 Grant 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 Grant Contract had one or more public transactions (federal, state, or local) terminated for cause or default.

The Grantee 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 or disqualified.

Federal Educational Rights and Privacy Act & Tennessee Data Accessibility, Transparency and Accountability Act

Add the following section only if the Grantee will have access to personally identifiable student information or student information that is confidential pursuant to federal or state law.

E.#. Federal Educational Rights and Privacy Act & Tennessee Data Accessibility, Transparency and Accountability Act. The Grantee shall comply with the Federal Educational Rights and Privacy Act of 1974 (20 U.S.C. 1232(g)) and its accompanying regulations (34 C.F.R. § 99) ("FERPA"). The Grantee warrants that the Grantee is familiar with FERPA requirements and that it will comply with these requirements in the performance of its duties under this Grant Contract. The Grantee agrees

to cooperate with the State, as required by FERPA, in the performance of its duties under this Grant Contract. The Grantee agrees to maintain the confidentiality of all education records and student information. The Grantee shall only use such records and information for the exclusive purpose of performing its duties under this Grant Contract.

The Grantee shall also comply with Tenn. Code Ann. § 49-1-701, *et seq.*, known as the "Data Accessibility, Transparency and Accountability Act," and any accompanying administrative rules or regulations (collectively "DATAA"). The Grantee agrees to maintain the confidentiality of all records containing student and de-identified data, as this term is defined in DATAA, in any databases, to which the State has granted the Grantee access, and to only use such data for the exclusive purpose of performing its duties under this Grant Contract.

Any instances of unauthorized disclosure of data containing personally identifiable information in violation of FERPA or DATAA that come to the attention of the Grantee shall be reported to the State within twenty-four (24) hours. Grantee shall indemnify and hold harmless State, its employees, agents and representatives, from and against any and all claims, liabilities, losses, or causes of action that may arise, accrue, or result to any person or entity that is injured or damaged as a result of Grantee's failure to comply with this section.

Confidentiality of Records

Add the following Section as appropriate. If unsure whether the Section is applicable, consult the CPO legal team.

E.#. Confidentiality of Records. Strict standards of confidentiality of records and information shall be maintained in accordance with applicable state and federal law. All material and information, regardless of form, medium or method of communication, provided to the Grantee by the State or acquired by the Grantee on behalf of the State that is regarded as confidential under state or federal law shall be regarded as "Confidential Information." Nothing in this Section shall permit Grantee to disclose any Confidential Information, regardless of whether it has been disclosed or made available to the Grantee due to intentional or negligent actions or inactions of agents of the State or third parties. Confidential Information shall not be disclosed except as required or permitted under state or federal law. Grantee shall take all necessary steps to safeguard the confidentiality of such material or information in conformance with applicable state and federal law.

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

Printing Authorization

Add the following Section as appropriate.

E.#. Printing Authorization. The Grantee agrees that no publication coming within the jurisdiction of Tenn. Code Ann. § 12-7-101, *et seq.*, shall be printed pursuant to this Grant Contract unless a printing authorization number has been obtained and affixed as required by Tenn. Code Ann. § 12-7-103(d).

State Furnished Property

Add the following Section as appropriate.

E.#. State Furnished Property. The Grantee shall be responsible for the correct use, maintenance, and protection of all articles of nonexpendable, tangible, personal property furnished by the State for the Grantee's temporary use under this Grant Contract. Upon termination of this Grant Contract, all property furnished shall be returned to the State in good order and condition as when received, reasonable use and wear thereof excepted. Should the property be destroyed, lost, or stolen, the Grantee shall be responsible to the State for the residual value of the property at the time of loss.

Work Papers Subject To Review

Add the following Section only if the Grant Contract requires the performance of audit, accounting or financial analysis services.

- E.#. Work Papers Subject to Review. The Grantee shall make all audit, accounting, or financial analysis work papers, notes, and other documents 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 Grant Contract.

Environmental Tobacco Smoke

Add the following Section as appropriate.

- E.#. Environmental Tobacco Smoke. Pursuant to the provisions of the federal "Pro-Children Act of 1994" and the "Children's Act for Clean Indoor Air of 1995," Tenn. Code Ann. §§ 39-17-1601 through 1606, the Grantee shall prohibit smoking of tobacco products within any indoor premises in which services are provided to individuals under the age of eighteen (18) years. The Grantee shall post "no smoking" signs in appropriate, permanent sites within such premises. This prohibition shall be applicable during all hours, not just the hours in which children are present. Violators of the prohibition may be subject to civil penalties and fines. This prohibition shall apply to and be made part of any subcontract related to this Grant Contract.

Drug Free Workplace

Add the following Section as appropriate.

- E.#. The Grantee shall provide a drug-free workplace pursuant to the "Drug-Free Workplace Act," 41 U.S.C. §§ 8101 through 8106, and its accompanying regulations.

Grantee Participation

Add the following Section as appropriate.

- E.#. Grantee Participation. Grantee Participation amounts detailed in the Grant Budget are intended as a goal for the total project, and the amount of actual Grantee Participation expenditures will not impact the maximum amounts reimbursable to the Grantee as detailed by the Grant Budget column, "Grant Contract."

Disclosure of Personally Identifiable Information

Add the following Section as appropriate.

- E.#. Disclosure of Personally Identifiable Information. The Grantee shall report to the State any instances of unauthorized disclosure of personally identifiable information that come to the attention of the Grantee. Any such report shall be made by the Grantee within twenty-four (24) hours after the instance has come to the attention of the Grantee. The Grantee, at the sole discretion of the State, shall provide no cost credit monitoring services for individuals that are deemed to be part of a potential disclosure. The Grantee shall bear the cost of notification to individuals having personally identifiable information involved in a potential disclosure event, including individual letters or public notice. The remedies set forth in this section are not exclusive and are in addition to any claims or remedies available to the State under this Grant Contract or otherwise available at law.

Federal Funding Accountability and Transparency Act

Add the following Section if the Grant Contract will be funded in whole or part by a federal grant or federal contract of \$25,000 or more (excluding federal grants subject to section 1512 of the American Recovery and Reinvestment Act of 2009), and the federal grant will provide for the expenditure of \$25,000 or more in federal funds.

E.#. Federal Funding Accountability and Transparency Act (FFATA).

This Grant Contract requires the Grantee to provide supplies or services that are funded in whole or in part by federal funds that are subject to FFATA. The Grantee is responsible for ensuring that all applicable FFATA requirements, including but not limited to those below, are met and that the Grantee provides information to the State as required.

The Grantee shall comply with the following:

a. Reporting of Total Compensation of the Grantee's Executives.

- (1) The Grantee shall report the names and total compensation of each of its five most highly compensated executives for the Grantee's preceding completed fiscal year, if in the Grantee's preceding fiscal year it received:
 - i. 80 percent or more of the Grantee's annual gross revenues from Federal procurement contracts and federal financial assistance subject to the Transparency Act, as defined at 2 CFR 170.320 (and sub awards); and
 - ii. \$25,000,000 or more in annual gross revenues from federal procurement contracts (and subcontracts), and federal financial assistance subject to the Transparency Act (and sub awards); and
 - iii. The public does not have access to information about the compensation of the executives through periodic reports filed under section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. § 78m(a), 78o(d)) or § 6104 of the Internal Revenue Code of 1986. (To determine if the public has access to the compensation information, see the U.S. Security and Exchange Commission total compensation filings at <http://www.sec.gov/answers/excomp.htm>).

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

- (2) Total compensation means the cash and noncash dollar value earned by the executive during the Grantee's preceding fiscal year and includes the following (for more information see 17 CFR § 229.402(c)(2)):
 - i. Salary and bonus.
 - ii. Awards of stock, stock options, and stock appreciation rights. Use the dollar amount recognized for financial statement reporting purposes with respect to the fiscal year in accordance with the Statement of Financial Accounting Standards No. 123 (Revised 2004) (FAS 123R), Shared Based Payments.
 - iii. Earnings for services under non-equity incentive plans. This does not include group life, health, hospitalization or medical reimbursement plans that do not discriminate in favor of executives, and are available generally to all salaried employees.
 - iv. Change in pension value. This is the change in present value of defined benefit and actuarial pension plans.
 - v. Above-market earnings on deferred compensation which is not tax qualified.
 - vi. Other compensation, if the aggregate value of all such other compensation (e.g. severance, termination payments, value of life insurance paid on behalf of the employee, perquisites or property) for the executive exceeds \$10,000.

- b. The Grantee must report executive total compensation described above to the State by the end of the month during which this Grant Contract is established.

- c. If this Grant Contract is amended to extend its term, the Grantee must submit an executive total compensation report to the State by the end of the month in which the amendment to this Grant Contract becomes effective.
- d. The Grantee will obtain a Data Universal Numbering System (DUNS) number and maintain its DUNS number for the term of this Grant Contract. More information about obtaining a DUNS Number can be found at: <http://fedgov.dnb.com/webform/>.

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

Transfer of Grantee's Obligations

Add the following Section as appropriate.

E.#. Transfer of Grantee's Obligations.

The Grantee shall not transfer or restructure its operations related to this Grant Contract without the prior written approval of the State. The Grantee shall immediately notify the State in writing of a proposed transfer or restructuring of its operations related to this Grant Contract. The State reserves the right to request additional information or impose additional terms and conditions before approving a proposed transfer or restructuring.

Tennessee Department of Children Services

The Department of Children of Services may add the following Section(s) as appropriate:

E. #. Supplemental Conflict of Interest. The Grantee shall not have as any owner, member of the board of directors, or member of the board of trustees, a person who also holds any other position that may influence the placements provided to children in the plaintiff class of Brian A. v. Haslam. Such positions include, but are not limited to juvenile court judges, referees, or other court officers involved in the individual cases of children in foster care.

E. #. Title VI of the Civil Rights Act of 1964. The Grantee shall develop and deliver to the State on or before July 31st of each fiscal year an implementation plan that describes the Grantee's long-range goals and objectives that will guide the Grantee's efforts to ensure compliance with Title VI of the Civil Rights Act of 1964 pursuant to the guidelines established by the Tennessee Title VI Compliance Commission. Title VI plans must be submitted no later than July 31st of each year to: Tennessee Department of children's Services, Director of the Division of Diversity Initiatives, Division for Diversity Initiatives.

E. #. Supplemental Subcontracting. In accordance with the Brian A. Settlement Agreement (specifically, the Racial Disparities Study conducted by Dr. Ruth McRoy) the State is actively working toward decreasing the racial disparity between service providers and target service populations. To help correct this disparity, the State strongly recommends, in situations where subcontracts are necessary, that the Grantee subcontract for services with minority owned or operated subcontractors that can assist the Grantee in meeting the needs of the children and families that are served. The State requires the Grantee to support the State's commitment to achieving diversity and developing programs that reflect the diversity of the population served.

E. #. Monitoring Sub-Contractors. The Grantee shall develop written procedures for monitoring all of its State-approved subcontractors. The procedures must clearly outline the process for assuring that all subcontractors are in compliance with the DCS and Provider Policy Manuals and the subcontracting guidelines detailed at the following web site: http://www.state.tn.us/youth/providers/prov_policies.htm

The Grantee shall have an established quality assurance/quality improvement plan for all subcontractors.

The Grantee shall also maintain an internal quality improvement process that assesses the overall quality and performance of its subcontractors.

E. #. Working Capital. The Grantee must have a minimum of sixty (60) days working capital in the event payment to the Grantee is interrupted by an emergency or for reasons beyond the Grantee's control to ensure continuity of operations. Working capital must be documented by a review of the Grantee's balance sheet and income statement. Working capital is defined as current assets minus current liabilities. Current assets may include marketable securities as long as they have not been legally pledged against a long term equity interest. Credit lines are not working capital.

Working capital requirements shall be met at the time of initial contracting and maintained during subsequent contracting periods. In the event working capital declines below the sixty (60) day requirement, the Grantee shall be placed on probation and the Contract will be subject to cancellation at the discretion of the State.

E. #. Financial Statements. The Grantee shall submit to the State independently audited financial statements containing an auditor's report reflecting the auditor's opinion that the statements are presented fairly and found to be in conformity with generally accepted accounting principles. The independent audit must have been performed by a certified public accounting firm in good standing with the American Institute of Certified Public Accountants (AICPA). The financial statements must be complete, and include all statements and notes to the statements as contained within the audit report. The financial statements and audit report shall be submitted within nine (9) months of the Grantee's reporting period to: Department of Children's Services, Finance & Budget Division, Division

The financial statements must represent the Contracting entity. Where the financial statements are for a parent company of the entity providing the service, the Contract must be in the name of the parent company and signed by an authorized representative of the parent company. The entity providing the service may be identified within the Contract as the service provider; however, financial responsibility will belong to the parent company.

E. #. Grantee Gatekeeper Contact. The Grantee shall provide information to the Child Placement & Private Provider's Division (CPPP) relative to the Grantee's gatekeeper or representative empowered to make placement decisions on behalf of the Grantee to allow access to placement 24 hours a day seven days a week to the State. The information to be provided is as follows: gatekeeper/representative name(s); title; direct telephone number(s), cell phone number and/or pager number(s).

E. #. Performance Standards. The Grantee hereby acknowledges and agrees that its performance under this Grant Contract shall meet the standards set forth in Section A of this Grant Contract, the DCS Provider Policy Manual (PPM), DCS Policy, the Brian A. Settlement Agreement, and the conditions set forth in this Contract. If the Grantee fails to meet these standards, the State, at its exclusive option, may allow up to six (6) months for the provider to achieve compliance with the standards. If performance deficiencies are not resolved to the satisfaction of the State within the prescribed time, and if no extenuating circumstances can be documented by the Grantee to the State's satisfaction, the State may cancel the Grant Contract at the State's discretion.

E. #. Notification of Closure. The Grantee shall notify the State of the closure of its agency or facility no less than thirty (30) days prior to the actual date of closure. Failure to provide the State thirty (30) days written notice of the Grantee's intent to close its operations or any part of its operation shall be considered a breach of this Contract.

E. #. Closure Transition. Within thirty (30) days from the closure notification date, the Grantee shall work with the State to transition all custodial youth placed with the Grantee, shall reconcile all records, transfer case files to DCS, and complete the Contract transition.

- E. #. State Ownership of Case Files. The State shall have ownership, right, title, and interest in all case files created, designed, developed, derived, documented, installed, or maintained on behalf of the State pursuant to this Contract. The State shall have unlimited rights to all said case files. The Grantee shall furnish such information and data upon the request of the State, in accordance with this Contract and applicable State law.
- E. #. Permanent Education Records. The Grantee shall maintain educational records permanently. These records shall be cut off at discharge or graduation. If the Grantee's school ceases operation, or the State ceases to contract with the Grantee, the permanent educational records for students who have been in State custody shall be forwarded to the State by the Grantee. The Grantee shall bear all costs for the transfer of all records.
- Both paper and electronic media shall be included. Records include, but are not limited to: institution academic transcripts, grade reports, records of grade changes, copies of GED Certificates or State issued diplomas/certificates of any kind, standardized examination reports, birth records, grade point average (GPA), class rank, letters of recommendation and related documentation and correspondence.
- Records from closed Grantee schools shall be forwarded at least five (5) business days prior to closure to: DCS Records Management, Records Officer.
- E. #. Mergers, Dissolutions, Partnerships & Joint Ventures. As would be the case with any agency dissolution, merger, or acquisition, the agency and the State have financial responsibilities requiring resolution. The Grantee is required to provide ninety (90) days notification prior to any dissolution, merger, or acquisition.
- In the event an agency is dissolved, the State maintains rights to assets (representing accounts payable/reinvestment due to the State) as may be distributed voluntarily or by court action. Additionally, the State acknowledges its responsibility for its liabilities (representing accounts payable/reinvestment due to the Grantee).
- In the event an agency is merged or acquired by another agency/entity then the due to/from financial responsibilities shall be commensurate with the Articles to the Merger or Acquisition.
- E. #. Ownership of Software. Pursuant to 45 C.F.R. § 95.617(a), the State shall have all ownership rights to all software, modifications and associated documentation thereof prepared by the Grantee in connection with the performance of the services under this Grant Contract. The Grantee waives any authorship rights and similar retained interests in the software, modifications, and associated documentation prepared in connection with the performance of the services under this Grant Contract.
- Pursuant to 45 C.F.R. § 95.617(b), the federal government reserves a royalty-free, nonexclusive, and irrevocable license to reproduce, publish, or otherwise use and to authorize others to use for federal government purposes, such software, modifications, and associated documentation prepared by the Grantee in connection with the performance of the services under this federal financial participation contract.
- E. #. Not a DCS Employee. The Grantee shall inform the client in writing that the Grantee is a private provider and not an employee of the State.
- E. #. Violation of Security and Facility Policies. Violation of security and facility policies or practices, or possession of contraband items will result in the Grantee being immediately escorted from campus and arrested/criminally prosecuted as warranted.
- E. #. Employee Background Checks. Prior to the provision of any services, all personnel that have direct contact with children shall comply with DCS Policy 4.1. Employee Background checks.
- E. #. Criminal Background Check. Prior to the provision of any services for this Grant Contract, all Grantee personnel performing work under this Grant Contract shall provide fingerprint samples to

effect a criminal history records check conducted by the Tennessee Bureau of Investigation. Fingerprints may only be submitted at DCS approved sites where they can be processed electronically. The Grantee shall be responsible for the payment of all fee(s) for Grantee personnel providing their fingerprint samples and submitting to a criminal history review.

E. #. Prison Rape Elimination Act (PREA). The Grantee shall comply with the Prison Rape Elimination Act of 2003 (42 U.S.C. § 15601 *et seq.*), and with all applicable PREA standards and DCS policies related to PREA for preventing, detecting, monitoring, investigating, and eradicating any form of sexual abuse in facilities owned, operated or subcontracted by the Grantee. Grantee acknowledges that, in addition to self-monitoring requirements, DCS will conduct announced and unannounced on-site compliance monitoring. Failure to comply with PREA, PREA Standards, or relevant DCS policies may result in termination of the contract.

E. #. Title VI of the Civil Rights Act of 1964. The Grantee shall adhere to the requirements of Title VI of the Civil Rights Act of 1964, as codified in 42 U.S.C. 2000d, which states that "No person in the United States shall, on the ground of race, color or national origin be excluded from participation in, be denied the benefits of, or be subject to discrimination under any program or activity receiving federal financial assistance." The Grantee shall have in place or available a process to assist qualified persons of the provided service who may be limited in their English proficiency (LEP).

The Grantee shall deliver to the State on or before July 31st of each fiscal year an implementation plan that describes the Grantee's long-range goals and objectives that will guide the Grantee's efforts to ensure compliance with Title VI of the Civil Rights Act of 1964 pursuant to the guidelines established by the Tennessee Human Rights Commission's Title VI Compliance Program. Title VI plans must be submitted no later than July 31st of each year to the Tennessee Department of Children's Services, Division of Diversity Initiatives.

E. #. Evidence-Based Programs. Pursuant to Tenn. Code Ann. § 37-5-121, the Department of Children's Services is prohibited from expending state funds on any juvenile justice program or program related to the prevention, treatment or care of delinquent juveniles, including any service model or delivery system in any form or by any name, unless the program is evidence-based. "Evidence-based" means a program or practice that is governed by a program manual or protocol that specifies the nature, quality, and amount of service that constitutes the program; and scientific research using methods that meet high scientific standards for evaluating the effects of such programs must have demonstrated with two (2) or more separate client samples that the program improves client outcomes central to the purpose of the program.

The Grantee and any of the Grantee's subcontractors shall cooperate with the State in evaluating whether its services are evidence-based or otherwise, and will provide program and service details, efficacy data and any information required or requested by the State, consistent with State and federal law regarding confidentiality, for the purpose of complying with this statute for monitoring and quality control. The Grantee further acknowledges and understands that the intent of the law is to discontinue programs and services that are not supported by the evidence of impartial scientific investigation as outlined by statute, rules and regulations which have been, or may be, promulgated by the Department of Children's Services. By affixing its signature below, the Grantee understands and agrees that the Department of Children's Services is compelled by law to terminate this Grant instrument if services with any Grantee or the Grantee's subcontractor(s) are not proven to be evidence-based and if continuation of this Grant shall cause the Department of Children's Services not to be in compliance with such statute within the timetable set forth in Tenn. Code Ann. § 37-5-121.

E. #. Confidentiality of Records. Strict standards of confidentiality of records and information shall be maintained in accordance with applicable State and federal law. All material and information, regardless of form, medium or method of communication, provided to the Grantee by the State or acquired by the Grantee on behalf of the State shall be regarded as confidential information in accordance with the provisions of applicable State and federal law, State and federal rules and regulations, departmental policy, and ethical standards. Such confidential information shall not be disclosed, and all necessary steps shall be taken by the Grantee to safeguard the confidentiality of

such material or information in conformance with applicable State and federal law, State and federal rules and regulations, departmental policy, and ethical standards.

The Grantee's obligations under this section do not apply to information in the public domain; entering the public domain, but not from a breach by the Grantee of this Grant Contract; previously possessed by the Grantee without written obligations to the State to protect it; acquired by the Grantee without written restrictions against disclosure from a third party which, to the Grantee's knowledge, is free to disclose the information; independently developed by the Grantee without the use of the State's information; or, disclosed by the State to others without restrictions against disclosure. Nothing in this paragraph shall permit Grantee to disclose any information that is confidential under federal or State law or regulations, regardless of whether it has been disclosed or made available to the Grantee due to intentional or negligent actions or inactions of agents of the State or third parties.

The State acknowledges that the Grantee may use data generated through work under this Contract for educational, patient care, and research purposes, including academic publication. All such research activities shall preserve the confidentiality of DCS client and family records at each level of research and data usage. All privacy preservation safeguard procedures must be approved by the Grantee's Institutional Review Board (IRB) and the DCS Research Committee, which provide separate Grantee and State oversight for research activities using de-identified and/or limited data sets that do not maintain links to identifying information about individual children. These data sets will be used to conduct statistical analyses on the cross sectional and longitudinal assessment of the mental health needs, strengths, service utilizations and outcomes of children in state custody.

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

Tennessee Department of Health

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

- E. #. Healthy Eating Requirements. Grant recipients who purchase or serve snacks or meals in conjunction with their performance under this Grant Contract shall provide only healthy foods. No high sugar beverage shall be served at any time. Fruits and vegetables shall be given preference in menu selections.
- E. #. CFDA Number(s) When applicable, the Grantee shall inform its licensed independent public accountant of the federal regulations that are to be complied within the performance of an audit. This information shall consist of the following Catalog of Federal Domestic Assistance Numbers: (Specific CFDA# is given and it's name)
- E. #. Health Care Data. Grantee shall provide data reports about health care services provided under this Grant using the Department of Health's Patient Tracking and Billing Management Information System (or its successor). Data regarding health care services provided by the Grantee shall be coded and entered into the Patient Tracking and Billing Management Information System (PTBMIS), using the PTBMIS Codes Manual. The PTBMIS Codes manual is available electronically at <http://hsaintranet.health.tn.gov/> and e-mail notices shall be sent to the Grantee regarding new revisions and/or updates, which can be accessed through the above-referenced website.

On a schedule defined by the State, the Grantee shall submit Central Office Database Report (CODB) files, as defined in PTBMIS, electronically to the State. The Grantee shall also submit other health care data reports, as requested by the State, and in a format acceptable to the State.

- E. #. Security Audit. The State may conduct audits of Grantee's compliance with the State's Enterprise Information Security Policy ("The Policy") or under this Grant Contract, including those obligations imposed by Federal or State law, regulation or policy. The Policy, as may be periodically revised, can be located at the following link: <http://www.tn.gov/finance/oir/security/secpolicy.html>. The

State's right to conduct security audits is independent of any other audit or monitoring required by this Grant Contract. The timing and frequency of such audits shall be at the State's discretion and may, but not necessarily shall, be in response to a security incident.

- a. A security audit may include the following: (i) review of access logs, screen shots and other paper or electronic documentation relating to Grantee's compliance with the Policy. This may include review of documentation relevant to subcontractors or suppliers of security equipment and services used with respect to State data; (ii) physical inspection of controls such as door locks, file storage, communications systems, and employee identification procedures; and (iii) interviews of responsible technical and management personnel regarding security procedures.
- b. Grantee shall provide reports or additional information upon request of the state and access by the State or the State's designated staff to Grantee's facilities and/or any location involved with providing services to the State or involved with processing or storing State data, and Grantee shall cooperate with State staff and audit requests submitted under this Section. Any confidential information of either party accessed or disclosed during the course of the security audit shall be treated as set forth under this Grant Contract or federal or state law or regulations. Each party shall bear its own expenses incurred in the course of conducting this security audit. Grantee shall at its own expense promptly rectify any non-compliance with the Policy or other requirements identified by this security audit and provide proof to the State thereof.

Tennessee Department of Human Services

The Department of Human of Services may add the following Section(s) as appropriate:

- E.#. Disaster Recovery/Continuity of Operations Plan. The Grantee acknowledges and represents to the State that it has implemented a disaster recovery/continuity of operations plan that may be executed in the event of a natural disaster or man-made disaster. Said plan shall be made available to the State upon request.
- E. #. Confidentiality of Records. The Grantee agrees that strict standards of confidentiality of records shall be maintained in accordance with State and Federal law and regulations (Reference TCA Sections 71-1-131, 71-3-119, 45-10-101 et seq., 45-10-118, and 50-7-701, 45 Code of Federal Regulations Sections 205.50, 303.21, and 307.13; 26 U.S.C. Section 6103(f); 42 U.S.C. Sections 653, and 1320b-7), and all other applicable State and Federal laws regulations and any and all data-sharing agreements between the Tennessee Department of Human Services and the Federal Government, specifically including, but not limited to, the SDS-BENDEX-SVES for 1137 and/or Child Support Benefit Programs Data Matching Agreement between the Social Security Administration and the Tennessee Department of Human Services.
 - (a) All material and information provided to the Grantee by the State or acquired by the Grantee on behalf of the State from any non-public source whether verbal, written, electronic data, magnetic tape, cards or otherwise shall be regarded as confidential information in accordance with the provisions of State and Federal law and ethical standards and shall not be disclosed, except as otherwise permitted by law, regulation or court order, and all necessary steps shall be taken by the Grantee to safeguard the confidentiality of such material or information in conformance with Federal and State law and ethical standards.
 - (b) The Grantee further agrees that any information provided by the State relative to applicants or recipients of public assistance is to be used only for the administration of this Grant Contract or in any investigation, prosecution, or criminal, administrative or civil proceeding conducted pursuant to this Grant Contract. The Grantee agrees to provide safeguards to restrict the use or disclosure of any information concerning such applicants or recipients to purposes stated in this section.
 - (c) The safeguards so provided shall also prohibit disclosure to any legislator, legislative or other committee or legislative body, investigator, attorney, or prosecutor of any information which identifies by name or address any such applicant or recipient, except as otherwise permitted by law.

- (d) The Grantee agrees that any Federal or State tax related information will be treated as confidential as set forth in this section, and will be used solely for purposes of administering the child support program, unless otherwise required by law.
- (e) It shall be the Grantee's responsibility to ensure that any destruction of confidential information, as described in this section, will be accomplished in a manner consistent with State policy and Federal regulations pertaining to the destruction of private or confidential data. Confidential information shall be destroyed completely by a method that assures complete obliteration, removal, or destruction to preclude recognition or reconstruction of the confidential information.
- (f) The Grantee's obligations under this section do not apply to information: in the public domain; entering the public domain but not from a breach by the Grantee of this Grant Contract; previously possessed by the Grantee without written obligations to the State to protect it; acquired by the Grantee without written restrictions against disclosure from a third party which, to the Grantee's knowledge, is free to disclose the information; independently developed by the Grantee without the use of the State's information; or, disclosed by the State to others without restrictions against disclosure.
- (g) In performance of this Grant Contract, the Grantee agrees to comply with and assume responsibility for compliance by his or her employees with the following requirements regarding Federal Tax Information (FTI):
- 1) All work will be done under the supervision of the Grantee or the Grantee's employees.
 - 2) Any return or return information made available in any format shall be used only for the purpose of carrying out the provisions of this Grant Contract. Information contained in such material will be treated as confidential and will not be divulged or made known in any manner to any person except as may be necessary in the performance of this Grant Contract. Disclosure to anyone other than an officer or employee of the Grantee is prohibited.
 - 3) All returns and return information will be accounted for upon receipt and properly stored before, during, and after processing. In addition, all related output will be given the same level of protection as required for the source material.
 - 4) The Grantee certifies that the data processed during the performance of this Grant Contract will be completely purged from all data storage components of his or her computer facility; no output will be retained by the Grantee at the time the work is completed. If immediate purging of all data storage components is not possible, the Grantee certifies that any IRS data remaining in any storage component will be safeguarded to prevent unauthorized disclosures.
 - 5) Any spoilage or any intermediate hard copy printout that may result during the processing of IRS data will be given to the State or its designee. When this is not possible, the Grantee will be responsible for the destruction of the spoilage or any intermediate hard copy printouts, and will provide the State or its designee with a statement containing the date of destruction, description of material destroyed, and the method used.
 - 6) All computer systems processing, storing, or transmitting Federal tax information must meet the requirements defined in IRS Publication 1075. To meet functional and assurance requirements, the security features of the system must have the following minimum requirements: a security policy, accountability, assurance, and documentation. All security features must be available and activated to protect against unauthorized use of and access to Federal tax information.
 - 7) No work involving Federal tax information furnished under this Grant Contract will be subGrant Contracted without prior written approval from the State.
 - 8) The Grantee will maintain a list of employees having authorized access. Such list will be provided to the State upon request and, upon request, to the IRS reviewing office. The State

will have the right to void the Grant Contract if the Grantee fails to provide the safeguards described above.

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

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

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

- (i) Inspection: The IRS and the State shall have the right to send its officers and employees into the offices and plants of the Grantee for inspection of the facilities and operations provided for the performance of any work under this Grant Contract. On the basis of such inspection, specific measures may be required in cases where the Grantee is found to be non-compliant with Grant Contract safeguards.
- (i) The Grantee agrees, and understands, that access to FTI must be preceded by certification that all personnel of the Grantee and its subgrantees understand security policy and procedures for safeguarding IRS information. Training provided prior to initial certification, and annually thereafter, must include, but not be limited to, Incident Response policy and procedures for reporting unauthorized disclosures and data breaches. Further, the Grantee agrees that all personnel of the Grantee, and all personnel of subgrantees performing services under this Grant Contract for the Grantee, authorized to handle Federal tax related information will sign, annually, an IRS Confidentiality Form, to be provided by the State, with the original signed forms to be maintained by the Grantee, along with a current list of its employees, and those of its subgrantees, performing services under this Grant Contract. These IRS Confidentiality Forms, and the list of Grantee's

employees and those of its subgrantees performing services under this Grant Contract, shall be made available to the State and the IRS upon request.

- (k) It is expressly understood and agreed the obligations set forth in this section shall survive the termination of this Grant Contract.

Tennessee Department of Mental Health and Substance Abuse Services

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

- E.#. Prohibitions on Use of Federal Mental Health Block Grant (MHBG) Funds. Pursuant to federal laws and regulations, the Grantee shall not use any federal Community Mental Health Services Block Grant (now MHBG, formerly CMHS BG) funds made available under this Grant Contract for any of the following purposes:
- a. to provide inpatient services;
 - b. to make cash payments to intended recipients of health services;
 - c. to purchase or improve land, purchase, construct or permanently improve (other than minor remodeling) any building or other facility, or to purchase major medical equipment;
 - d. to satisfy any requirement for the expenditure of non-federal funds for the receipt of federal funds;
 - e. to provide financial assistance to any entity other than a public or non-profit private entity.
- E.#. Prohibition on Supplantation of Federal Mental Health Block Grant (MHBG) Funds. Pursuant to federal laws and regulations, the Grantee shall not use any funds paid or services rendered under the federal Community Mental Health Services Block Grant (now MHBG, formerly CMHS BG) to supplant any other funds available for the services provided under this Grant Contract.
- E.#. Prohibitions on Use of Federal Substance Abuse Block Grant (SABG) Funds. Pursuant to federal laws and regulations, the Grantee shall not use any federal Substance Abuse Prevention and Treatment Block Grant (now SABG, formerly SAPT BG) funds made available under this Grant Contract for any of the following purposes:
- a. to provide inpatient hospital or inpatient community mental health services;
 - b. to make cash payments to intended recipients of health services;
 - c. to purchase or improve land, purchase, construct or permanently improve (other than minor remodeling) any building or facility, or purchase major medical equipment
 - d. to satisfy any requirement for the expenditure of non-federal funds for the receipt of federal funds;
 - e. to provide financial assistance to any entity other than a public or non-profit private entity;
 - f. to carry out any program of distributing sterile needles for the hypodermic injection of any illegal drug or distributing bleach for the purpose of cleansing needles for such hypodermic injection;
 - g. to carry out any testing for the etiologic agent for acquired immune deficiency syndrome unless such testing is accompanied by the appropriate pre-test counseling and appropriate post-test counseling.
- E.#. Prohibition on Supplantation of Federal Substance Abuse Block Grant (SABG) Funds. Pursuant to federal laws and regulations, the Grantee shall not use any funds paid or services rendered under the federal Substance Abuse Prevention and Treatment Block Grant (now SABG, formerly SAPT BG) to supplant any other funds available for the services provided under this Grant Contract.
- E.#. Permitted Uses of Federal Projects for Assistance in the Transition from Homelessness Act of 1990 (PATH) Funds. Pursuant to federal laws and regulations, the Grantee may use federal PATH funds made available under this Grant Contract as follows:
- a. In accordance with Public Law 101-645 Section 528(b), funds may be used for housing services including:
 - (1) minor renovation, expansion, and repair;

- (2) planning of housing;
- (3) technical assistance in applying for housing assistance;
- (4) improving the coordination of housing services;
- (5) security deposits;
- (6) costs associated with matching eligible homeless individuals with appropriate housing situations;
- (7) one-time rental payments to prevent eviction.

b. In accordance with Public Law 101-645 Section 526(a)(6), funds may be used for administrative expenses.

E.#. Prohibitions on Use of Federal Projects for Assistance in the Transition from Homelessness Act of 1990 (PATH) Funds. Pursuant to federal laws and regulations, particularly Public Law 101-645 Section 528(c), the Grantee shall not use any federal PATH funds made available under this Grant Contract for any of the following purposes:

- a. emergency shelter;
- b. construction of housing facilities;
- c. inpatient psychiatric or substance abuse treatment;
- d. cash payments directly to intended recipient of PATH services

E.#. Federal Projects for Assistance in the Transition from Homelessness Act of 1990 (PATH) Funds Shall Supplement, Not Supplant. Pursuant to federal laws and regulations, particularly Public Law 101-645 Sections 523(e)(1), 523(e)(2), and 526(a)(3), the Grantee shall use federal PATH funds made available under this Grant Contract to supplement, not supplant, funds currently utilized to provide existing services to service recipients.

E.#. Rule 2 Compliance. The State and the Grantee shall comply with obligations under Rule 2 of the Confidentiality of Alcohol and Drug Abuse Patient Records, and its accompanying regulations as codified at 42 C.F.R. §§ 2.1 et seq.

- a. The Grantee warrants to the State that it is familiar with the requirements of Rule 2 of the Confidentiality of Alcohol and Drug Abuse Patient Records, and its accompanying regulations, and will comply with all applicable requirements in the course of this Grant Contract.
- b. The Grantee warrants that it will cooperate with the State, including cooperation and coordination with State privacy officials and other compliance officers required by Rule 2 of the Confidentiality of Alcohol and Drug Abuse Patient Records, and its regulations, in the course of performance of the Grant Contract so that both parties will be in compliance with Rule 2 of the Confidentiality of Alcohol and Drug Abuse Patient Records.
- c. The State and the Grantee will sign documents, including but not limited to business associate agreements, as required by Rule 2 of the Confidentiality of Alcohol and Drug Abuse Patient Records, and that are reasonably necessary to keep the State and the Grantee in compliance with Rule 2 of the Confidentiality of Alcohol and Drug Abuse Patient Records. This provision shall not apply if information received by the State under this Grant Contract is NOT "protected health information" as defined by Rule 2 of the Confidentiality of Alcohol and Drug Abuse Patient Records, or if Rule 2 of the Confidentiality of Alcohol and Drug Abuse Patient Records permits the State to receive such information without entering into a business associate agreement or signing another such document.
- d. The Grantee will indemnify the State and hold it harmless for any violation by the Grantee or its subcontractors of Rule 2 of the Confidentiality of Alcohol and Drug Abuse Patient Records. This includes the costs of responding to a breach of protected information, the costs of responding to a government enforcement action related to the breach, and any fines, penalties, or damages paid by the State because of the violation. [not used in GG Grant Contracts]

E.#. Professional Practice. The Grantee shall assure that there is a code of conduct in place and applicable to all employees that covers, at minimum, business practices, clinical practices, and service recipient/staff interaction/fraternization. Further, Grantee's personnel shall conduct their practice in conformity with all applicable statutes, rules and regulations, and recognized ethical standards of their profession. Procedures for reporting violations of the ethical standards shall be developed and communicated to staff upon hire and annually thereafter, which shall include a non-reprisal approach for persons reporting suspected violations, as well as a description of possible sanctions for violating the standards. Failure to implement a code of conduct in accordance with this section and to adequately address suspected violations of the code of conduct may be cause for termination of this Grant Contract.

E.#. Additional Subcontracting Requirements. If subcontracts are approved by the State, they shall contain, in addition to those sections identified in D.5., sections on "Licensure", "Environmental Tobacco Smoke", "Confidentiality of Records", "HIPAA Compliance", and "Rule 2 Compliance" (as identified by the section headings). Notwithstanding any use of approved subcontractors, the Grantee shall be the prime contractor and shall be responsible for all work performed.

Tennessee Military Department

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

E. #. Compliance with Title VI of the Civil Rights Act of 1964. The Grantee agrees to comply with the provisions contained in Title IV of 1964 Civil Rights Act (42 U.S.C. 2000d), and any federal regulations specific to the funding of this grant. The Grantee further agrees to complete and return a self-compliance report as provided by the Grantor.

E.#. The Grantee agrees to seek recovery of all funds that are expended in alleviating the damages and suffering caused by this major disaster against any party or parties whose negligence or other tortious conduct may have caused or contributed to the damage or hardship for which Federal assistance is provided pursuant to the Presidential declaration of this major disaster. FEMA will treat such amounts as duplicated benefits available to the Grantee in accordance with 42 U.S.C. § 5155 and 44 CFR 206.

E. #. Compliance with National Incident Management System (NIMS). The Grantee will be in compliance with NIMS Standards established by the U.S. Department of Homeland Security and the Federal Emergency Management Agency authorized by Homeland Security Presidential Directive 08 (HSPD-08). The Grantee agrees that it has met NIMS compliance standards. The Grantee further agrees to complete within the announced suspense date the NIMS Implementation yearly survey.

Tennessee Department of Transportation

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

E. #. Additional Federal Highway Administration Requirements. In addition to the requirements found in other sections of this Grant Contract, the Grantee shall become familiar with, and shall at all times comply with and observe, when appropriate, the provisions of 23 CFR Part 420.121.

E.#. Work Products. The State shall have ownership, right, title, and interest, including ownership of copyright, in all deliverables described in or developed from Section A. above (the "Work Products") including but not limited to, documents, computer source code, computer software, methodologies, models, templates, processes, testing assessment tools and scenarios, created, designed, developed, derived, documented, installed, or delivered under this Grant Contract subject to the terms and conditions of this Section and full and final payment for each "Work Product." The State and Federal Highway Administration shall have royalty-free and unlimited rights and license to use, disclose, reproduce, publish, distribute, modify, maintain, or create derivative works from, for any purpose whatsoever, all said Work Products.

To the extent that the Grantee uses any of its pre-existing tools, materials or information in the performance of the Scope of Services described in Section A above of this Grant Contract ("Grantee Materials"), the Grantee shall retain all right, title and interest in and to such Grantee Materials, and the State shall acquire no right, title or interest in or to such Grantee Materials

EXCEPT the Grantee grants to the State an unlimited, non-exclusive, non-transferable license to use, copy, and distribute internally, solely for the State's internal purposes, any Grantee Materials reasonably necessary for the State to exercise its rights in any Work Product provided under the Grant Contract.

The Grantee shall furnish such information and data as the State may request, including but not limited to, computer code that is applicable, essential, fundamental, or intrinsic to any Work Product and Grantee Materials reasonably necessary for the State to exercise its rights in any Work Product, in accordance with this Grant Contract and applicable state law.

Nothing in this Grant Contract shall prohibit the Grantee's use for any purposes of the Grantee Materials, the data, results and other information resulting from the Scope of Services, as well as any general knowledge, skills, experience, ideas, concepts, know-how, and techniques created, obtained or used during the course of providing the services requested under this Grant Contract. Additionally, the State agrees that it is the intent of the parties that Grantee and its research personnel (including without limitation, students) publish their work conducted pursuant to this Grant Contract. Therefore, the State agrees that Grantee and its research personnel (including without limitation, students) shall be free to publish the results and data generated or otherwise arising from the conduct of the Scope of Services contained in Section A above and that such research personnel shall hold all right, title and interest (including without limitation, copyright) in any manuscripts created by such research personnel for purposes of publication in scholarly journals.

Nothing in the Grant Contract shall prohibit the Grantee from developing for itself, or for others, materials which are similar to and/or competitive with those that are produced under this Grant Contract.

The State and Grantee are subject to the provisions of 37 CFR Part 401 governing patents and inventions, and the standard patent rights clause at 37 CFR Part 401.14 is hereby incorporated into this Grant Contract by reference. In addition, the Grantee will retain all rights provided for the State in this clause, and the State will not, as part of the consideration for making the award and entering into this Grant Contract, obtain rights in the Grantee's subject inventions. The State and the Federal Highway Administration (FHWA) shall have a royalty-free, non-exclusive, and irrevocable right to unlimited use of any and all aforesaid material developed or created as a result of the work or services specified in this Grant Contract. The State's or FHWA's use may be for commercial or non-commercial purposes and shall be free from any and all claims for royalties or other compensation that might otherwise be asserted by the Grantee.

E.#. FTA Compliance. All applicable terms of FTA Master Agreement, dated [insert date] are incorporated herein by reference.

E.#. T.C.A. Section 13-10-107 Compliance.

- 1) Grantee agrees to proceed expeditiously with and complete the project in accordance with plans approved by the Commissioner of TDOT ("Commissioner");
- 2) Grantee agrees to commence and continue operation of the project on completion of the project and not to discontinue operations or dispose of all or part of the project without Commissioner's prior written approval;
- 3) Grantee agrees to apply for and make reasonable efforts to secure federal assistance for the project, subject to any conditions the Commissioner may require in order to maximize the amounts of such assistance received or to be received for all projects in the State; and
- 4) Grantee agrees to provide Grantee's share of the cost of the project and comply with T.C.A. § 13-10-107(c)(4).

E.#. Match/Share Requirement. A Grantee Match/Share Requirement is detailed in the Grant Budget, and the maximum total amount reimbursable by the State pursuant to this Grant Contract, as

detailed by the "Grant Contract" column in the Grant Budget, shall be reduced by the amount of any Grantee failure to meet the Match/Share Requirement.

E.#. Reimbursements to Reflect Match/Share. Reimbursements to Grantee shall reflect the percentage of Grantee Match/Share detailed in the Grant Budget. Reimbursements are subject to the other provisions of this Grant Contract, including but not limited to, the maximum liability amount in Section C.1.

E.#. The Grantee agrees:

- (a) To use the equipment acquired under this Grant only for the purposes and the manner set forth in their application.
- (b) At the beginning of each calendar year, the Grantee shall certify that the equipment received under this Grant is still being used in accordance with the terms and provisions of this agreement.
- (c) To pay all fees on the equipment acquired through this Grant, including but not limited to, title and registration fees.
- (d) To be responsible for all costs and expenses related to the operation, maintenance, and repair of the equipment acquired through this Grant Agreement.
- (e) To provide licensed drivers, as required by the Tennessee Department of Safety, for operation of all equipment received under this Grant.
- (f) To provide insurance of all vehicles acquired under this Grant for the following minimum amounts:
 1. Personal Injury Liability – minimum of \$300,000.00 per person and \$1,000,000.00 per incident.
 2. Property Damage Liability – minimum of \$300,000.00 per incident.
 3. Comprehensive – maximum deductible of \$500.00.
 4. Collision – maximum deductible of \$500.00.
 5. Uninsured Motorist – minimum of \$50,000.00 per person and \$100,000.00 per incident.

This insurance shall be in effect at all times while the vehicle is used for public transportation services or service vehicle purposes in operations. The Grantee shall furnish the State with evidence of such insurance at the time the equipment is delivered to the Grantee and annually on the anniversary date of the delivery of the equipment. Upon demand by the State, the Grantee shall provide proof of insurance at any time during the term of useful life of equipment.

- (g) That any vehicles received under this Grant will comply with the Motor Vehicle Safety Standards as established by the United States Department of Transportation.
- (h) That any vehicles received under this Grant shall be used for not less than the useful life. The useful life of all vehicles purchased under the grant is as listed in the grant document filed with the Federal Transit Administration (FTA). Upon reaching the expiration of the useful life of the equipment, the state may ask the Grantee to provide written notice to the State.

E.#. Possession of Vehicle Titles. While the Grantee shall take legal title to all vehicles purchased under the contract, the State shall hold possession of all titles. Upon issuance of the title to the Grantee, the Grantee shall turn over possession of the title to the State. The State shall maintain physical possession of the title until the State approves the Grantee to initiate the disposal process for the vehicle.

E.#. Vehicle Disposal Process. The Grantee shall adhere to disposal process as described in the State Management Plan for FTA Programs of the Tennessee Department of Transportation on file with the Federal Transit Administration (FTA)

- E.#. Vehicle Disposal Proceeds. All proceeds from the disposal of the vehicle as described in the vehicle disposal process shall be accounted for and used for transportation program activity expenses.
- E.#. Human Service Contract Proceeds. All funds generated from Human Service Contracts using state or FTA funded vehicles or supported by state or federal operating funds shall be accounted for and used for transportation program activity expenses.
- E.#. Funding for Special Transportation Services (STS). The funds provided in this grant shall be utilized as described in Section A. Scope of Service and shall apply only to the Special Transportation Services in Chattanooga, Hamilton County, Tennessee.
- E.#. Funding for Morristown. The funds provided in this grant shall be utilized as described in Section A. Scope of Service and shall apply only to Morristown/Lakeway Metropolitan Transportation Planning Organization in Morristown, Jefferson County, White Pine, Hamblen, and Jefferson County, Tennessee.
- E.#. Funding for Cleveland. The funds provided in this grant shall be utilized as described in Section A. Scope of Service and shall apply only to the Cleveland Urban Area Transit System in Cleveland, Bradley County, Tennessee.
- E.#. Funding for Department of Regional Services. The funds provided in this grant shall be utilized as described in Section A. Scope of Service and shall apply only to the Department of Regional Services in Shelby County, Tennessee.
- E.#. Grantee Match. Upon execution of this grant contract, the Grantee will be required to deposit its share of the estimated total project cost to the State.
- Additional deposits will be required if actual costs exceed the estimated costs. Any excess in the amount deposited above actual costs will be refunded.
- If the cost of this project increases by more than fifteen percent (15%) of the estimated grant contract amount during the progress of the work, the parties agree to enter into a supplemental agreement setting out the respective financial obligations of the State, Grantee, and the Federal Airport Improvement Program.
- E.#. Participation in Real Property Acquisition. The State and/or Federal participation in the acquisition of real property is outlined in Attachment #, attached and incorporated herein to this Grant Contract.
- E.#. Airport Assurances from Sale or Disposal of Land, Properties, Structures or Materials Related to Airport. The airport owner shall not sell or otherwise dispose of the property identified herein without the express prior written consent of the State, which consent will not be unreasonably withheld. In the event that the State grants permission to sell or otherwise dispose of all or a portion of the forgoing property in perpetuity, the airport owner shall be liable to pay the State a portion of the proceeds at fair market value as determined herein, resulting from the agreed upon sale price or fair market value. The funds collected from the sale of the property or fair market value will be divided in the same proportion as defined in this Grant Contract with said State funds reinvested into airport property in accordance with State funding policies and procedures.
- Nothing herein shall prohibit the parties hereto from agreeing to the reinvestment of said proportion of the proceeds or fair market value for rehabilitation or improvements in any remaining airport properties or structures or at a new airport site.
- All properties purchased with assistance of this Grant must include in the property deed a clause that states that "This property was purchased with the assistance of State and/or Federal funds, and may not be sold or otherwise disposed of without all agencies express written consent."
- E.#. Airport Operations. For all grants that total fifty thousand dollars (\$50,000.00) or more, as consideration for receiving this Grant from the State, the Grantee agrees to operate and maintain the Airport for a period of twenty (20) years from the effective date of this Grant Contract.
- E.#. Compliance with FAA Regulations. For all grants involving federal funds, the Grantee agrees to accomplish the project in compliance with the terms and conditions contained in the U. S. Department of Transportation Federal Aviation Administration *Terms and Conditions of Accepting*

Airport Improvement Program Grants hereby incorporated into this document by reference. Said document is on file in the Tennessee Department of Transportation, Aeronautics Division Office. These assurances can also be located on the FAA Website at www.faa.gov/airports/aip/grant_assurances

- E.#. No Retainage Allowed. The Grantee may not withhold retainage on progress payments from the prime contractor and the prime contractor may not withhold retainage from their subcontractors.
- E.#. Printing Authorization. The Grantee agrees that no printing/publication shall be printed pursuant to this Grant Agreement without the prior authorization of the State even if printing costs are included in the budget line items, and shall be contingent upon and limited by the Grant Budget funding for said reimbursement. The Grantee and its employees may publish the results of the research in whole or in part as they deem appropriate without authorization by the State if it is at no cost to the Grantor State Agency.
- E.#. Grantor State Agency Furnished Property. The Grantee shall be responsible for the correct use, maintenance, and protection of all articles of nonexpendable, tangible, personal property furnished by the Grantor State Agency for the Grantee's temporary use under this Grant Agreement. Upon termination of this Grant Agreement, all property furnished shall be returned to the Grantor State Agency in good order and condition as when received, reasonable use and wear thereof excepted. Should the property be destroyed, lost, or stolen, the Grantee shall be responsible to the Grantor State Agency for the residual value of the property at the time of loss.
- E.#. Travel Requirements. Travel must be project related and ALL conference and/or out-of-state travel must be preapproved by the Grantor State Agency even if included in the budget line items, and shall be contingent upon and limited by the Grant Budget funding for said reimbursement.
The Grantee, upon request, must include (in addition to other invoice requirements of this Grant Agreement) a complete itemization of travel compensation requested in accordance with and attaching to the invoice appropriate documentation and receipts as required by the above-referenced "State Comprehensive Travel Regulations."
- E.#. Additional Compensation Terms. The Grantee is not entitled to be paid the maximum liability for any period under the Grant Agreement or any extensions of the Grant Agreement for work not requested by the Grantor State Agency. The maximum liability represents available funds for payment to the Grantee and does not guarantee payment of any such funds to the Grantee under this Grant Agreement unless the Grantor State Agency requests work and the Grantee performs said work. In which case, the Grantee shall be paid in accordance with the payment rates detailed in section C.3. The Grantor State Agency is under no obligation to request work from the Grantee in any specific dollar amounts or to request any work at all from the Grantee during any period of this Grant Agreement.
- The payment rate in Section C.3 shall constitute the entire compensation due the Grantee for associated deliverables, as outlined in Section A.2, and all of the Grantee's obligations hereunder regardless of the difficulty, materials or equipment required. The Grant Budget line-items include, but are not limited to, all applicable taxes, fees, overhead, and all other direct and indirect costs incurred or to be incurred by the Grantee.
- E.#. Competitive Procurements. Should this Grant Agreement provide for the reimbursement of the cost of goods, materials, supplies, equipment, or contracted services; such procurements shall be made on a competitive basis, where practicable. The Grantee shall maintain documentation for the basis of each procurement for which reimbursement is paid pursuant to this Grant Agreement. In each instance where it is determined that use of a competitive procurement method was not practical, said documentation shall include a written justification for such decision and non-competitive procurement.

SIGNATURES

By signature, the Grantor State Agency head or authorized designee shall assure and affirm that:

- there is a balance in the appropriation from which obligations under the Grant Contract are required to be paid that is not already encumbered to pay other obligations;
- the Grantor State Agency maintains documentation of a fair and impartial Grantee selection in full compliance with the approved procurement methodology as indicated by the summary cover sheet; and
- the proposed scope of services is clear and correct, adequate for all legal and enforcement purposes, and sufficiently detailed to ensure Grantee accountability and results.

Draft the Grant Contract so that the signature section immediately follows the previous section text separated by only one blank line. Do NOT insert an arbitrary page break prior to the signature section.

FEDERAL AWARD IDENTIFICATION

If the Grantee is a subrecipient and the Grant Contract involves any federal funds, complete the Federal Award Identification worksheet. Reference the worksheet in Section A and include it as the first attachment to the Grant Contract. If some federal award identification information is not available, provide as much information as is available. If any of the data elements in the worksheet change, complete another worksheet containing the updated information. Send the updated worksheet to the Grantee and upload a copy into Edison.

GRANT BUDGET

ALL Grant Budgets must be type-written and mathematically correct in every aspect.

Each Grant Budget page must be numbered consecutively.

The Grant Contract column total must equal the Maximum Liability of the Grant Contract.

Line-Item funding must comply with the Expense Object Line-Item Category Definitions provided by F&A Accounts Policy 03, Appendix A (which is posted on the Internet at:

<http://www.state.tn.us/finance/act/documents/policy3.pdf>). Budget line-items and the definitions above have legal, audit, and federal funding implications, and contracting agency staff are solely responsible for whether appropriate line-items are funded in accordance with the scope of service and the definitions set out by F&A Accounts Policy 03.

In line-items that WILL BE FUNDED, replace the zeros ("0.00") associated with each line-item as appropriate. If a line-item will NOT be funded, leave the associated, "0.00" dollar amount.

Grant Budget Line-Item Detail.

These instructions do NOT preclude adding Line-Item Detail (and associated requirements) for other line-items, provided that the additional detail is clear and mathematically correct.

Delete the entire Grant Budget Line-Item Detail page if NONE of the following five line-items, which requires detail, is funded: Professional Fee, Grant & Award; Interest; Depreciation; Other Non-Personnel; Capital Purchase.

For each line-item requiring detail that is funded by the Grant Budget, complete the appropriate line-item detail box.

Delete the line-item detail box for each of the line-items that is NOT funded.

Do NOT draft the Grant Budget Line-Item Detail to describe a line-item only as "contracts," "grant contracts," "contracted services," "other," "professional services," or "miscellaneous."

Multiple Grant Budget Periods.

If a multi-year grant contract is to be written such that funding is restricted on an annual basis, such must be reflected in the Grant Budget by means of repeated use of the grant budget pages, numbered consecutively, detailing funding information for consecutive periods of applicability. If a grant budget attachment does include multiple pages respectively applicable to consecutive periods of applicability, a "roll-up" budget page totaling all lines for all periods is NOT required. However, the sum of all totals must agree with the Grant Contract Maximum Liability and any other relevant provisions of this Grant Contract.

Option: Grant Budget Grantee Match Requirement

Replace the Grant Budget table with the table on the following page if a grantee match is required.

GRANT BUDGET				
Additional Identification Information As Necessary				
The Grant Budget line-item amounts below shall be applicable only to expenses incurred during the following applicable period:				
BEGIN: DATE		END: DATE		
POLICY 03 Object Line-item Reference	EXPENSE OBJECT LINE-ITEM CATEGORY ¹	GRANT CONTRACT	GRANTEE MATCH	TOTAL PROJECT
1, 2	Salaries, Benefits & Taxes	0.00	0.00	0.00
4, 15	Professional Fee, Grant & Award ²	0.00	0.00	0.00
5, 6, 7, 8, 9, 10	Supplies, Telephone, Postage & Shipping, Occupancy, Equipment Rental & Maintenance, Printing & Publications	0.00	0.00	0.00

11, 12	Travel, Conferences & Meetings	0.00	0.00	0.00
13	Interest ²	0.00	0.00	0.00
14	Insurance	0.00	0.00	0.00
16	Specific Assistance To Individuals	0.00	0.00	0.00
17	Depreciation ²	0.00	0.00	0.00
18	Other Non-Personnel ²	0.00	0.00	0.00
20	Capital Purchase ²	0.00	0.00	0.00
22	Indirect Cost	0.00	0.00	0.00
24	In-Kind Expense	0.00	0.00	0.00
n/a	Grantee Match Requirement (for any amount of the required Grantee Match that is <u>not</u> specifically delineated by budget line-items above)	0.00	0.00	0.00
25	GRAND TOTAL	0.00	0.00	0.00

¹ Each expense object line-item shall be defined by the Department of Finance and Administration Policy 03, *Uniform Reporting Requirements and Cost Allocation Plans for Subrecipients of Federal and State Grant Monies, Appendix A*. (posted on the Internet at: <http://www.state.tn.us/finance/act/documents/policy3.pdf>).

² Applicable detail follows this page if line-item is funded.

³ A Grantee Match Requirement is detailed by this Grant Budget, and the maximum total amount reimbursable by the State pursuant to this Grant Contract, as detailed by the "Grant Contract" column above, shall be reduced by the amount of any Grantee failure to meet the Match Requirement.

Document comparison by Workshare Compare on Monday, October 19, 2015
9:43:11 AM

Input:	
Document 1 ID	file://C:\Users\ba10301\Desktop\GG Template_approved 9.14.15.docx
Description	GG Template_approved 9.14.15
Document 2 ID	file://C:\Users\ba10301\Desktop\GG Template Clean.docx
Description	GG Template Clean
Rendering set	Standard

Legend:	
<u>Insertion</u>	
Deletion	
<u>Moved from</u>	
<u>Moved to</u>	
Style change	
Format change	
Moved deletion	
Inserted cell	
Deleted cell	
Moved cell	
Split/Merged cell	
Padding cell	

Statistics:	
	Count
Insertions	257
Deletions	30
Moved from	1
Moved to	1
Style change	0
Format changed	0
Total changes	289

**GOVERNMENTAL GRANT (GG)
TEMPLATE**

CLEAN VERSION

GOVERNMENTAL GRANT (GG) TEMPLATE

This template prescribes the format and content for a cost-reimbursement grant contract with a federal or Tennessee local governmental entities and their agents or instrumentalities.

Procurement professionals shall adhere to this template with revisions only as instructions permit. Changes to this template require a Rule Exception Request as set forth in Tenn. Comp. R. & Regs. 0690-03-01-.17 and the *Procurement Procedures Manual of the Central Procurement Office*.

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



GOVERNMENTAL GRANT CONTRACT

(cost reimbursement grant contract with a federal or Tennessee local governmental entity or their agents and instrumentalities)

Begin Date	End Date	Agency Tracking #	Edison ID		
Grantee Legal Entity Name			Edison Vendor ID		
Subrecipient or Contractor <input type="checkbox"/> Subrecipient <input type="checkbox"/> Contractor		CFDA #	Grantee's fiscal year end		
Service Caption (one line only)					
Funding —					
FY	State	Federal	Interdepartmental	Other	TOTAL Grant Contract Amount
TOTAL:					
Grantee Selection Process Summary					
<input type="checkbox"/> Competitive Selection		Describe the competitive selection process used.			
<input type="checkbox"/> Non-competitive Selection		Describe the reasons for a non-competitive grantee selection process.			
Budget Officer Confirmation: There is a balance in the appropriation from which obligations hereunder are required to be paid that is not already encumbered to pay other obligations.			<i>CPO USE - GG</i>		
Speed Chart (optional)		Account Code (optional)			

**GRANT CONTRACT
BETWEEN THE STATE OF TENNESSEE,
STATE AGENCY NAME
AND
GRANTEE NAME**

This grant contract ("Grant Contract"), by and between the State of Tennessee, **State Agency Name**, hereinafter referred to as the "State" or the "Grantor State Agency" and Grantee **Legal Entity Name**, hereinafter referred to as the "Grantee," is for the provision of **Scope of Service Caption**, as further defined in the "SCOPE OF SERVICES AND DELIVERABLES."

Grantee Edison Vendor ID # **Number**

A. SCOPE OF SERVICES AND DELIVERABLES:

A.1. The Grantee shall provide the scope of services and deliverables ("Scope") as required, described, and detailed in this Grant Contract.

A.#. **Specify the Scope that the Grantee must provide under this Grant Contract. Do NOT include payment terms in the Scope.**

B. TERM OF CONTRACT:

This Grant Contract shall be effective on **DATE** ("Effective Date") and extend for a period of **number (#) months** after the Effective Date ("Term"). The State shall have no obligation to the Grantee for fulfillment of the Scope outside the Term.

C. PAYMENT TERMS AND CONDITIONS:

C.1. Maximum Liability. In no event shall the maximum liability of the State under this Grant Contract exceed **Written Dollar Amount (\$Number)** ("Maximum Liability"). The Grant Budget, attached and incorporated as Attachment **Reference** is the maximum amount due the Grantee under this Grant Contract. The Grant Budget line-items include, but are not limited to, all applicable taxes, fees, overhead, and all other direct and indirect costs incurred or to be incurred by the Grantee.

C.2. Compensation Firm. The Maximum Liability of the State is not subject to escalation for any reason unless amended. The Grant Budget amounts are firm for the duration of the Grant Contract and are not subject to escalation for any reason unless amended, except as provided in Section C.6.

C.3. Payment Methodology. The Grantee shall be reimbursed for actual, reasonable, and necessary costs based upon the Grant Budget, not to exceed the Maximum Liability established in Section C.1. Upon progress toward the completion of the Scope, as described in Section A of this Grant Contract, the Grantee shall submit invoices prior to any reimbursement of allowable costs.

C.4. Travel Compensation. Reimbursement to the Grantee for travel, meals, or lodging shall be subject to amounts and limitations specified in the "State Comprehensive Travel Regulations," as they are amended from time to time, and shall be contingent upon and limited by the Grant Budget funding for said reimbursement.

C.5. Invoice Requirements. The Grantee shall invoice the State no more often than monthly, with all necessary supporting documentation, and present such to:

State Agency Billing Address

- a. Each invoice shall clearly and accurately detail all of the following required information (calculations must be extended and totaled correctly).
- (1) Invoice/Reference Number (assigned by the Grantee).
 - (2) Invoice Date.
 - (3) Invoice Period (to which the reimbursement request is applicable).
 - (4) Grant Contract Number (assigned by the State).
 - (5) Grantor: **State Agency & Division Name**.
 - (6) Grantor Number (assigned by the Grantee to the above-referenced Grantor).
 - (7) Grantee Name.
 - (8) Grantee Tennessee Edison Registration ID Number Referenced in Preamble of this Grant Contract.
 - (9) Grantee Remittance Address.
 - (10) Grantee Contact for Invoice Questions (name, phone, or fax).
 - (11) Itemization of Reimbursement Requested for the Invoice Period— it must detail, at minimum, all of the following:
 - i. The amount requested by Grant Budget line-item (including any travel expenditure reimbursement requested and for which documentation and receipts, as required by "State Comprehensive Travel Regulations," are attached to the invoice).
 - ii. The amount reimbursed by Grant Budget line-item to date.
 - iii. The total amount reimbursed under the Grant Contract to date.
 - iv. The total amount requested (all line-items) for the Invoice Period.
- b. The Grantee understands and agrees to all of the following.
- (1) An invoice under this Grant Contract shall include only reimbursement requests for actual, reasonable, and necessary expenditures required in the delivery of service described by this Grant Contract and shall be subject to the Grant Budget and any other provision of this Grant Contract relating to allowable reimbursements.
 - (2) An invoice under this Grant Contract shall not include any reimbursement request for future expenditures.
 - (3) An invoice under this Grant Contract shall initiate the timeframe for reimbursement only when the State is in receipt of the invoice, and the invoice meets the minimum requirements of this section C.5.
- C.6. Budget Line-items. Expenditures, reimbursements, and payments under this Grant Contract shall adhere to the Grant Budget. The Grantee may vary from a Grant Budget line-item amount by up to one percent (1%) of the line-item amount, provided that any increase is off-set by an equal reduction of other line-item amount(s) such that the net result of variances shall not increase the total Grant Contract amount detailed by the Grant Budget. Any increase in the Grant Budget, grand total amounts shall require an amendment of this Grant Contract.
- C.7. Disbursement Reconciliation and Close Out. The Grantee shall submit any final invoice and a grant disbursement reconciliation report within sixty (60) days of the Grant Contract end date, in form and substance acceptable to the State.
- a. If total disbursements by the State pursuant to this Grant Contract exceed the amounts permitted by the section C, payment terms and conditions of this Grant Contract, the Grantee shall refund the difference to the State. The Grantee shall submit the refund with the final grant disbursement reconciliation report.
 - b. The State shall not be responsible for the payment of any invoice submitted to the State after the grant disbursement reconciliation report. The State will not deem any Grantee

- costs submitted for reimbursement after the grant disbursement reconciliation report to be allowable and reimbursable by the State, and such invoices will NOT be paid.
- c. The Grantee's failure to provide a final grant disbursement reconciliation report to the State as required by this Grant Contract shall result in the Grantee being deemed ineligible for reimbursement under this Grant Contract, and the Grantee shall be required to refund any and all payments by the State pursuant to this Grant Contract.
 - d. The Grantee must close out its accounting records at the end of the Term in such a way that reimbursable expenditures and revenue collections are NOT carried forward.
- C.8. Indirect Cost. Should the Grantee request reimbursement for indirect costs, the Grantee must submit to the State a copy of the indirect cost rate approved by the cognizant federal agency or the cognizant state agency, as applicable. The Grantee will be reimbursed for indirect costs in accordance with the approved indirect cost rate and amounts and limitations specified in the attached Grant Budget. Once the Grantee makes an election and treats a given cost as direct or indirect, it must apply that treatment consistently and may not change during the Term. Any changes in the approved indirect cost rate must have prior approval of the cognizant federal agency or the cognizant state agency, as applicable. If the indirect cost rate is provisional during the Term, once the rate becomes final, the Grantee agrees to remit any overpayment of funds to the State, and subject to the availability of funds the State agrees to remit any underpayment to the Grantee.
- C.9. Cost Allocation. If any part of the costs to be reimbursed under this Grant Contract are joint costs involving allocation to more than one program or activity, such costs shall be allocated and reported in accordance with the provisions of Department of Finance and Administration Policy Statement 03 or any amendments or revisions made to this policy statement during the Term.
- C.10. Payment of Invoice. A payment by the State shall not prejudice the State's right to object to or question any reimbursement, invoice, or related matter. A payment by the State shall not be construed as acceptance of any part of the work or service provided or as approval of any amount as an allowable cost.
- C.11. Non-allowable Costs. Any amounts payable to the Grantee shall be subject to reduction for amounts included in any invoice or payment that are determined by the State, on the basis of audits or monitoring conducted in accordance with the terms of this Grant Contract, to constitute unallowable costs.
- C.12. State's Right to Set Off. The State reserves the right to set off or deduct from amounts that are or shall become due and payable to the Grantee under this Grant Contract or under any other agreement between the Grantee and the State of Tennessee under which the Grantee has a right to receive payment from the State.
- C.13. Prerequisite Documentation. The Grantee shall not invoice the State under this Grant Contract until the State has received the following, properly completed documentation.
- a. The Grantee shall complete, sign, and return to the State an "Authorization Agreement for Automatic Deposit (ACH Credits) Form" provided by the State. By doing so, the Grantee acknowledges and agrees that, once this form is received by the State, all payments to the Grantee under this or any other grant contract will be made by automated clearing house ("ACH").
 - b. The Grantee 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 Grantee's Federal Employer Identification Number or Social Security Number referenced in the Grantee's Edison registration information.

D. STANDARD TERMS AND CONDITIONS:

- D.1. Required Approvals. The State is not bound by this Grant Contract until it is signed by the parties and approved by appropriate officials in accordance with applicable Tennessee laws and regulations (depending upon the specifics of this Grant Contract, the officials may include, but are not limited to, the Commissioner of Finance and Administration, the Commissioner of Human Resources, and the Comptroller of the Treasury).
- D.2. Modification and Amendment. This Grant Contract may be modified only by a written amendment signed by all parties and approved by the officials who approved the Grant Contract and, depending upon the specifics of the Grant Contract as amended, any additional officials required by Tennessee laws and regulations (the officials may include, but are not limited to, the Commissioner of Finance and Administration, the Commissioner of Human Resources, and the Comptroller of the Treasury).
- D.3. Termination for Convenience. The State may terminate this Grant Contract without cause for any reason. A termination for convenience shall not be a breach of this Grant Contract by the State. The State shall give the Grantee at least thirty (30) days written notice before the effective termination date. The Grantee shall be entitled to compensation for authorized expenditures and satisfactory services completed as of the termination date, but in no event shall the State be liable to the Grantee for compensation for any service that has not been rendered. The final decision as to the amount for which the State is liable shall be determined by the State. The Grantee shall not have any right to any actual general, special, incidental, consequential, or any other damages whatsoever of any description or amount for the State's exercise of its right to terminate for convenience.
- D.4. Termination for Cause. If the Grantee fails to properly perform its obligations under this Grant Contract, or if the Grantee violates any terms of this Grant Contract, the State shall have the right to immediately terminate this Grant Contract and withhold payments in excess of fair compensation for completed services. Notwithstanding the exercise of the State's right to terminate this Grant Contract for cause, the Grantee shall not be relieved of liability to the State for damages sustained by virtue of any breach of this Grant Contract by the Grantee.
- D.5. Subcontracting. The Grantee shall not assign this Grant Contract or enter into a subcontract for any of the services performed under this Grant Contract without obtaining the prior written approval of the State. If such subcontracts are approved by the State, each shall contain, at a minimum, sections of this Grant Contract pertaining to "Conflicts of Interest," "Lobbying," "Nondiscrimination," "Public Accountability," "Public Notice," and "Records" (as identified by the section headings). Notwithstanding any use of approved subcontractors, the Grantee shall remain responsible for all work performed.
- D.6. Conflicts of Interest. The Grantee warrants that no part of the total Grant Contract 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 Grantee in connection with any work contemplated or performed relative to this Grant Contract.
- D.7. Lobbying. The Grantee certifies, to the best of its knowledge and belief, that:
- a. No federally appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any federal contract, the making of any federal grant, the making of any federal loan, the entering into

of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal contract, grant, loan, or cooperative agreement.

- b. If any funds other than federally appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this contract, grant, loan, or cooperative agreement, the Grantee shall complete and submit Standard Form-LLL, "Disclosure of Lobbying Activities," in accordance with its instructions.
- c. The Grantee shall require that the language of this certification be included in the award documents for all sub-awards at all tiers (including subcontracts, sub-grants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

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

- D.8. Communications and Contacts. All instructions, notices, consents, demands, or other communications required or contemplated by this Grant 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 as set out below:

The State:

State Contact Name & Title
 State Agency Name
 Address
 Email Address
 Telephone # Number
 FAX # Number

The Grantee:

Grantee Contact Name & Title
 Grantee Name
 Address
 Email Address
 Telephone # Number
 FAX # Number

A change to the above contact information requires written notice to the person designated by the other party to receive notice.

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

- D.9. Subject to Funds Availability. This Grant 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 Grant Contract upon written notice to the Grantee. The State's right to terminate this Grant Contract due to lack of funds is not a breach of this Grant Contract by the State. Upon receipt of the written notice, the Grantee shall cease all work associated with the Grant Contract. Should such an event occur, the Grantee shall be entitled to compensation for all satisfactory and authorized services completed as of the

termination date. Upon such termination, the Grantee shall have no right to recover from the State any actual, general, special, incidental, consequential, or any other damages whatsoever of any description or amount.

- D.10. Nondiscrimination. The Grantee 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 Grant Contract or in the employment practices of the Grantee on the grounds of handicap or disability, age, race, color, religion, sex, national origin, or any other classification protected by federal, Tennessee state constitutional, or statutory law. The Grantee shall, upon request, show proof of nondiscrimination and shall post in conspicuous places, available to all employees and applicants, notices of nondiscrimination.
- D.11. HIPAA Compliance. The State and the Grantee shall comply with obligations under the Health Insurance Portability and Accountability Act of 1996 (HIPAA), Health Information Technology for Economic and Clinical Health Act (HITECH) 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 Grant Contract.
- a. The Grantee warrants to the State that it is familiar with the requirements of the Privacy Rules and will comply with all applicable HIPAA requirements in the course of this Grant Contract.
 - b. The Grantee warrants that it will cooperate with the State, including cooperation and coordination with State privacy officials and other compliance officers required by the Privacy Rules, in the course of performance of this Grant Contract so that both parties will be in compliance with the Privacy Rules.
 - c. The State and the Grantee 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 the Grantee in compliance with the Privacy Rules. This provision shall not apply if information received by the State under this Grant Contract is NOT "protected health information" as defined by the Privacy Rules, or if the Privacy Rules permit the State to receive such information without entering into a business associate agreement or signing another such document.
- D.12. Public Accountability. If the Grantee is subject to Tenn. Code Ann. § 8-4-401 *et seq.*, or if this Grant Contract involves the provision of services to citizens by the Grantee on behalf of the State, the Grantee agrees to establish a system through which recipients of services may present grievances about the operation of the service program. The Grantee shall also display in a prominent place, located near the passageway through which the public enters in order to receive Grant supported services, a sign at least eleven inches (11") in height and seventeen inches (17") in width stating:

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

The sign shall be on the form prescribed by the Comptroller of the Treasury. The Grantor State Agency shall obtain copies of the sign from the Comptroller of the Treasury, and upon request from the Grantee, provide Grantee with any necessary signs.

- D.13. Public Notice. All notices, informational pamphlets, press releases, research reports, signs, and similar public notices prepared and released by the Grantee in relation to this Grant Contract shall include the statement, "This project is funded under a grant contract with the State of Tennessee." All notices by the Grantee in relation to this Grant Contract shall be approved by the State.
- D.14. Licensure. The Grantee, its employees, and any approved subcontractor shall be licensed pursuant to all applicable federal, state, and local laws, ordinances, rules, and regulations and shall upon request provide proof of all licenses.
- D.15. Records. The Grantee and any approved subcontractor shall maintain documentation for all charges under this Grant Contract. The books, records, and documents of the Grantee and any approved subcontractor, insofar as they relate to work performed or money received under this Grant Contract, shall be maintained in accordance with applicable Tennessee law. In no case shall the records be maintained for a period of less than five (5) full years from the date of the final payment. The Grantee's records shall be subject to audit at any reasonable time and upon reasonable notice by the Grantor State Agency, the Comptroller of the Treasury, or their duly appointed representatives.
- The records shall be maintained in accordance with Governmental Accounting Standards Board (GASB) Accounting Standards or the Financial Accounting Standards Board (FASB) Accounting Standards Codification, as applicable, and any related AICPA Industry Audit and Accounting guides.
- In addition, documentation of grant applications, budgets, reports, awards, and expenditures will be maintained in accordance with U.S. Office of Management and Budget's *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*.
- Grant expenditures shall be made in accordance with local government purchasing policies and procedures and purchasing procedures for local governments authorized under state law.
- The Grantee shall also comply with any recordkeeping and reporting requirements prescribed by the Tennessee Comptroller of the Treasury.
- The Grantee shall establish a system of internal controls that utilize the COSO Internal Control - Integrated Framework model as the basic foundation for the internal control system. The Grantee shall incorporate any additional Comptroller of the Treasury directives into its internal control system.
- Any other required records or reports which are not contemplated in the above standards shall follow the format designated by the head of the Grantor State Agency, the Central Procurement Office, or the Commissioner of Finance and Administration of the State of Tennessee.
- D.16. Monitoring. The Grantee's activities conducted and records maintained pursuant to this Grant Contract shall be subject to monitoring and evaluation by the State, the Comptroller of the Treasury, or their duly appointed representatives.
- D.17. Progress Reports. The Grantee shall submit brief, periodic, progress reports to the State as requested.
- D.18. Annual and Final Reports. The Grantee shall submit, within three (3) months of the conclusion of each year of the Term, an annual report. For grant contracts with a term of less than one (1) year, the Grantee shall submit a final report within three (3) months of the conclusion of the Term. For grant contracts with multiyear terms, the final report will take the place of the annual report for the final year of the Term. The Grantee shall submit annual and final reports to the Grantor State Agency and the Department of Finance and Administration ("F&A"). Send electronic copies of annual and final reports to F&A at fa.audit@tn.gov. At minimum, annual and final reports shall include: (a) the Grantee's name; (b) the Grant Contract's Edison identification number, Term, and total amount; (c) a narrative section that describes the program's goals, outcomes, successes

and setbacks, whether the Grantee used benchmarks or indicators to determine progress, and whether any proposed activities were not completed; and (d) other relevant details requested by the Grantor State Agency. Annual and final report documents to be completed by the Grantee shall appear on the Grantor State Agency's website or as an attachment to the Grant Contract.

The following red text is instructional language for D.19 and should be deleted from the contract. Tennessee law provides specific audit requirements based upon the classification of the Grantee. In those circumstances, the Grantee must be audited in compliance with Tennessee statutory requirements. These instances include, without limitation, the following when the Grantee is considered a:

1. State government and county government under Tenn. Code Ann. § 4-3-301;
2. TNInvestco under Tenn. Code Ann. § 4-28-110(a)(4);
3. Municipality under Tenn. Code Ann. § 6-56-105;
4. Tourism development authority under Tenn. Code Ann. § 7-69-105;
5. Utility district under Tenn. Code Ann. § 7-82-401;
6. Emergency communication district under Tenn. Code Ann. § 7-86-113;
7. Public building authority under Tenn. Code Ann § 12-10-109;
8. Insurance pool under Tenn. Code Ann. § 29-20-401(g)(1)(A);
9. Community corrections fund under Tenn. Code Ann. § 40-36-303(d);
10. School under Tenn. Code Ann. § 49-2-112;
11. Charter school under Tenn. Code Ann. § 49-13-111;
12. Medicaid provider under Tenn. Code Ann. § 71-5-130;
13. Contractor with the Department of Intellectual and Developmental Disabilities under the Medicaid waiver program;
14. Human resource agency under Tenn. Code Ann. § 13-26-106; or
15. Developmental district under Tenn. Code Ann. § 13-14-112.

If the Grantee is not statutorily subject to an audit, insert the Audit Report provision in the "Instructions, Considerations, and Options" section of the template.

D.19. Audit Report. The Grantee shall be audited in accordance with applicable Tennessee law.

If the Grantee is subject to an audit under this provision, then the Grantee shall complete Attachment [reference the Parent Child Information document].

When a federal single audit is required, the audit shall be performed in accordance with U.S. Office of Management and Budget's *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*.

A copy of the audit report shall be provided to the Comptroller by the licensed, independent public accountant. Audit reports shall be made available to the public.

D.20. Procurement. If other terms of this Grant Contract allow reimbursement for the cost of goods, materials, supplies, equipment, motor vehicles, or contracted services, procurements by the Grantee shall be competitive where practicable. For any procurement for which reimbursement is paid under this Grant Contract, the Grantee shall document the competitive procurement method. In each instance where it is determined that use of a competitive procurement method is not practicable, supporting documentation shall include a written justification for the decision and for the use of a non-competitive procurement. If the Grantee is a subrecipient, the Grantee shall comply with 2 C.F.R. §§ 200.318—200.326 when procuring property and services under a federal award.

The Grantee shall obtain prior approval from the State before purchasing any equipment or motor vehicles under this Grant Contract.

D.21. Strict Performance. Failure by any party to this Grant Contract to insist in any one or more cases upon the strict performance of any of the terms, covenants, conditions, or provisions of this Grant

Contract is not a waiver or relinquishment of any term, covenant, condition, or provision. No term or condition of this Grant Contract shall be held to be waived, modified, or deleted except by a written amendment signed by the parties.

- D.22. Independent Contractor. The parties shall not act as employees, partners, joint venturers, or associates of one another in the performance of this Grant Contract. The parties acknowledge that they are independent contracting entities and that nothing in this Grant Contract shall be construed to create a principal/agent relationship or to allow either 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 shall not be deemed or construed to be the employees or agents of the other party for any purpose whatsoever.
- D.23. State Liability. The State shall have no liability except as specifically provided in this Grant Contract.
- 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 Grant Contract. Except as set forth in this Section, any failure or delay by a party in the performance of its obligations under this Grant Contract arising from a Force Majeure Event is not a default under this Grant 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 Grantee's representatives, suppliers, subcontractors, customers or business apart from this Grant Contract is not a Force Majeure Event under this Grant Contract. Grantee 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 Grantee's performance longer than forty-eight (48) hours, the State may, upon notice to Grantee: (a) cease payment of the fees until Grantee resumes performance of the affected obligations; or (b) immediately terminate this Grant Contract or any purchase order, in whole or in part, without further payment except for fees then due and payable. Grantee will not increase its charges under this Grant Contract or charge the State any fees other than those provided for in this Grant Contract as the result of a Force Majeure Event.
- D.25. Tennessee Department of Revenue Registration. The Grantee 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 Grant Contract.
- D.26. Charges to Service Recipients Prohibited. The Grantee shall not collect any amount in the form of fees or reimbursements from the recipients of any service provided pursuant to this Grant Contract.
- D.27. No Acquisition of Equipment or Motor Vehicles. This Grant Contract does not involve the acquisition and disposition of equipment or motor vehicles acquired with funds provided under this Grant Contract.
- D.28. State and Federal Compliance. The Grantee shall comply with all applicable state and federal laws and regulations in the performance of this Grant Contract. The U.S. Office of Management and Budget's Administrative Requirements, Cost Principles, and Audit Requirements for Federal

Awards is available here: http://www.ecfr.gov/cgi-bin/text-idx?SID=c6b2f053952359ba94470ad3a7c1a975&tpl=/ecfrbrowse/Title02/2cfr200_main_02.tpl

- D.29. **Governing Law.** This Grant Contract shall be governed by and construed in accordance with the laws of the State of Tennessee. The Grantee agrees that it will be subject to the exclusive jurisdiction of the courts of the State of Tennessee in actions that may arise under this Grant Contract. The Grantee acknowledges and agrees that any rights or claims against the State of Tennessee or its employees hereunder, and any remedies arising there from, shall be subject to and limited to those rights and remedies, if any, available under Tenn. Code Ann. §§ 9-8-101 through 9-8-407.
- D.30. **Completeness.** This Grant Contract is complete and contains the entire understanding between the parties relating to the subject matter contained herein, including all the terms and conditions agreed to by the parties. This Grant Contract supersedes any and all prior understandings, representations, negotiations, or agreements between the parties, whether written or oral.
- D.31. **Severability.** If any terms and conditions of this Grant Contract are held to be invalid or unenforceable as a matter of law, the other terms and conditions shall not be affected and shall remain in full force and effect. To this end, the terms and conditions of this Grant Contract are declared severable.
- D.32. **Headings.** Section headings are for reference purposes only and shall not be construed as part of this Grant Contract.

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 Grant Contract, the special terms and conditions shall be subordinate to the Grant Contract's other terms and conditions.

Add ALL Necessary or Contingently Required Special Terms & Conditions

IN WITNESS WHEREOF,

GRANTEE LEGAL ENTITY NAME:

GRANTEE SIGNATURE

DATE

PRINTED NAME AND TITLE OF GRANTEE SIGNATORY (above)

GRANTOR STATE AGENCY NAME:

NAME & TITLE

DATE

ATTACHMENT REFERENCE

GRANT BUDGET				
Additional Identification Information As Necessary				
The Grant Budget line-item amounts below shall be applicable only to expense incurred during the following				
Applicable Period: BEGIN: DATE END: DATE				
POLICY 03 Object Line-item Reference	EXPENSE OBJECT LINE-ITEM CATEGORY ¹	GRANT CONTRACT	GRANTEE PARTICIPATION	TOTAL PROJECT
1, 2	Salaries, Benefits & Taxes	0.00	0.00	0.00
4, 15	Professional Fee, Grant & Award ²	0.00	0.00	0.00
5, 6, 7, 8, 9, 10	Supplies, Telephone, Postage & Shipping, Occupancy, Equipment Rental & Maintenance, Printing & Publications	0.00	0.00	0.00
11, 12	Travel, Conferences & Meetings	0.00	0.00	0.00
13	Interest ²	0.00	0.00	0.00
14	Insurance	0.00	0.00	0.00
16	Specific Assistance To Individuals	0.00	0.00	0.00
17	Depreciation ²	0.00	0.00	0.00
18	Other Non-Personnel ²	0.00	0.00	0.00
20	Capital Purchase ²	0.00	0.00	0.00
22	Indirect Cost	0.00	0.00	0.00
24	In-Kind Expense	0.00	0.00	0.00
25	GRAND TOTAL	0.00	0.00	0.00

¹ Each expense object line-item shall be defined by the Department of Finance and Administration Policy 03, *Uniform Reporting Requirements and Cost Allocation Plans for Subrecipients of Federal and State Grant Monies, Appendix A.* (posted on the Internet at: <http://www.state.tn.us/finance/act/documents/policy3.pdf>).

² Applicable detail follows this page if line-item is funded.

ATTACHMENT REFERENCE**GRANT BUDGET LINE-ITEM DETAIL:**

PROFESSIONAL FEE, GRANT & AWARD	AMOUNT
Specific, Descriptive, Detail (Repeat Row As Necessary)	Amount
TOTAL	Amount

INTEREST	AMOUNT
Specific, Descriptive, Detail (Repeat Row As Necessary)	Amount
TOTAL	Amount

DEPRECIATION	AMOUNT
Specific, Descriptive, Detail (Repeat Row As Necessary)	Amount
TOTAL	Amount

OTHER NON-PERSONNEL	AMOUNT
Specific, Descriptive, Detail (Repeat Row As Necessary)	Amount
TOTAL	Amount

CAPITAL PURCHASE	AMOUNT
Specific, Descriptive, Detail (Repeat Row As Necessary)	Amount
TOTAL	Amount

ATTACHMENT REFERENCE**Parent Child Information**

The Grantee should complete this form and submit it with the Grant Contract. The Grantee should submit only one, completed "Parent Child Information" document to the State during the Grantee's fiscal year.

"Parent" means an entity whose IRS filing contains the information of at least one other entity.

"Child" means an entity whose information is contained in another entity's IRS filing.

Grantee's Edison Vendor ID number:

Is **Grantee Legal Entity Name** a parent? Yes No

If yes, provide the name and Edison Vendor ID number, if applicable, of any child entities.

Is **Grantee Legal Entity Name** a child? Yes No

If yes, complete the fields below.

Parent entity's name: _____

Parent entity's tax identification number: _____

Note: If the parent entity's tax identification number is a social security number, this form must be submitted via US mail to:

Central Procurement Office, Grants Program Manager
3rd Floor, WRS Tennessee Tower
312 Rosa L Parks Avenue
Nashville, TN 37243

Parent entity's contact information

Name of primary contact person: _____

Address: _____

Phone number: _____

Email address: _____

Parent entity's Edison Vendor ID number, if applicable: _____

GG INSTRUCTIONS, CONSIDERATIONS, and OPTIONS

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

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

COVER SHEET

A summary cover sheet properly completed and in accordance with the template is required. Complete summary cover sheet fields as indicated within the template and the following field directions.

<i>Agency Tracking #</i>	unique tracking number comprised of: 5-digit business unit # + unique, 5-digit # example: 31707-12345
<i>Subrecipient or Contractor</i>	Subrecipient or Contractor in accordance with the OMB's Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards
<i>Funding</i>	Amounts by fiscal year and funding source with row and column totals; contract Maximum Liability MUST equal the sum of the TOTAL Grant Contract Amount column (i.e., the grand total amount for all fiscal years & all sources of funding)

PREAMBLE

Add additional information only if necessary.

A. SCOPE OF SERVICES

It is the responsibility of the Grantor State Agency to adequately draft a scope of services. Oversight examiners will rely on the authorized signature of the Grantor State Agency on the Grant Contract as certification and assurance that the proposed scope of services is clear and correct, adequate for all legal and enforcement purposes, and sufficiently detailed to ensure Grantee accountability and results.

Do NOT include payment terms in the scope of services.

Draft the scope of services to clearly, specifically, and definitively detail Grantee duties, responsibilities, and the associated performance requirements. Describe, in detail, the service and deliverable requirements and all related specifications.

Option: Grant Proposal Attachment

It is NOT acceptable to attach the associated grant proposal to the Grant Contract in lieu of a properly drafted scope of services. Proposals for funding are NOT adequately definitive to stand alone as the description of Grantee duties and responsibilities or performance requirements.

To attach an associated grant proposal to the Grant Contract in support of a properly drafted scope of service, use the following optional section.

- A.#.** Incorporation of Additional Documents. Each of the following documents is included as a part of this Grant Contract by reference or attachment. In the event of a discrepancy or ambiguity regarding the Grantee's duties, responsibilities, and performance hereunder, these items shall govern in order of precedence below.
- a. this Grant Contract document with any attachments or exhibits (excluding the items listed at subsections b. and c., below);
 - b. the State grant proposal solicitation as may be amended, if any;

- c. the Grantee's proposal (Attachment **Reference**) incorporated to elaborate supplementary scope of services specifications.

Option: Federal Award Identification Worksheet

If the Grantee is a subrecipient and the Grant Contract involves any federal funds, the Grantor must complete the federal award identification worksheet on the following page and reference the worksheet by adding the following section. Include the worksheet as an attachment to the Grant Contract. If some federal award identification information is not available, provide as much information as is available. Agencies should update the worksheet no more than once every six (6) months to reflect any changes. Send the updated worksheet to the Grantee and upload a copy into Edison.

- A.#.** Incorporation of Federal Award Identification Worksheet. The federal award identification worksheet, which appears as Attachment **#**, is incorporated in this Grant Contract.

ATTACHMENT REFERENCE**Federal Award Identification Worksheet**

Subrecipient's name (must match registered name in DUNS)	
Subrecipient's DUNS number	
Federal Award Identification Number (FAIN)	
Federal award date	
CFDA number and name	
Grant contract's begin date	
Grant contract's end date	
Amount of federal funds obligated by this grant contract	
Total amount of federal funds obligated to the subrecipient	
Total amount of the federal award to the pass-through entity (Grantor State Agency)	
Name of federal awarding agency	
Name and contact information for the federal awarding official	
Is the federal award for research and development?	
Indirect cost rate for the federal award (See 2 C.F.R. §200.331 for information on type of indirect cost rate)	

B. GRANT CONTRACT TERM

Procurement professionals should obtain the Grantee's signature first before submitting the Grant Contract for State signatures or approvals. Procurement professionals shall obtain all required approvals prior to the Effective Date written in the Grant Contract and submit it for Central Procurement Office approval no less than thirty (30) days before the Effective Date.

If a signed Grant Contract is not submitted to the Central Procurement Office at least thirty (30) days prior to the Effective Date, then the CPO may require that the Grant Contract be resubmitted with a new Effective Date or require a Rule Exception Request that explains why the Grant Contract was submitted less than thirty (30) days before the Effective Date. In no event shall the Grantee deliver goods or perform services prior to the Effective Date.

When the Grant Contract is required to be obligated by a certain date because of a federal award, the Grantor State Agency is exempt from this requirement if the Grantor State Agency obtains a rule exception request. The rule exception request must include supporting documentation for the Grant Contract's effective date, which may include a hyperlink to federal award information.

Draft the Grant Contract with an appropriate, definitive, and complete Term. Note that no Grant Contract with a Term exceeding sixty (60) months shall be awarded unless approved by the Central Procurement Officer as being in the best interests of the State. (Tenn. Comp. R. & Regs. 0690-03-01-.14(2)(c)). Comptroller of the Treasury approval will also be required.

Option: Term Renewal or Extension

To reserve the right to extend the Grant Contract's term beyond the original period, change the designation of the paragraph under B. to B.1. and add one or both of the following sections, revising the length of the extension period(s) as appropriate.

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

B.#. Term Extension. It is understood and agreed that the State may extend the Term an additional period of time, not to exceed one hundred-eighty (180) days beyond the expiration date of this Grant Contract, under the same terms and conditions. In no event, however, shall the maximum Term, including all extensions or renewals, exceed a total of sixty (60) months.

C. PAYMENT TERMS AND CONDITIONS

Revise Payment Terms and Conditions sections only as provided in the instructions.

Payment Methodology

Pursuant to Central Procurement Office Policy 2013-007, any Grantor State Agency seeking to effect a partial, periodic, or total advance payment shall submit a Rule Exception Request to justify the advance payment.

Option: Partial Advance Payment

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

C.3. Payment Methodology – Partial Advance Payment. The Grantee shall be reimbursed for actual, reasonable, and necessary costs based upon the Grant Budget, not to exceed the maximum liability established in section C.1. The amount of **Written Dollar Amount (\$Number)** shall be paid to the Grantee in advance upon approval of this Grant Contract. Upon progress toward the completion of the work, as described in section A of this Grant Contract, the Grantee shall submit

invoices for payment prior to any additional reimbursement of allowable costs. The total of all payments to the Grantee shall not exceed the maximum liability of this Grant Contract.

Option: Periodic Advance Payment

To effect periodic advance payments: (1) Replace the Section with the following.

- C.3. Payment Methodology – Periodic Advance Payment. The Grantee shall be reimbursed for actual, reasonable, and necessary costs based upon the Grant Budget, not to exceed the maximum liability established in section C.1. The amount of **Written Dollar Amount (\$Number)** shall be paid to the Grantee in advance upon approval of this Grant Contract and on **Date(s) on which the state will make advance payment(s)**. The total of said payments shall not exceed the maximum liability of this Grant Contract.

- (2) Delete the Invoice Requirements Section (renumbering any subsequent sections accordingly).
- (3) Replace the first paragraph of the Disbursement Reconciliation and Close Out Section with the following (which may be further revised to require more frequent grant disbursement reconciliation reports).

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

Option: Total Advance Payment

To effect a total advance payment: (1) Replace the Section with the following.

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

- (2) Delete the Invoice Requirements Section (renumbering any subsequent sections accordingly).
- (3) Replace the first paragraph of the Disbursement Reconciliation and Close Out Section with the following.

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

Invoice Requirements

Add clear, non-conflicting, invoice requirements to the Section as appropriate (revising the first sentence "no more often than monthly" requirement as necessary).

Delete the Section (and renumber subsequent sections appropriately) if the Payment Methodology Section provides for a total advance payment or periodic advance payments.

Option: Late Invoices Prohibition

Add the following new subsection C.5.b.(4) when appropriate and revise the maximum number of days to thirty (30) or more.

- (4) An invoice under this Grant Contract shall be presented to the State within sixty (60) days after the end of the calendar month in which the subject costs were incurred or services were rendered by the Grantee. An invoice submitted more than sixty (60) days after such date will NOT be paid. The State will not deem such Grantee costs to be allowable and reimbursable by the State unless, at the sole discretion of the State, the failure to submit a timely invoice is warranted. The Grantee shall submit a special, written request for reimbursement with any such untimely invoice. The request must detail the reason the invoice is untimely as well as the Grantee's plan for submitting future invoices as required, and it must be signed by a Grantee agent that would be authorized to sign this Grant Contract.

Budget Line-Items

Option 1: Revise line-item variance amount as appropriate and up to the maximum of twenty percent (20%). Budget line-item variation of more than the specified percentage will require an amendment. The Budget Line-Items provision should NOT be amended after Grant Contract approval.

Option 2: Grantee May Request Budget Line-Item Variance Exceeding Twenty Percent (20%) Per Line Item

Replace the Section with the following:

- C.6. Grant Budget and Revisions to Grant Budget Line-Items. Expenditures, reimbursements, and payments under this Grant Contract shall adhere to the Grant Budget.
- a. The Grantee may vary from a Grant Budget line-item amount by up to twenty percent (20%) of the line-item amount, provided that any increase is off-set by an equal reduction of other line-item amounts. The net result of any changes to Grant Budget line-item amounts shall not result in funding for a line-item that was previously funded at zero dollars (\$0.00) or increase the total Grant Contract amount detailed by the Grant Budget.
 - b. The Grantee may request in writing Grant Budget line-item revisions exceeding the limitation set forth in section C.6.a., above, giving full details supporting the Grantee's request, provided that such revisions do not result in funding for a line-item that was previously funded at zero dollars (\$0.00) and do not increase the total Grant Contract amount. Grant Budget line-item revisions may not be made without prior, written approval of the State in which the terms of the approved revisions are detailed. Any approval of a revision to a Grant Budget line-item greater than twenty percent (20%) shall be superseded by a subsequent revision of the Grant Budget by Grant Contract amendment.
 - c. Any increase in the total Grant Contract amount shall require a Grant Contract Amendment.

Option 3: NO Line-Item Variance

Replace the Section with the following:

- C.6. Budget Line-Items. Expenditures, reimbursements, and payments under this Grant Contract shall adhere to the Grant Budget. Reimbursable expenditures may NOT vary from the Grant

Budget line-item amounts.

Option 4:

The Department of Health may add the following Section as appropriate:

- C.6. Budget Line-items. Expenditures, reimbursements, and payments under this Grant Contract shall adhere to the Grant Budget. The Grantee may move up to one percent (1%) of a line-item amount to another line item category provided that any increase is off-set by an equal reduction of other line-item amount(s) and the total Grant Contract amount detailed by the Grant Budget does not increase. An increase of any line item funded at zero dollars (\$0.00) shall require prior approval of the Grantor State Agency.

Option 5:

The Department of Transportation may add the following Section as appropriate:

- C.6. Budget Line-item: Expenditures, reimbursements, and payments under this Grant Contract shall adhere to the Grant Budget. The Grantee may request revisions of Grant Budget line-items by letter, giving full details supporting such request, provided that such revisions do not increase total Grant Budget amount. Grant Budget line-item revisions may not be made without prior, written approval of the State in which the terms of the approved revisions are explicitly set forth. Any increase in the total Grant Budget amount shall require a Grant Contract amendment.

Disbursement Reconciliation and Close Out

To require additional grant disbursement reconciliation reports, revise the first paragraph of the standard C.7. Disbursement Reconciliation and Close Out language, as necessary.

Option: Grantee Match Requirement

If the Grant Budget details a grantee match requirement (in which the maximum total amount reimbursable by the state under the grant will be reduced by the amount of any Grantee failure to meet the match requirement) replace the Disbursement Reconciliation and Close Out Section with the following (revising the maximum number of days to no less than thirty (30)).

- C.7. Disbursement Reconciliation and Close Out. The Grantee shall submit any final invoice and a grant disbursement reconciliation report within sixty (60) days of the Grant Contract end date and in form and substance acceptable to the State.
- a. The Grant Budget specifies a Grantee Match Requirement and the final grant disbursement reconciliation report shall detail all Grantee expenditures recorded to meet this requirement.
 - i. No Grantee expenditure shall be recorded and reported toward meeting a Grantee Match Requirement of more than one grant contract with the State.
 - ii. The final grant disbursement reconciliation report shall specifically detail the exact amount of any Grantee failure to meet a Match Requirement, and the maximum total amount reimbursable by the State pursuant to this Grant Contract, as detailed by the Grant Budget column "Grant Contract," shall be reduced by the amount that the Grantee failed to contribute to the Total Project as budgeted.
 - b. If total disbursements by the State pursuant to this Grant Contract exceed the amounts permitted by the section C, payment terms and conditions of this Grant Contract (including any adjustment pursuant to subsection a.ii. above), the Grantee shall refund the difference to the State. The Grantee shall submit the refund with the final grant disbursement reconciliation report.
 - c. The State shall not be responsible for the payment of any invoice submitted to the state

after the grant disbursement reconciliation report. The State will not deem any Grantee costs submitted for reimbursement after the grant disbursement reconciliation report to be allowable and reimbursable by the State, and such invoices will NOT be paid.

- d. The Grantee's failure to provide a final grant disbursement reconciliation report to the state as required shall result in the Grantee being deemed ineligible for reimbursement under this Grant Contract, and the Grantee shall be required to refund any and all payments by the state pursuant to this Grant Contract.
- e. The Grantee must close out its accounting records at the end of the contract period in such a way that reimbursable expenditures and revenue collections are NOT carried forward.

D. STANDARD TERMS AND CONDITIONS

Do NOT add terms and conditions to section D. Any additional, necessary terms and conditions may be added to the section E, Special Terms and Conditions.

Termination for Convenience

Increase the thirty (30) days written notice requirement as appropriate.

Option: Bilateral Termination

Replace the Section with the following bilateral termination provision only if the contracting agency can justify that the bilateral provision is in the best interest of the state.

- D. #. Bilateral Termination for Convenience. The Grant Contract may be terminated by either party by giving written notice to the other, at least thirty (30) days before the effective date of termination. Should either party exercise this provision, the Grantee shall be entitled to reimbursement for authorized expenditures and satisfactory services completed as of the termination date, but in no event shall the State be liable to the Grantee for any service which has not been rendered. The final decision as to the amount, for which the State is liable, shall be determined by the State. In the event of disagreement, the Grantee may file a claim with the Tennessee Claims Commission to seek redress.

Termination for Cause

The Department of Environment and Conservation may add the following Section as appropriate:

- D.4. Termination for Cause. If the Grantee fails to properly perform its obligations under the Grant Contract in a timely or proper manner, or if the Grantee violates any term(s) of this Grant Contract, the State shall have the right to immediately terminate the Grant Contract and withhold payment in excess of fair compensation for completed services. Notwithstanding the above, the Grantee shall not be relieved of liability to the State for damages sustained by virtue of any breach of this Grant Contract by the Grantee. Specifically, the Grantee shall be liable to the State for the full amount paid by the State to the Grantee under this Grant Contract if the Grantee fails to fully meet the requirements of the Scope of Services.

HIPAA Compliance

A Grantee must execute a Business Associate Agreement (BAA) if: (a) the Grantee is a "covered entity" as defined in the Privacy Rules; (b) the Grantee engages another person or entity outside of its workforce to perform activities on its behalf; and (c) those activities involve access to protected health information.

If the Grantor State Agency obtains an approved Rule Exception Request to delete the HIPAA Compliance provision, add the following Section:

D.11. **Reserved.****Audit Report**

If the Grantee is not statutorily subject to an audit, insert the following **and** add the Notice of Audit Report and Parent Child Information documents as attachment.

- D.19. **Audit Report.** For purposes of this Section, pass-through entity means a non-federal entity that provides a subaward to a subrecipient to carry out part of a federal program.

The Grantee shall provide audited financial statements to the Tennessee Comptroller of the Treasury ("Comptroller") if during the Grantee's fiscal year, the Grantee: (1) expends seven hundred fifty thousand dollars (\$750,000) or more in direct and indirect federal financial assistance and the State is a pass-through entity; (2) expends seven hundred fifty thousand dollars (\$750,000) or more in state funds from the State; or (3) expends seven hundred fifty thousand dollars (\$750,000) or more in federal financial assistance and state funds from the State, and the State is a pass-through entity. At least ninety (90) days before the end of its fiscal year, the Grantee shall complete Attachment [reference the Notice of Audit Report document] to notify the State whether or not Grantee is subject to an audit. The Grantee should submit only one, completed Notice of Audit Report document during the Grantee's fiscal year. Any Grantee that is subject to an audit and so indicates on Attachment [reference the Notice of Audit Report document] shall complete Attachment [reference the Parent Child Information document]. If the Grantee is subject to an audit, Grantee shall obtain the Comptroller's approval before engaging a licensed, independent public accountant to perform the audit. The Grantee may contact the Comptroller for assistance identifying auditors.

All audits shall be performed in accordance with the Comptroller's requirements, as posted on its web site. When a federal single audit is required, the audit shall be performed in accordance with U.S. Office of Management and Budget's *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*.

A copy of the audit report shall be provided to the Comptroller by the licensed, independent public accountant. Audit reports shall be made available to the public.

The audit contract between the Grantee and the Auditor shall be on a contract form prescribed by the Comptroller. The Grantee shall be responsible for payment of fees for an audit prepared by a licensed, independent public accountant. Payment of the audit fees by the Grantee shall be subject to the provision relating to such fees contained within this Grant Contract. The Grantee shall be responsible for reimbursing the Comptroller for any costs of an audit prepared by the Comptroller.

ATTACHMENT REFERENCE**Notice of Audit Report**

Check one of the two boxes below and complete the remainder of this document as instructed. Send completed documents as a PDF file to cpo.auditnotice@tn.gov. **The Grantee should submit only one, completed "Notice of Audit Report" document to the State ninety (90) days prior to the Grantee's fiscal year.**

- Grantee Legal Entity Name** is subject to an audit for fiscal year #.
- Grantee Legal Entity Name** is not subject to an audit for fiscal year #.

Grantee's Edison Vendor ID Number:

Grantee's fiscal year end:

Any Grantee that is subject to an audit must complete the information below.

Type of funds expended	Estimated amount of funds expended by end of Grantee's fiscal year
Federal pass-through funds	
a. Funds passed through the State of Tennessee	a.
b. Funds passed through any other entity	b.
Funds received directly from the federal government	
Non-federal funds received directly from the State of Tennessee	

Independent Contractor

Replace this provision with the following if the grantee is an entity of the federal government.

- D.22. Independent Contractor. The parties, in the performance of this Grant Contract, shall be acting in their individual capacities and not as employees, partners, joint venturers, or associates of one another. The parties acknowledge that they are independent contracting entities and that nothing in this Grant Contract shall be construed to create a principal/agent relationship or to allow either 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 shall not be deemed or construed to be the employees or agents of the other party for any purpose whatsoever.

The Grantee, being a federal agency, shall be considered to be self-insured for the purposes of public liability. The Grantee is also subject to the Federal Torts Claims Act.

Charges to Service Recipients Prohibited

If the Grantor State Agency obtains an approved Rule Exception to delete the Charges to Service Recipients Prohibited provision, add the following Section. The Department of Transportation Division of Multimodal Resources, Department of Human Services, and Department of Environment and Conservation may use the following section as needed.

- D.26. **Reserved.**

Charges to Service Recipients Prohibited

The Department of Health may use the following term as applicable:

- D.26. Charges to Service Recipients Prohibited. The Grantee shall not collect any amount in the form of fees or reimbursements from the recipients of any service provided pursuant to this Grant Contract, with the exception of:
- (a) patient liability amounts (including copay, coinsurance, and deductibles) established by insurance plans and assigned to the patient,
 - (b) charges based on patients' income and family size, and
 - (c) other fees as established by the State.

The Grantee shall be allowed to bill the patient's insurance, including governmental insurers such as TennCare, where appropriate. The parties shall comply with all applicable governmental and insurance plan reimbursement rules, including but not limited to Medicaid/TennCare or Medicare. The parties further agree that benefits provided or received under this Grant Contract are not contingent on referrals nor are they paid under arrangement to provide healthcare services reimbursed by Medicare or Medicaid/TennCare.

Charges to Service Recipients Prohibited

The Department of Health may use the following term as applicable:

- D. 26. Charges to Service Recipients Prohibited. The Grantee shall not collect any amount in the form of fees or reimbursements from the recipients of any service provided pursuant to this Grant Contract, with the exception of co-pays paid by the recipient and reimbursement from the recipient's third party insurance provider. The Grantee shall be allowed to bill the recipients' insurance, including governmental insurers such as TennCare, where appropriate. The parties shall comply with all TennCare reimbursement rules. The parties further agree that benefits provided or received under this Grant Contract are not contingent on referrals nor are they paid under arrangement to provide healthcare services reimbursed by Medicare or Medicaid/TennCare. This grant award plus the co-pays paid by the recipients and payment from the recipients' third party insurance provided received by the Grantee shall not exceed the Grantee's total program cost.

No Acquisition of Equipment or Motor Vehicles

Delete the Section if the Grant Budget provides funding for the acquisition of equipment or motor vehicles and insert the State Interest In Equipment or Motor Vehicles Section below.

State Interest in Equipment or Motor Vehicles

Attorney General staff have advised that the Grantor State Agency must file a UCC-1 or perfect in accordance with applicable law to the extent that it wishes to secure a security agreement and priority.

Add the following Section if the Grant Contract provides for the reimbursement of expenditures for equipment or motor vehicles (revising the second to last sentence of the first paragraph as necessary to establish a lower dollar threshold for the definition of "equipment or motor vehicles").

- D.27. State Interest in Equipment or Motor Vehicles. The Grantee shall take legal title to all equipment or motor vehicles purchased totally or in part with funds provided under this Grant Contract, subject to the State's equitable interest therein, to the extent of its *pro rata* share, based upon the State's contribution to the purchase price. The term "equipment" shall include any article of nonexpendable, tangible, personal property having a useful life of more than one year and an acquisition cost which equals or exceeds five thousand dollars (\$5,000.00). The term "motor vehicle" shall include any article of tangible personal property that is required to be registered under the "Tennessee Motor Vehicle Title and Registration Law", Tenn. Code Ann. Title 55, Chapters 1-6.

As authorized by the Tennessee Uniform Commercial Code, Tenn. Code Ann. Title 47, Chapter 9 and the "Tennessee Motor Vehicle Title and Registration Law," Tenn. Code Ann. Title 55, Chapters 1-6, the parties intend this Grant Contract to create a security interest in favor of the State in the equipment or motor vehicles acquired by the Grantee pursuant to the provisions of this Grant Contract. A further intent of this Grant Contract is to acknowledge and continue the security interest in favor of the State in the equipment or motor vehicles acquired by the Grantee pursuant to the provisions of this program's prior year Grant Contracts between the State and the Grantee.

The Grantee grants the State a security interest in all equipment or motor vehicles acquired in whole or in part by the Grantee under this Grant Contract. This Grant Contract is intended to be a security agreement pursuant to the Uniform Commercial Code for any of the equipment or motor vehicles herein specified which, under applicable law, may be subject to a security interest pursuant to the Uniform Commercial Code, and the Grantee hereby grants the State a security interest in said equipment or motor vehicles. The Grantee agrees that the State may file this Grant Contract or a reproduction thereof, in any appropriate office, as a financing statement for any of the equipment or motor vehicles herein specified. Any reproduction of this or any other security agreement or financing statement shall be sufficient as a financing statement. In addition, the Grantee agrees to execute and deliver to the State, upon the State's request, any financing statements, as well as extensions, renewals, and amendments thereof, and reproduction of this Grant Contract in such form as the State may require to perfect a security interest with respect to said equipment or motor vehicles. The Grantee shall pay all costs of filing such financing statements and any extensions, renewals, amendments and releases thereof, and shall pay all reasonable costs and expenses of any record searches for financing statements the State may reasonably require. Without the prior written consent of the State, the Grantee shall not create or suffer to be created pursuant to the Uniform Commercial Code any other security interest in said equipment or motor vehicles, including replacements and additions thereto. Upon the Grantee's breach of any covenant or agreement contained in this Grant Contract, including the covenants to pay when due all sums secured by this Grant Contract, the State shall have the remedies of a secured party under the Uniform Commercial Code and, at the State's option, may also invoke the remedies herein provided.

The Grantee agrees to be responsible for the accountability, maintenance, management, and

inventory of all property purchased totally or in part with funds provided under this Grant Contract. The Grantee shall maintain a perpetual inventory system for all equipment or motor vehicles purchased with funds provided under this Grant Contract and shall submit an inventory control report which must include, at a minimum, the following:

- a. Description of the equipment or motor vehicles;
- b. Manufacturer's serial number or other identification number, when applicable;
- c. Consecutive inventory equipment or motor vehicles tag identification;
- d. Acquisition date, cost, and check number;
- e. Fund source, State Grant number, or other applicable fund source identification;
- f. Percentage of state funds applied to the purchase;
- g. Location within the Grantee's operations where the equipment or motor vehicles is used;
- h. Condition of the property or disposition date if Grantee no longer has possession;
- i. Depreciation method, if applicable; and
- j. Monthly depreciation amount, if applicable.

The Grantee shall tag equipment or motor vehicles with an identification number which is cross referenced to the equipment or motor vehicle item on the inventory control report. The Grantee shall inventory equipment or motor vehicles annually. The Grantee must compare the results of the inventory with the inventory control report and investigate any differences. The Grantee must then adjust the inventory control report to reflect the results of the physical inventory and subsequent investigation.

The Grantee shall submit its inventory control report of all equipment or motor vehicles purchased with funding through this Grant Contract within thirty (30) days of its end date and in form and substance acceptable to the State. This inventory control report shall contain, at a minimum, the requirements specified above for inventory control. The Grantee shall notify the State, in writing, of any equipment or motor vehicle loss describing the reasons for the loss. Should the equipment or motor vehicles be destroyed, lost, or stolen, the Grantee shall be responsible to the State for the *pro rata* amount of the residual value at the time of loss based upon the State's original contribution to the purchase price.

Upon termination of the Grant Contract, where a further contractual relationship is not entered into, or at another time during the term of the Grant Contract, the Grantee shall request written approval from the State for any proposed disposition of equipment or motor vehicles purchased with Grant funds. All equipment or motor vehicles shall be disposed of in such a manner as the parties may agree from among alternatives approved by the Tennessee Department of General Services as appropriate and in accordance with any applicable federal laws or regulations.

Prevailing Wage Rates

Add the following Section if the Grant Contract involves a construction project for the purpose of building, repairing, locating, relocating or repairing any Tennessee streets, highways, or bridges.

- D.#.** Prevailing Wage Rates. All State contracts for highway construction projects that are for the purpose of building, rebuilding, locating, relocating or repairing any streets, highways or bridges require compliance with the prevailing wage laws provided in Tenn. Code Ann. §§ 12-4-401--415.

Audit Report

Add the following text just prior to the final sentence of the section as appropriate.

The State may reimburse the Grantee for a reasonably proportionate share of the costs of audits required by and performed in accordance with the "Single Audit Act Amendments of 1996" as provided in 2 C.F.R. § 200.425.

Procurement

Replace the Section with the following if contracting agency head approval is required for non-competitive procurements under the grant.

- D.#.** Procurement. If other terms of this Grant Contract allow reimbursement for the cost of goods, materials, supplies, equipment, motor vehicles, or contracted services, such procurement(s) shall be made on a competitive basis, including the use of competitive bidding procedures, where practicable. The Grantee shall maintain documentation for the basis of each procurement for which reimbursement is paid pursuant to this Grant Contract. In each instance where it is determined that use of a competitive procurement method is not practicable, supporting documentation shall include a written justification, approved by the **State Agency Head Title**, for such decision and non-competitive procurement. Further and notwithstanding the foregoing, if such reimbursement is to be made with funds derived wholly or partially from federal sources, the determination of cost shall be governed by and reimbursement shall be subject to the Grantee's compliance with applicable federal procurement requirements.

The Grantee shall obtain prior approval from the State before purchasing any equipment or motor vehicles under this Grant Contract.

E. SPECIAL TERMS AND CONDITIONS

Add the following sections as appropriate and in the order below. An approved Rule Exception Request is required to add any Section E provisions that are not among the options below. Should any of these special terms and conditions conflict with any other terms and condition of this Grant Contract, the special terms and conditions shall be subordinate to the Grant Contract's other terms and conditions.

Debarment and Suspension

Add the following Section if required by federal law and the Grant Contract involves federal funds.

- E.#.** Debarment and Suspension. The Grantee 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 Grant Contract been convicted of, or had a civil judgment rendered against them from commission of fraud, or a criminal offence in connection with obtaining, attempting to obtain, or performing a public (federal, state, or local) transaction or grant under a public transaction; violation of federal or state antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification, or destruction of records, making false statements, or receiving stolen property;
 - c. 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 Grant Contract had one or more public transactions (federal, state, or local) terminated for cause or default.

The Grantee 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 or disqualified.

Federal Educational Rights and Privacy Act & Tennessee Data Accessibility, Transparency and Accountability Act

Add the following section only if the Grantee will have access to personally identifiable student information or student information that is confidential pursuant to federal or state law.

- E. #. Federal Educational Rights and Privacy Act & Tennessee Data Accessibility, Transparency and Accountability Act. The Grantee shall comply with the Federal Educational Rights and Privacy Act of 1974 (20 U.S.C. 1232(g)) and its accompanying regulations (34 C.F.R. § 99) ("FERPA"). The Grantee warrants that the Grantee is familiar with FERPA requirements and that it will comply with these requirements in the performance of its duties under this Grant Contract. The Grantee agrees to cooperate with the State, as required by FERPA, in the performance of its duties under this Grant Contract. The Grantee agrees to maintain the confidentiality of all education records and student information. The Grantee shall only use such records and information for the exclusive purpose of performing its duties under this Grant Contract.

The Grantee shall also comply with Tenn. Code Ann. § 49-1-701, *et seq.*, known as the "Data Accessibility, Transparency and Accountability Act," and any accompanying administrative rules or regulations (collectively "DATAA"). The Grantee agrees to maintain the confidentiality of all records containing student and de-identified data, as this term is defined in DATAA, in any databases, to which the State has granted the Grantee access, and to only use such data for the exclusive purpose of performing its duties under this Grant Contract.

Any instances of unauthorized disclosure of data containing personally identifiable information in violation of FERPA or DATAA that come to the attention of the Grantee shall be reported to the State within twenty-four (24) hours. Grantee shall indemnify and hold harmless State, its employees, agents and representatives, from and against any and all claims, liabilities, losses, or causes of action that may arise, accrue, or result to any person or entity that is injured or damaged as a result of Grantee's failure to comply with this section.

Confidentiality of Records

Add the following Section as appropriate. If unsure whether the Section is applicable, consult the CPO legal team.

- E. #. Confidentiality of Records. Strict standards of confidentiality of records and information shall be maintained in accordance with applicable state and federal law. All material and information, regardless of form, medium or method of communication, provided to the Grantee by the State or acquired by the Grantee on behalf of the State that is regarded as confidential under state or federal law shall be regarded as "Confidential Information." Nothing in this Section shall permit Grantee to disclose any Confidential Information, regardless of whether it has been disclosed or made available to the Grantee due to intentional or negligent actions or inactions of agents of the State or third parties. Confidential Information shall not be disclosed except as required or permitted under state or federal law. Grantee shall take all necessary steps to safeguard the confidentiality of such material or information in conformance with applicable state and federal law.

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

Printing Authorization

Add the following Section as appropriate.

- E. #. Printing Authorization. The Grantee agrees that no publication coming within the jurisdiction of Tenn. Code Ann. § 12-7-101, *et seq.*, shall be printed pursuant to this Grant Contract unless a printing authorization number has been obtained and affixed as required by Tenn. Code Ann. § 12-7-103(d).

State Furnished Property

Add the following Section as appropriate.

- E.#.** State Furnished Property. The Grantee shall be responsible for the correct use, maintenance, and protection of all articles of nonexpendable, tangible, personal property furnished by the State for the Grantee's temporary use under this Grant Contract. Upon termination of this Grant Contract, all property furnished shall be returned to the State in good order and condition as when received, reasonable use and wear thereof excepted. Should the property be destroyed, lost, or stolen, the Grantee shall be responsible to the State for the residual value of the property at the time of loss.

Work Papers Subject To Review

Add the following Section only if the Grant Contract requires the performance of audit, accounting or financial analysis services.

- E.#.** Work Papers Subject to Review. The Grantee shall make all audit, accounting, or financial analysis work papers, notes, and other documents 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 Grant Contract.

Environmental Tobacco Smoke

Add the following Section as appropriate.

- E.#.** Environmental Tobacco Smoke. Pursuant to the provisions of the federal "Pro-Children Act of 1994" and the "Children's Act for Clean Indoor Air of 1995," Tenn. Code Ann. §§ 39-17-1601 through 1606, the Grantee shall prohibit smoking of tobacco products within any indoor premises in which services are provided to individuals under the age of eighteen (18) years. The Grantee shall post "no smoking" signs in appropriate, permanent sites within such premises. This prohibition shall be applicable during all hours, not just the hours in which children are present. Violators of the prohibition may be subject to civil penalties and fines. This prohibition shall apply to and be made part of any subcontract related to this Grant Contract.

Drug Free Workplace

Add the following Section as appropriate.

- E.#.** The Grantee shall provide a drug-free workplace pursuant to the "Drug-Free Workplace Act," 41 U.S.C. §§ 8101 through 8106, and its accompanying regulations.

Grantee Participation

Add the following Section as appropriate.

- E.#.** Grantee Participation. Grantee Participation amounts detailed in the Grant Budget are intended as a goal for the total project, and the amount of actual Grantee Participation expenditures will not impact the maximum amounts reimbursable to the Grantee as detailed by the Grant Budget column, "Grant Contract."

Disclosure of Personally Identifiable Information

Add the following Section as appropriate.

- E.#.** Disclosure of Personally Identifiable Information. The Grantee shall report to the State any instances of unauthorized disclosure of personally identifiable information that come to the attention of the Grantee. Any such report shall be made by the Grantee within twenty-four (24) hours after the instance has come to the attention of the Grantee. The Grantee, at the sole discretion of the State, shall provide no cost credit monitoring services for individuals that are deemed to be part of a potential disclosure. The Grantee shall bear the cost of notification to individuals having personally identifiable information involved in a potential disclosure event, including individual letters or public notice. The remedies set forth in this section are not

exclusive and are in addition to any claims or remedies available to the State under this Grant Contract or otherwise available at law.

Federal Funding Accountability and Transparency Act

Add the following Section if the Grant Contract will be funded in whole or part by a federal grant or federal contract of \$25,000 or more (excluding federal grants subject to section 1512 of the American Recovery and Reinvestment Act of 2009)), and the federal grant will provide for the expenditure of \$25,000 or more in federal funds.

E.#. Federal Funding Accountability and Transparency Act (FFATA).

This Grant Contract requires the Grantee to provide supplies or services that are funded in whole or in part by federal funds that are subject to FFATA. The Grantee is responsible for ensuring that all applicable FFATA requirements, including but not limited to those below, are met and that the Grantee provides information to the State as required.

The Grantee shall comply with the following:

- a. Reporting of Total Compensation of the Grantee's Executives.
 - (1) The Grantee shall report the names and total compensation of each of its five most highly compensated executives for the Grantee's preceding completed fiscal year, if in the Grantee's preceding fiscal year it received:
 - i. 80 percent or more of the Grantee's annual gross revenues from Federal procurement contracts and federal financial assistance subject to the Transparency Act, as defined at 2 CFR 170.320 (and sub awards); and
 - ii. \$25,000,000 or more in annual gross revenues from federal procurement contracts (and subcontracts), and federal financial assistance subject to the Transparency Act (and sub awards); and
 - iii. The public does not have access to information about the compensation of the executives through periodic reports filed under section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. § 78m(a), 78o(d)) or § 6104 of the Internal Revenue Code of 1986. (To determine if the public has access to the compensation information, see the U.S. Security and Exchange Commission total compensation filings at <http://www.sec.gov/answers/excomp.htm>.)

As defined in 2 C.F.R. § 170.315, "Executive" means officers, managing partners, or any other employees in management positions.
 - (2) Total compensation means the cash and noncash dollar value earned by the executive during the Grantee's preceding fiscal year and includes the following (for more information see 17 CFR § 229.402(c)(2)):
 - i. Salary and bonus.
 - ii. Awards of stock, stock options, and stock appreciation rights. Use the dollar amount recognized for financial statement reporting purposes with respect to the fiscal year in accordance with the Statement of Financial Accounting Standards No. 123 (Revised 2004) (FAS 123R), Shared Based Payments.
 - iii. Earnings for services under non-equity incentive plans. This does not include group life, health, hospitalization or medical reimbursement plans that do not discriminate in favor of executives, and are available generally to all salaried employees.
 - iv. Change in pension value. This is the change in present value of defined benefit and actuarial pension plans.

- v. Above-market earnings on deferred compensation which is not tax qualified.
 - vi. Other compensation, if the aggregate value of all such other compensation (e.g. severance, termination payments, value of life insurance paid on behalf of the employee, perquisites or property) for the executive exceeds \$10,000.
- b. The Grantee must report executive total compensation described above to the State by the end of the month during which this Grant Contract is established.
 - c. If this Grant Contract is amended to extend its term, the Grantee must submit an executive total compensation report to the State by the end of the month in which the amendment to this Grant Contract becomes effective.
 - d. The Grantee will obtain a Data Universal Numbering System (DUNS) number and maintain its DUNS number for the term of this Grant Contract. More information about obtaining a DUNS Number can be found at: <http://fedgov.dnb.com/webform/>.

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

Transfer of Grantee's Obligations

Add the following Section as appropriate.

E. #. Transfer of Grantee's Obligations.

The Grantee shall not transfer or restructure its operations related to this Grant Contract without the prior written approval of the State. The Grantee shall immediately notify the State in writing of a proposed transfer or restructuring of its operations related to this Grant Contract. The State reserves the right to request additional information or impose additional terms and conditions before approving a proposed transfer or restructuring.

Tennessee Department of Children Services

The Department of Children of Services may add the following Section(s) as appropriate:

- E. #.** Supplemental Conflict of Interest. The Grantee shall not have as any owner, member of the board of directors, or member of the board of trustees, a person who also holds any other position that may influence the placements provided to children in the plaintiff class of Brian A. v. Haslam. Such positions include, but are not limited to juvenile court judges, referees, or other court officers involved in the individual cases of children in foster care.
- E. #.** Title VI of the Civil Rights Act of 1964. The Grantee shall develop and deliver to the State on or before July 31st of each fiscal year an implementation plan that describes the Grantee's long-range goals and objectives that will guide the Grantee's efforts to ensure compliance with Title VI of the Civil Rights Act of 1964 pursuant to the guidelines established by the Tennessee Title VI Compliance Commission. Title VI plans must be submitted no later than July 31st of each year to: Tennessee Department of children's Services, Director of the Division of Diversity Initiatives, Division for Diversity Initiatives.
- E. #.** Supplemental Subcontracting. In accordance with the Brian A. Settlement Agreement (specifically, the Racial Disparities Study conducted by Dr. Ruth McRoy) the State is actively working toward decreasing the racial disparity between service providers and target service populations. To help correct this disparity, the State strongly recommends, in situations where

subcontracts are necessary, that the Grantee subcontract for services with minority owned or operated subcontractors that can assist the Grantee in meeting the needs of the children and families that are served. The State requires the Grantee to support the State's commitment to achieving diversity and developing programs that reflect the diversity of the population served.

- E. #. Monitoring Sub-Contractors. The Grantee shall develop written procedures for monitoring all of its State-approved subcontractors. The procedures must clearly outline the process for assuring that all subcontractors are in compliance with the DCS and Provider Policy Manuals and the subcontracting guidelines detailed at the following web site:
http://www.state.tn.us/youth/providers/prov_policies.htm

The Grantee shall have an established quality assurance/quality improvement plan for all subcontractors.

The Grantee shall also maintain an internal quality improvement process that assesses the overall quality and performance of its subcontractors.

- E. #. Working Capital. The Grantee must have a minimum of sixty (60) days working capital in the event payment to the Grantee is interrupted by an emergency or for reasons beyond the Grantee's control to ensure continuity of operations. Working capital must be documented by a review of the Grantee's balance sheet and income statement. Working capital is defined as current assets minus current liabilities. Current assets may include marketable securities as long as they have not been legally pledged against a long term equity interest. Credit lines are not working capital.

Working capital requirements shall be met at the time of initial contracting and maintained during subsequent contracting periods. In the event working capital declines below the sixty (60) day requirement, the Grantee shall be placed on probation and the Contract will be subject to cancellation at the discretion of the State.

- E. #. Financial Statements. The Grantee shall submit to the State independently audited financial statements containing an auditor's report reflecting the auditor's opinion that the statements are presented fairly and found to be in conformity with generally accepted accounting principles. The independent audit must have been performed by a certified public accounting firm in good standing with the American Institute of Certified Public Accountants (AICPA). The financial statements must be complete, and include all statements and notes to the statements as contained within the audit report. The financial statements and audit report shall be submitted within nine (9) months of the Grantee's reporting period to: Department of Children's Services, Finance & Budget Division. Division

The financial statements must represent the Contracting entity. Where the financial statements are for a parent company of the entity providing the service, the Contract must be in the name of the parent company and signed by an authorized representative of the parent company. The entity providing the service may be identified within the Contract as the service provider; however, financial responsibility will belong to the parent company.

- E. #. Grantee Gatekeeper Contact. The Grantee shall provide information to the Child Placement & Private Provider's Division (CPPP) relative to the Grantee's gatekeeper or representative empowered to make placement decisions on behalf of the Grantee to allow access to placement 24 hours a day seven days a week to the State. The information to be provided is as follows: gatekeeper/representative name(s); title; direct telephone number(s), cell phone number and/or pager number(s).
- E. #. Performance Standards. The Grantee hereby acknowledges and agrees that its performance under this Grant Contract shall meet the standards set forth in Section A of this Grant Contract, the DCS Provider Policy Manual (PPM), DCS Policy, the Brian A. Settlement Agreement, and the conditions set forth in this Contract. If the Grantee fails to meet these standards, the State, at its exclusive option, may allow up to six (6) months for the provider to achieve compliance with the standards. If performance deficiencies are not resolved to the satisfaction of the State within the

prescribed time, and if no extenuating circumstances can be documented by the Grantee to the State's satisfaction, the State may cancel the Grant Contract at the State's discretion.

- E. #. Notification of Closure. The Grantee shall notify the State of the closure of its agency or facility no less than thirty (30) days prior to the actual date of closure. Failure to provide the State thirty (30) days written notice of the Grantee's intent to close its operations or any part of its operation shall be considered a breach of this Contract.
- E. #. Closure Transition. Within thirty (30) days from the closure notification date, the Grantee shall work with the State to transition all custodial youth placed with the Grantee, shall reconcile all records, transfer case files to DCS, and complete the Contract transition.
- E. #. State Ownership of Case Files. The State shall have ownership, right, title, and interest in all case files created, designed, developed, derived, documented, installed, or maintained on behalf of the State pursuant to this Contract. The State shall have unlimited rights to all said case files. The Grantee shall furnish such information and data upon the request of the State, in accordance with this Contract and applicable State law.
- E. #. Permanent Education Records. The Grantee shall maintain educational records permanently. These records shall be cut off at discharge or graduation. If the Grantee's school ceases operation, or the State ceases to contract with the Grantee, the permanent educational records for students who have been in State custody shall be forwarded to the State by the Grantee. The Grantee shall bear all costs for the transfer of all records.

Both paper and electronic media shall be included. Records include, but are not limited to: institution academic transcripts, grade reports, records of grade changes, copies of GED Certificates or State issued diplomas/certificates of any kind, standardized examination reports, birth records, grade point average (GPA), class rank, letters of recommendation and related documentation and correspondence.

Records from closed Grantee schools shall be forwarded at least five (5) business days prior to closure to: DCS Records Management, Records Officer.

- E. #. Mergers, Dissolutions, Partnerships & Joint Ventures. As would be the case with any agency dissolution, merger, or acquisition, the agency and the State have financial responsibilities requiring resolution. The Grantee is required to provide ninety (90) days notification prior to any dissolution, merger, or acquisition.

In the event an agency is dissolved, the State maintains rights to assets (representing accounts payable/reinvestment due to the State) as may be distributed voluntarily or by court action. Additionally, the State acknowledges its responsibility for its liabilities (representing accounts payable/reinvestment due to the Grantee).

In the event an agency is merged or acquired by another agency/entity then the due to/from financial responsibilities shall be commensurate with the Articles to the Merger or Acquisition.

- E. #. Ownership of Software. Pursuant to 45 C.F.R. § 95.617(a), the State shall have all ownership rights to all software, modifications and associated documentation thereof prepared by the Grantee in connection with the performance of the services under this Grant Contract. The Grantee waives any authorship rights and similar retained interests in the software, modifications, and associated documentation prepared in connection with the performance of the services under this Grant Contract.

Pursuant to 45 C.F.R. § 95.617(b), the federal government reserves a royalty-free, nonexclusive, and irrevocable license to reproduce, publish, or otherwise use and to authorize others to use for federal government purposes, such software, modifications, and associated documentation prepared by the Grantee in connection with the performance of the services under this federal financial participation contract.

- E. #. Not a DCS Employee. The Grantee shall inform the client in writing that the Grantee is a private provider and not an employee of the State.
- E. #. Violation of Security and Facility Policies. Violation of security and facility policies or practices, or possession of contraband items will result in the Grantee being immediately escorted from campus and arrested/criminally prosecuted as warranted.
- E. #. Employee Background Checks. Prior to the provision of any services, all personnel that have direct contact with children shall comply with DCS Policy 4.1. Employee Background checks.
- E. #. Criminal Background Check. Prior to the provision of any services for this Grant Contract, all Grantee personnel performing work under this Grant Contract shall provide fingerprint samples to effect a criminal history records check conducted by the Tennessee Bureau of Investigation. Fingerprints may only be submitted at DCS approved sites where they can be processed electronically. The Grantee shall be responsible for the payment of all fee(s) for Grantee personnel providing their fingerprint samples and submitting to a criminal history review.
- E. #. Prison Rape Elimination Act (PREA). The Grantee shall comply with the Prison Rape Elimination Act of 2003 (42 U.S.C. § 15601 *et seq.*), and with all applicable PREA standards and DCS policies related to PREA for preventing, detecting, monitoring, investigating, and eradicating any form of sexual abuse in facilities owned, operated or subcontracted by the Grantee. Grantee acknowledges that, in addition to self-monitoring requirements, DCS will conduct announced and unannounced on-site compliance monitoring. Failure to comply with PREA, PREA Standards, or relevant DCS policies may result in termination of the contract.
- E. #. Title VI of the Civil Rights Act of 1964. The Grantee shall adhere to the requirements of Title VI of the Civil Rights Act of 1964, as codified in 42 U.S.C. 2000d, which states that "No person in the United States shall, on the ground of race, color or national origin be excluded from participation in, be denied the benefits of, or be subject to discrimination under any program or activity receiving federal financial assistance." The Grantee shall have in place or available a process to assist qualified persons of the provided service who may be limited in their English proficiency (LEP).

The Grantee shall deliver to the State on or before July 31st of each fiscal year an implementation plan that describes the Grantee's long-range goals and objectives that will guide the Grantee's efforts to ensure compliance with Title VI of the Civil Rights Act of 1964 pursuant to the guidelines established by the Tennessee Human Rights Commission's Title VI Compliance Program. Title VI plans must be submitted no later than July 31st of each year to the Tennessee Department of Children's Services, Division of Diversity Initiatives.

- E. #. Evidence-Based Programs. Pursuant to Tenn. Code Ann. § 37-5-121, the Department of Children's Services is prohibited from expending state funds on any juvenile justice program or program related to the prevention, treatment or care of delinquent juveniles, including any service model or delivery system in any form or by any name, unless the program is evidence-based. "Evidence-based" means a program or practice that is governed by a program manual or protocol that specifies the nature, quality, and amount of service that constitutes the program; and scientific research using methods that meet high scientific standards for evaluating the effects of such programs must have demonstrated with two (2) or more separate client samples that the program improves client outcomes central to the purpose of the program.

The Grantee and any of the Grantee's subcontractors shall cooperate with the State in evaluating whether its services are evidence-based or otherwise, and will provide program and service details, efficacy data and any information required or requested by the State, consistent with State and federal law regarding confidentiality, for the purpose of complying with this statute for monitoring and quality control. The Grantee further acknowledges and understands that the intent of the law is to discontinue programs and services that are not supported by the evidence of impartial scientific investigation as outlined by statute, rules and regulations which have been, or may be, promulgated by the Department of Children's Services. By affixing its signature below, the Grantee understands and agrees that the Department of Children's Services is

compelled by law to terminate this Grant instrument if services with any Grantee or the Grantee's subcontractor(s) are not proven to be evidence-based and if continuation of this Grant shall cause the Department of Children's Services not to be in compliance with such statute within the timetable set forth in Tenn. Code Ann. § 37-5-121.

- E. #.** Confidentiality of Records. Strict standards of confidentiality of records and information shall be maintained in accordance with applicable State and federal law. All material and information, regardless of form, medium or method of communication, provided to the Grantee by the State or acquired by the Grantee on behalf of the State shall be regarded as confidential information in accordance with the provisions of applicable State and federal law, State and federal rules and regulations, departmental policy, and ethical standards. Such confidential information shall not be disclosed, and all necessary steps shall be taken by the Grantee to safeguard the confidentiality of such material or information in conformance with applicable State and federal law, State and federal rules and regulations, departmental policy, and ethical standards.

The Grantee's obligations under this section do not apply to information in the public domain; entering the public domain, but not from a breach by the Grantee of this Grant Contract; previously possessed by the Grantee without written obligations to the State to protect it; acquired by the Grantee without written restrictions against disclosure from a third party which, to the Grantee's knowledge, is free to disclose the information; independently developed by the Grantee without the use of the State's information; or, disclosed by the State to others without restrictions against disclosure. Nothing in this paragraph shall permit Grantee to disclose any information that is confidential under federal or State law or regulations, regardless of whether it has been disclosed or made available to the Grantee due to intentional or negligent actions or inactions of agents of the State or third parties.

The State acknowledges that the Grantee may use data generated through work under this Contract for educational, patient care, and research purposes, including academic publication. All such research activities shall preserve the confidentiality of DCS client and family records at each level of research and data usage. All privacy preservation safeguard procedures must be approved by the Grantee's Institutional Review Board (IRB) and the DCS Research Committee, which provide separate Grantee and State oversight for research activities using de-identified and/or limited data sets that do not maintain links to identifying information about individual children. These data sets will be used to conduct statistical analyses on the cross sectional and longitudinal assessment of the mental health needs, strengths, service utilizations and outcomes of children in state custody.

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

Tennessee Department of Health

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

- E. #.** Healthy Eating Requirements. Grant recipients who purchase or serve snacks or meals in conjunction with their performance under this Grant Contract shall provide only healthy foods. No high sugar beverage shall be served at any time. Fruits and vegetables shall be given preference in menu selections.
- E. #.** CFDA Number(s) When applicable, the Grantee shall inform its licensed independent public accountant of the federal regulations that are to be complied within the performance of an audit. This information shall consist of the following Catalog of Federal Domestic Assistance Numbers: (Specific CFDA# is given and it's name)
- E. #.** Health Care Data. Grantee shall provide data reports about health care services provided under this Grant using the Department of Health's Patient Tracking and Billing Management Information System (or its successor). Data regarding health care services provided by the Grantee shall be coded and entered into the Patient Tracking and Billing Management Information System (PTBMIS), using the PTBMIS Codes Manual. The PTBMIS Codes manual is available electronically at <http://hsaintranet.health.tn.gov/> and e-mail notices shall be sent to the Grantee

regarding new revisions and/or updates, which can be accessed through the above-referenced website.

On a schedule defined by the State, the Grantee shall submit Central Office Database Report (CODB) files, as defined in PTBMIS, electronically to the State. The Grantee shall also submit other health care data reports, as requested by the State, and in a format acceptable to the State.

- E. #.** Security Audit. The State may conduct audits of Grantee's compliance with the State's Enterprise Information Security Policy ("The Policy") or under this Grant Contract, including those obligations imposed by Federal or State law, regulation or policy. The Policy, as may be periodically revised, can be located at the following link: <http://www.tn.gov/finance/oir/security/secpolicy.html>. The State's right to conduct security audits is independent of any other audit or monitoring required by this Grant Contract. The timing and frequency of such audits shall be at the State's discretion and may, but not necessarily shall, be in response to a security incident.
- a. A security audit may include the following: (i) review of access logs, screen shots and other paper or electronic documentation relating to Grantee's compliance with the Policy. This may include review of documentation relevant to subcontractors or suppliers of security equipment and services used with respect to State data; (ii) physical inspection of controls such as door locks, file storage, communications systems, and employee identification procedures; and (iii) interviews of responsible technical and management personnel regarding security procedures.
- b. Grantee shall provide reports or additional information upon request of the state and access by the State or the State's designated staff to Grantee's facilities and/or any location involved with providing services to the State or involved with processing or storing State data, and Grantee shall cooperate with State staff and audit requests submitted under this Section. Any confidential information of either party accessed or disclosed during the course of the security audit shall be treated as set forth under this Grant Contract or federal or state law or regulations. Each party shall bear its own expenses incurred in the course of conducting this security audit. Grantee shall at its own expense promptly rectify any non-compliance with the Policy or other requirements identified by this security audit and provide proof to the State thereof.

Tennessee Department of Human Services

The Department of Human of Services may add the following Section(s) as appropriate:

- E. #.** Disaster Recovery/Continuity of Operations Plan. The Grantee acknowledges and represents to the State that it has implemented a disaster recovery/continuity of operations plan that may be executed in the event of a natural disaster or man-made disaster. Said plan shall be made available to the State upon request.
- E. #.** Confidentiality of Records. The Grantee agrees that strict standards of confidentiality of records shall be maintained in accordance with State and Federal law and regulations (Reference TCA Sections 71-1-131, 71-3-119, 45-10-101 et seq., 45-10-118, and 50-7-701, 45 Code of Federal Regulations Sections 205.50, 303.21, and 307.13; 26 U.S.C. Section 6103(f); 42 U.S.C. Sections 653, and 1320b-7), and all other applicable State and Federal laws regulations and any and all data-sharing agreements between the Tennessee Department of Human Services and the Federal Government, specifically including, but not limited to, the SDS-BENDEX-SVES for 1137 and/or Child Support Benefit Programs Data Matching Agreement between the Social Security Administration and the Tennessee Department of Human Services.
- (a) All material and information provided to the Grantee by the State or acquired by the Grantee on behalf of the State from any non-public source whether verbal, written, electronic data, magnetic tape, cards or otherwise shall be regarded as confidential information in accordance with the provisions of State and Federal law and ethical standards and shall not be disclosed, except as otherwise permitted by law, regulation or court order, and all necessary steps shall be taken by the Grantee to safeguard the confidentiality of such material or information in conformance with Federal and State law and ethical standards.

- (b) The Grantee further agrees that any information provided by the State relative to applicants or recipients of public assistance is to be used only for the administration of this Grant Contract or in any investigation, prosecution, or criminal, administrative or civil proceeding conducted pursuant to this Grant Contract. The Grantee agrees to provide safeguards to restrict the use or disclosure of any information concerning such applicants or recipients to purposes stated in this section.
- (c) The safeguards so provided shall also prohibit disclosure to any legislator, legislative or other committee or legislative body, investigator, attorney, or prosecutor of any information which identifies by name or address any such applicant or recipient, except as otherwise permitted by law.
- (d) The Grantee agrees that any Federal or State tax related information will be treated as confidential as set forth in this section, and will be used solely for purposes of administering the child support program, unless otherwise required by law.
- (e) It shall be the Grantee's responsibility to ensure that any destruction of confidential information, as described in this section, will be accomplished in a manner consistent with State policy and Federal regulations pertaining to the destruction of private or confidential data. Confidential information shall be destroyed completely by a method that assures complete obliteration, removal, or destruction to preclude recognition or reconstruction of the confidential information.
- (f) The Grantee's obligations under this section do not apply to information: in the public domain; entering the public domain but not from a breach by the Grantee of this Grant Contract; previously possessed by the Grantee without written obligations to the State to protect it; acquired by the Grantee without written restrictions against disclosure from a third party which, to the Grantee's knowledge, is free to disclose the information; independently developed by the Grantee without the use of the State's information; or, disclosed by the State to others without restrictions against disclosure.
- (g) In performance of this Grant Contract, the Grantee agrees to comply with and assume responsibility for compliance by his or her employees with the following requirements regarding Federal Tax Information (FTI):
- 1) All work will be done under the supervision of the Grantee or the Grantee's employees.
 - 2) Any return or return information made available in any format shall be used only for the purpose of carrying out the provisions of this Grant Contract. Information contained in such material will be treated as confidential and will not be divulged or made known in any manner to any person except as may be necessary in the performance of this Grant Contract. Disclosure to anyone other than an officer or employee of the Grantee is prohibited.
 - 3) All returns and return information will be accounted for upon receipt and properly stored before, during, and after processing. In addition, all related output will be given the same level of protection as required for the source material.
 - 4) The Grantee certifies that the data processed during the performance of this Grant Contract will be completely purged from all data storage components of his or her computer facility; no output will be retained by the Grantee at the time the work is completed. If immediate purging of all data storage components is not possible, the Grantee certifies that any IRS data remaining in any storage component will be safeguarded to prevent unauthorized disclosures.
 - 5) Any spoilage or any intermediate hard copy printout that may result during the processing of IRS data will be given to the State or its designee. When this is not possible, the Grantee will be responsible for the destruction of the spoilage or any intermediate hard copy printouts, and will provide the State or its designee with a statement containing the date of destruction, description of material destroyed, and the method used.
 - 6) All computer systems processing, storing, or transmitting Federal tax information must meet the requirements defined in IRS Publication 1075. To meet functional and assurance

requirements, the security features of the system must have the following minimum requirements: a security policy, accountability, assurance, and documentation. All security features must be available and activated to protect against unauthorized use of and access to Federal tax information.

- 7) No work involving Federal tax information furnished under this Grant Contract will be subGrant Contracted without prior written approval from the State.
 - 8) The Grantee will maintain a list of employees having authorized access. Such list will be provided to the State upon request and, upon request, to the IRS reviewing office. The State will have the right to void the Grant Contract if the Grantee fails to provide the safeguards described above.
- (h) Criminal /Civil Sanctions: Each officer or employee of any person to whom returns or return information is or may be disclosed will be notified in writing by such person that returns or return information disclosed to such officer or employee can be used only for a purpose and to the extent authorized herein, and that further disclosure of any such returns or return information for a purpose or to an extent unauthorized herein constitutes a felony punishable upon conviction by a fine of as much as five thousand dollars (\$5,000.00) or imprisonment for as long as five (5) years, or both, together with the costs of prosecution. Such person shall also notify each such officer and employee that any such unauthorized further disclosure of returns or return information may also result in an award of civil damages against the officer or employee in an amount not less than one thousand dollars (\$1,000.00) with respect to each instance of unauthorized disclosure. These penalties are prescribed by IRC sections 7213 and 7431 and set forth at 26 CFR 301.6103(n)-1.

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

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

- (i) Inspection: The IRS and the State shall have the right to send its officers and employees into the offices and plants of the Grantee for inspection of the facilities and operations provided for the performance of any work under this Grant Contract. On the basis of such inspection, specific measures may be required in cases where the Grantee is found to be non-compliant with Grant Contract safeguards.

- (j) The Grantee agrees, and understands, that access to FTI must be preceded by certification that all personnel of the Grantee and its subgrantees understand security policy and procedures for safeguarding IRS information. Training provided prior to initial certification, and annually thereafter, must include, but not be limited to, Incident Response policy and procedures for reporting unauthorized disclosures and data breaches. Further, the Grantee agrees that all personnel of the Grantee, and all personnel of subgrantees performing services under this Grant Contract for the Grantee, authorized to handle Federal tax related information will sign, annually, an IRS Confidentiality Form, to be provided by the State, with the original signed forms to be maintained by the Grantee, along with a current list of its employees, and those of its subgrantees, performing services under this Grant Contract. These IRS Confidentiality Forms, and the list of Grantee's employees and those of its subgrantees performing services under this Grant Contract, shall be made available to the State and the IRS upon request.
- (k) It is expressly understood and agreed the obligations set forth in this section shall survive the termination of this Grant Contract.

Tennessee Department of Mental Health and Substance Abuse Services

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

- E.#.** Prohibitions on Use of Federal Mental Health Block Grant (MHBG) Funds. Pursuant to federal laws and regulations, the Grantee shall not use any federal Community Mental Health Services Block Grant (now MHBG, formerly CMHS BG) funds made available under this Grant Contract for any of the following purposes:
- a. to provide inpatient services;
 - b. to make cash payments to intended recipients of health services;
 - c. to purchase or improve land, purchase, construct or permanently improve (other than minor remodeling) any building or other facility, or to purchase major medical equipment;
 - d. to satisfy any requirement for the expenditure of non-federal funds for the receipt of federal funds;
 - e. to provide financial assistance to any entity other than a public or non-profit private entity.
- E.#.** Prohibition on Supplantation of Federal Mental Health Block Grant (MHBG) Funds. Pursuant to federal laws and regulations, the Grantee shall not use any funds paid or services rendered under the federal Community Mental Health Services Block Grant (now MHBG, formerly CMHS BG) to supplant any other funds available for the services provided under this Grant Contract.
- E.#.** Prohibitions on Use of Federal Substance Abuse Block Grant (SABG) Funds. Pursuant to federal laws and regulations, the Grantee shall not use any federal Substance Abuse Prevention and Treatment Block Grant (now SABG, formerly SAPT BG) funds made available under this Grant Contract for any of the following purposes:
- a. to provide inpatient hospital or inpatient community mental health services;
 - b. to make cash payments to intended recipients of health services;
 - c. to purchase or improve land, purchase, construct or permanently improve (other than minor remodeling) any building or facility, or purchase major medical equipment
 - d. to satisfy any requirement for the expenditure of non-federal funds for the receipt of federal funds;
 - e. to provide financial assistance to any entity other than a public or non-profit private entity;
 - f. to carry out any program of distributing sterile needles for the hypodermic injection of any illegal drug or distributing bleach for the purpose of cleansing needles for such hypodermic injection;
 - g. to carry out any testing for the etiologic agent for acquired immune deficiency syndrome unless such testing is accompanied by the appropriate pre-test counseling and appropriate post-test counseling.
- E.#.** Prohibition on Supplantation of Federal Substance Abuse Block Grant (SABG) Funds. Pursuant to federal laws and regulations, the Grantee shall not use any funds paid or services rendered under the federal Substance Abuse Prevention and Treatment Block Grant (now SABG, formerly

SAPT BG) to supplant any other funds available for the services provided under this Grant Contract.

E.#. Permitted Uses of Federal Projects for Assistance in the Transition from Homelessness Act of 1990 (PATH) Funds. Pursuant to federal laws and regulations, the Grantee may use federal PATH funds made available under this Grant Contract as follows:

- a. In accordance with Public Law 101-645 Section 528(b), funds may be used for housing services including:
 - (1) minor renovation, expansion, and repair;
 - (2) planning of housing;
 - (3) technical assistance in applying for housing assistance;
 - (4) improving the coordination of housing services;
 - (5) security deposits;
 - (6) costs associated with matching eligible homeless individuals with appropriate housing situations;
 - (7) one-time rental payments to prevent eviction.
- b. In accordance with Public Law 101-645 Section 526(a)(6), funds may be used for administrative expenses.

E.#. Prohibitions on Use of Federal Projects for Assistance in the Transition from Homelessness Act of 1990 (PATH) Funds. Pursuant to federal laws and regulations, particularly Public Law 101-645 Section 528(c), the Grantee shall not use any federal PATH funds made available under this Grant Contract for any of the following purposes:

- a. emergency shelter;
- b. construction of housing facilities;
- c. inpatient psychiatric or substance abuse treatment;
- d. cash payments directly to intended recipient of PATH services

E.#. Federal Projects for Assistance in the Transition from Homelessness Act of 1990 (PATH) Funds Shall Supplement, Not Supplant. Pursuant to federal laws and regulations, particularly Public Law 101-645 Sections 523(e)(1), 523(e)(2), and 526(a)(3), the Grantee shall use federal PATH funds made available under this Grant Contract to supplement, not supplant, funds currently utilized to provide existing services to service recipients.

E.#. Rule 2 Compliance. The State and the Grantee shall comply with obligations under Rule 2 of the Confidentiality of Alcohol and Drug Abuse Patient Records, and its accompanying regulations as codified at 42 C.F.R. §§ 2.1 *et seq.*

- a. The Grantee warrants to the State that it is familiar with the requirements of Rule 2 of the Confidentiality of Alcohol and Drug Abuse Patient Records, and its accompanying regulations, and will comply with all applicable requirements in the course of this Grant Contract.
- b. The Grantee warrants that it will cooperate with the State, including cooperation and coordination with State privacy officials and other compliance officers required by Rule 2 of the Confidentiality of Alcohol and Drug Abuse Patient Records, and its regulations, in the course of performance of the Grant Contract so that both parties will be in compliance with Rule 2 of the Confidentiality of Alcohol and Drug Abuse Patient Records.
- c. The State and the Grantee will sign documents, including but not limited to business associate agreements, as required by Rule 2 of the Confidentiality of Alcohol and Drug Abuse Patient Records, and that are reasonably necessary to keep the State and the Grantee in compliance with Rule 2 of the Confidentiality of Alcohol and Drug Abuse Patient Records. This provision shall not apply if information received by the State under this Grant Contract is NOT "protected health information" as defined by Rule 2 of the Confidentiality of Alcohol and

Drug Abuse Patient Records, or if Rule 2 of the Confidentiality of Alcohol and Drug Abuse Patient Records permits the State to receive such information without entering into a business associate agreement or signing another such document.

- d. The Grantee will indemnify the State and hold it harmless for any violation by the Grantee or its subcontractors of Rule 2 of the Confidentiality of Alcohol and Drug Abuse Patient Records. This includes the costs of responding to a breach of protected information, the costs of responding to a government enforcement action related to the breach, and any fines, penalties, or damages paid by the State because of the violation. [not used in GG Grant Contracts]

E. #. Professional Practice. The Grantee shall assure that there is a code of conduct in place and applicable to all employees that covers, at minimum, business practices, clinical practices, and service recipient/staff interaction/fraternization. Further, Grantee's personnel shall conduct their practice in conformity with all applicable statutes, rules and regulations, and recognized ethical standards of their profession. Procedures for reporting violations of the ethical standards shall be developed and communicated to staff upon hire and annually thereafter, which shall include a non-reprisal approach for persons reporting suspected violations, as well as a description of possible sanctions for violating the standards. Failure to implement a code of conduct in accordance with this section and to adequately address suspected violations of the code of conduct may be cause for termination of this Grant Contract.

E. #. Additional Subcontracting Requirements. If subcontracts are approved by the State, they shall contain, in addition to those sections identified in D.5., sections on "Licensure", "Environmental Tobacco Smoke", "Confidentiality of Records", "HIPAA Compliance", and "Rule 2 Compliance" (as identified by the section headings). Notwithstanding any use of approved subcontractors, the Grantee shall be the prime contractor and shall be responsible for all work performed.

Tennessee Military Department

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

E. #. Compliance with Title VI of the Civil Rights Act of 1964. The Grantee agrees to comply with the provisions contained in Title IV of 1964 Civil Rights Act (42 U.S.C. 2000d), and any federal regulations specific to the funding of this grant. The Grantee further agrees to complete and return a self-compliance report as provided by the Grantor.

E. #. The Grantee agrees to seek recovery of all funds that are expended in alleviating the damages and suffering caused by this major disaster against any party or parties whose negligence or other tortious conduct may have caused or contributed to the damage or hardship for which Federal assistance is provided pursuant to the Presidential declaration of this major disaster. FEMA will treat such amounts as duplicated benefits available to the Grantee in accordance with 42 U.S.C. § 5155 and 44 CFR 206.

E. #. Compliance with National Incident Management System (NIMS). The Grantee will be in compliance with NIMS Standards established by the U.S. Department of Homeland Security and the Federal Emergency Management Agency authorized by Homeland Security Presidential Directive 08 (HSPD-08). The Grantee agrees that it has met NIMS compliance standards. The Grantee further agrees to complete within the announced suspense date the NIMS Implementation yearly survey.

Tennessee Department of Transportation

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

E. #. Additional Federal Highway Administration Requirements. In addition to the requirements found in other sections of this Grant Contract, the Grantee shall become familiar with, and shall at all times comply with and observe, when appropriate, the provisions of 23 CFR Part 420.121.

E.#. Work Products. The State shall have ownership, right, title, and interest, including ownership of copyright, in all deliverables described in or developed from Section A. above (the "Work Products") , including but not limited to, documents, computer source code, computer software, methodologies, models, templates, processes, testing assessment tools and scenarios, created, designed, developed, derived, documented, installed, or delivered under this Grant Contract subject to the terms and conditions of this Section and full and final payment for each "Work Product." The State and Federal Highway Administration shall have royalty-free and unlimited rights and license to use, disclose, reproduce, publish, distribute, modify, maintain, or create derivative works from, for any purpose whatsoever, all said Work Products.

To the extent that the Grantee uses any of its pre-existing tools, materials or information in the performance of the Scope of Services described in Section A above of this Grant Contract ("Grantee Materials"), the Grantee shall retain all right, title and interest in and to such Grantee Materials, and the State shall acquire no right, title or interest in or to such Grantee Materials EXCEPT the Grantee grants to the State an unlimited, non-exclusive, non-transferable license to use, copy, and distribute internally, solely for the State's internal purposes, any Grantee Materials reasonably necessary for the State to exercise its rights in any Work Product provided under the Grant Contract.

The Grantee shall furnish such information and data as the State may request, including but not limited to, computer code that is applicable, essential, fundamental, or intrinsic to any Work Product and Grantee Materials reasonably necessary for the State to exercise its rights in any Work Product, in accordance with this Grant Contract and applicable state law.

Nothing in this Grant Contract shall prohibit the Grantee's use for any purposes of the Grantee Materials, the data, results and other information resulting from the Scope of Services, as well as any general knowledge, skills, experience, ideas, concepts, know-how, and techniques created, obtained or used during the course of providing the services requested under this Grant Contract. Additionally, the State agrees that it is the intent of the parties that Grantee and its research personnel (including without limitation, students) publish their work conducted pursuant to this Grant Contract. Therefore, the State agrees that Grantee and its research personnel (including without limitation, students) shall be free to publish the results and data generated or otherwise arising from the conduct of the Scope of Services contained in Section A above and that such research personnel shall hold all right, title and interest (including without limitation, copyright) in any manuscripts created by such research personnel for purposes of publication in scholarly journals.

Nothing in the Grant Contract shall prohibit the Grantee from developing for itself, or for others, materials which are similar to and/or competitive with those that are produced under this Grant Contract.

The State and Grantee are subject to the provisions of 37 CFR Part 401 governing patents and inventions, and the standard patent rights clause at 37 CFR Part 401.14 is hereby incorporated into this Grant Contract by reference. In addition, the Grantee will retain all rights provided for the State in this clause, and the State will not, as part of the consideration for making the award and entering into this Grant Contract, obtain rights in the Grantee's subject inventions. The State and the Federal Highway Administration (FHWA) shall have a royalty-free, non-exclusive, and irrevocable right to unlimited use of any and all aforesaid material developed or created as a result of the work or services specified in this Grant Contract. The State's or FHWA's use may be for commercial or non-commercial purposes and shall be free from any and all claims for royalties or other compensation that might otherwise be asserted by the Grantee.

E.#. FTA Compliance. All applicable terms of FTA Master Agreement, dated [insert date] are incorporated herein by reference.

E.#. T.C.A. Section 13-10-107 Compliance.

- 1) Grantee agrees to proceed expeditiously with and complete the project in accordance with plans approved by the Commissioner of TDOT ("Commissioner");

- 2) Grantee agrees to commence and continue operation of the project on completion of the project and not to discontinue operations or dispose of all or part of the project without Commissioner's prior written approval;
- 3) Grantee agrees to apply for and make reasonable efforts to secure federal assistance for the project, subject to any conditions the Commissioner may require in order to maximize the amounts of such assistance received or to be received for all projects in the State; and
- 4) Grantee agrees to provide Grantee's share of the cost of the project and comply with T.C.A. § 13-10-107(c)(4).

E.#. Match/Share Requirement. A Grantee Match/Share Requirement is detailed in the Grant Budget, and the maximum total amount reimbursable by the State pursuant to this Grant Contract, as detailed by the "Grant Contract" column in the Grant Budget, shall be reduced by the amount of any Grantee failure to meet the Match/Share Requirement.

E.#. Reimbursements to Reflect Match/Share. Reimbursements to Grantee shall reflect the percentage of Grantee Match/Share detailed in the Grant Budget. Reimbursements are subject to the other provisions of this Grant Contract, including but not limited to, the maximum liability amount in Section C.1.

E.#. The Grantee agrees:

- (a) To use the equipment acquired under this Grant only for the purposes and the manner set forth in their application.
- (b) At the beginning of each calendar year, the Grantee shall certify that the equipment received under this Grant is still being used in accordance with the terms and provisions of this agreement.
- (c) To pay all fees on the equipment acquired through this Grant, including but not limited to, title and registration fees.
- (d) To be responsible for all costs and expenses related to the operation, maintenance, and repair of the equipment acquired through this Grant Agreement.
- (e) To provide licensed drivers, as required by the Tennessee Department of Safety, for operation of all equipment received under this Grant.
- (f) To provide insurance of all vehicles acquired under this Grant for the following minimum amounts:
 1. Personal Injury Liability – minimum of \$300,000.00 per person and \$1,000,000.00 per incident.
 2. Property Damage Liability – minimum of \$300,000.00 per incident.
 3. Comprehensive – maximum deductible of \$500.00.
 4. Collision – maximum deductible of \$500.00.
 5. Uninsured Motorist – minimum of \$50,000.00 per person and \$100,000.00 per incident.

This insurance shall be in effect at all times while the vehicle is used for public transportation services or service vehicle purposes in operations. The Grantee shall furnish the State with evidence of such insurance at the time the equipment is delivered to the Grantee and annually on the anniversary date of the delivery of the equipment. Upon demand by the State, the Grantee shall provide proof of insurance at any time during the term of useful life of equipment.

- (g) That any vehicles received under this Grant will comply with the Motor Vehicle Safety Standards as established by the United States Department of Transportation.

- (h) That any vehicles received under this Grant shall be used for not less than the useful life. The useful life of all vehicles purchased under the grant is as listed in the grant document filed with the Federal Transit Administration (FTA). Upon reaching the expiration of the useful life of the equipment, the state may ask the Grantee to provide written notice to the State.

- E.#. Possession of Vehicle Titles. While the Grantee shall take legal title to all vehicles purchased under the contract, the State shall hold possession of all titles. Upon issuance of the title to the Grantee, the Grantee shall turn over possession of the title to the State. The State shall maintain physical possession of the title until the State approves the Grantee to initiate the disposal process for the vehicle.
- E.#. Vehicle Disposal Process. The Grantee shall adhere to disposal process as described in the State Management Plan for FTA Programs of the Tennessee Department of Transportation on file with the Federal Transit Administration (FTA)
- E.#. Vehicle Disposal Proceeds. All proceeds from the disposal of the vehicle as described in the vehicle disposal process shall be accounted for and used for transportation program activity expenses.
- E.#. Human Service Contract Proceeds. All funds generated from Human Service Contracts using state or FTA funded vehicles or supported by state or federal operating funds shall be accounted for and used for transportation program activity expenses.
- E.#. Funding for Special Transportation Services (STS). The funds provided in this grant shall be utilized as described in Section A. Scope of Service and shall apply only to the Special Transportation Services in Chattanooga, Hamilton County, Tennessee.
- E.#. Funding for Morristown. The funds provided in this grant shall be utilized as described in Section A. Scope of Service and shall apply only to Morristown/Lakeway Metropolitan Transportation Planning Organization in Morristown, Jefferson County, White Pine, Hamblen, and Jefferson County, Tennessee.
- E.#. Funding for Cleveland. The funds provided in this grant shall be utilized as described in Section A. Scope of Service and shall apply only to the Cleveland Urban Area Transit System in Cleveland, Bradley County, Tennessee.
- E.#. Funding for Department of Regional Services. The funds provided in this grant shall be utilized as described in Section A. Scope of Service and shall apply only to the Department of Regional Services in Shelby County, Tennessee.
- E.#. Grantee Match. Upon execution of this grant contract, the Grantee will be required to deposit its share of the estimated total project cost to the State.
- Additional deposits will be required if actual costs exceed the estimated costs. Any excess in the amount deposited above actual costs will be refunded.
- If the cost of this project increases by more than fifteen percent (15%) of the estimated grant contract amount during the progress of the work, the parties agree to enter into a supplemental agreement setting out the respective financial obligations of the State, Grantee, and the Federal Airport Improvement Program.
- E.#. Participation in Real Property Acquisition. The State and/or Federal participation in the acquisition of real property is outlined in Attachment #, attached and incorporated herein to this Grant Contract.
- E.#. Airport Assurances from Sale or Disposal of Land, Properties, Structures or Materials Related to Airport. The airport owner shall not sell or otherwise dispose of the property identified herein without the express prior written consent of the State, which consent will not be unreasonably withheld. In the event that the State grants permission to sell or otherwise dispose of all or a portion of the forgoing property in perpetuity, the airport owner shall be liable to pay the State a portion of the proceeds at fair market value as determined herein, resulting from the agreed upon sale price or fair market value. The funds collected from the sale of the property or fair market

value will be divided in the same proportion as defined in this Grant Contract with said State funds reinvested into airport property in accordance with State funding policies and procedures.

Nothing herein shall prohibit the parties hereto from agreeing to the reinvestment of said proportion of the proceeds or fair market value for rehabilitation or improvements in any remaining airport properties or structures or at a new airport site.

All properties purchased with assistance of this Grant must include in the property deed a clause that states that "**This property was purchased with the assistance of State and/or Federal funds, and may not be sold or otherwise disposed of without all agencies express written consent.**"

- E.#.** Airport Operations. For all grants that total fifty thousand dollars (\$50,000.00) or more, as consideration for receiving this Grant from the State, the Grantee agrees to operate and maintain the Airport for a period of twenty (20) years from the effective date of this Grant Contract.
- E.#.** Compliance with FAA Regulations. For all grants involving federal funds, the Grantee agrees to accomplish the project in compliance with the terms and conditions contained in the U. S. Department of Transportation Federal Aviation Administration *Terms and Conditions of Accepting Airport Improvement Program Grants* hereby incorporated into this document by reference. Said document is on file in the Tennessee Department of Transportation, Aeronautics Division Office. These assurances can also be located on the FAA Website at www.faa.gov/airports/aip/grant_assurances
- E.#.** No Retainage Allowed. The Grantee may not withhold retainage on progress payments from the prime contractor and the prime contractor may not withhold retainage from their subcontractors.
- E.#.** Printing Authorization. The Grantee agrees that no printing/publication shall be printed pursuant to this Grant Agreement without the prior authorization of the State even if printing costs are included in the budget line items, and shall be contingent upon and limited by the Grant Budget funding for said reimbursement. The Grantee and its employees may publish the results of the research in whole or in part as they deem appropriate without authorization by the State if it is at no cost to the Grantor State Agency.
- E.#.** Grantor State Agency Furnished Property. The Grantee shall be responsible for the correct use, maintenance, and protection of all articles of nonexpendable, tangible, personal property furnished by the Grantor State Agency for the Grantee's temporary use under this Grant Agreement. Upon termination of this Grant Agreement, all property furnished shall be returned to the Grantor State Agency in good order and condition as when received, reasonable use and wear thereof excepted. Should the property be destroyed, lost, or stolen, the Grantee shall be responsible to the Grantor State Agency for the residual value of the property at the time of loss.
- E.#.** Travel Requirements. Travel must be project related and ALL conference and/or out-of-state travel must be preapproved by the Grantor State Agency even if included in the budget line items, and shall be contingent upon and limited by the Grant Budget funding for said reimbursement.
- The Grantee, upon request, must include (in addition to other invoice requirements of this Grant Agreement) a complete itemization of travel compensation requested in accordance with and attaching to the invoice appropriate documentation and receipts as required by the above-referenced "State Comprehensive Travel Regulations."
- E.#.** Additional Compensation Terms. The Grantee is not entitled to be paid the maximum liability for any period under the Grant Agreement or any extensions of the Grant Agreement for work not requested by the Grantor State Agency. The maximum liability represents available funds for payment to the Grantee and does not guarantee payment of any such funds to the Grantee under this Grant Agreement unless the Grantor State Agency requests work and the Grantee performs said work. In which case, the Grantee shall be paid in accordance with the payment rates detailed in section C.3. The Grantor State Agency is under no obligation to request work from the Grantee in any specific dollar amounts or to request any work at all from the Grantee during any period of this Grant Agreement.

The payment rate in Section C.3 shall constitute the entire compensation due the Grantee for associated deliverables, as outlined in Section A.2, and all of the Grantee's obligations hereunder regardless of the difficulty, materials or equipment required. The Grant Budget line-items include,

but are not limited to, all applicable taxes, fees, overhead, and all other direct and indirect costs incurred or to be incurred by the Grantee.

- E.#. Competitive Procurements.** Should this Grant Agreement provide for the reimbursement of the cost of goods, materials, supplies, equipment, or contracted services; such procurements shall be made on a competitive basis, where practicable. The Grantee shall maintain documentation for the basis of each procurement for which reimbursement is paid pursuant to this Grant Agreement. In each instance where it is determined that use of a competitive procurement method was not practical, said documentation shall include a written justification for such decision and non-competitive procurement.

SIGNATURES

By signature, the Grantor State Agency head or authorized designee shall assure and affirm that:

- there is a balance in the appropriation from which obligations under the Grant Contract are required to be paid that is not already encumbered to pay other obligations;
- the Grantor State Agency maintains documentation of a fair and impartial Grantee selection in full compliance with the approved procurement methodology as indicated by the summary cover sheet; and
- the proposed scope of services is clear and correct, adequate for all legal and enforcement purposes, and sufficiently detailed to ensure Grantee accountability and results.

Draft the Grant Contract so that the signature section immediately follows the previous section text separated by only one blank line. Do NOT insert an arbitrary page break prior to the signature section.

FEDERAL AWARD IDENTIFICATION

If the Grantee is a subrecipient and the Grant Contract involves any federal funds, complete the Federal Award Identification worksheet. Reference the worksheet in Section A and include it as the first attachment to the Grant Contract. If some federal award identification information is not available, provide as much information as is available. If any of the data elements in the worksheet change, complete another worksheet containing the updated information. Send the updated worksheet to the Grantee and upload a copy into Edison.

GRANT BUDGET

ALL Grant Budgets must be type-written and mathematically correct in every aspect.

Each Grant Budget page must be numbered consecutively.

The Grant Contract column total must equal the Maximum Liability of the Grant Contract.

Line-Item funding must comply with the Expense Object Line-Item Category Definitions provided by F&A Accounts Policy 03, Appendix A (which is posted on the Internet at:

<http://www.state.tn.us/finance/act/documents/policy3.pdf>). Budget line-items and the definitions above have legal, audit, and federal funding implications, and contracting agency staff are solely responsible for whether appropriate line-items are funded in accordance with the scope of service and the definitions set out by F&A Accounts Policy 03.

In line-items that WILL BE FUNDED, replace the zeros ("0.00") associated with each line-item as appropriate. If a line-item will NOT be funded, leave the associated, "0.00" dollar amount.

Grant Budget Line-Item Detail.

These instructions do NOT preclude adding Line-Item Detail (and associated requirements) for other line-items, provided that the additional detail is clear and mathematically correct.

Delete the entire Grant Budget Line-Item Detail page if NONE of the following five line-items, which requires detail, is funded: Professional Fee, Grant & Award; Interest; Depreciation; Other Non-Personnel; Capital Purchase.

For each line-item requiring detail that is funded by the Grant Budget, complete the appropriate line-item detail box.

Delete the line-item detail box for each of the line-items that is NOT funded.

Do NOT draft the Grant Budget Line-Item Detail to describe a line-item only as "contracts," "grant contracts," "contracted services," "other," "professional services," or "miscellaneous."

Multiple Grant Budget Periods.

If a multi-year grant contract is to be written such that funding is restricted on an annual basis, such must be reflected in the Grant Budget by means of repeated use of the grant budget pages, numbered consecutively, detailing funding information for consecutive periods of applicability. If a grant budget attachment does include multiple pages respectively applicable to consecutive periods of applicability, a "roll-up" budget page totaling all lines for all periods is NOT required. However, the sum of all totals must agree with the Grant Contract Maximum Liability and any other relevant provisions of this Grant Contract.

Option: Grant Budget Grantee Match Requirement

Replace the Grant Budget table with the table on the following page if a grantee match is required.

GRANT BUDGET

Additional Identification Information As Necessary

The Grant Budget line-item amounts below shall be applicable only to expenses incurred during the following applicable period:

BEGIN: **DATE**

END: **DATE**

POLICY 03 Object Line-item Reference	EXPENSE OBJECT LINE-ITEM CATEGORY ¹	GRANT CONTRACT	GRANTEE MATCH	TOTAL PROJECT
1, 2	Salaries, Benefits & Taxes	0.00	0.00	0.00
4, 15	Professional Fee, Grant & Award ²	0.00	0.00	0.00
5, 6, 7, 8, 9, 10	Supplies, Telephone, Postage & Shipping, Occupancy, Equipment Rental & Maintenance, Printing & Publications	0.00	0.00	0.00
11, 12	Travel, Conferences & Meetings	0.00	0.00	0.00
13	Interest ²	0.00	0.00	0.00
14	Insurance	0.00	0.00	0.00
16	Specific Assistance To Individuals	0.00	0.00	0.00
17	Depreciation ²	0.00	0.00	0.00
18	Other Non-Personnel ²	0.00	0.00	0.00
20	Capital Purchase ²	0.00	0.00	0.00
22	Indirect Cost	0.00	0.00	0.00
24	In-Kind Expense	0.00	0.00	0.00
n/a	Grantee Match Requirement (for any amount of the required Grantee Match that is <u>not</u> specifically delineated by budget line-items above)	0.00	0.00	0.00
25	GRAND TOTAL	0.00	0.00	0.00

¹ Each expense object line-item shall be defined by the Department of Finance and Administration Policy 03, *Uniform Reporting Requirements and Cost Allocation Plans for Subrecipients of Federal and State Grant Monies, Appendix A*. (posted on the Internet at: <http://www.state.tn.us/finance/act/documents/policy3.pdf>).

² Applicable detail follows this page if line-item is funded.

³ A Grantee Match Requirement is detailed by this Grant Budget, and the maximum total amount reimbursable by the State pursuant to this Grant Contract, as detailed by the "Grant Contract" column above, shall be reduced by the amount of any Grantee failure to meet the Match Requirement.