



STATE OF TENNESSEE
PROCUREMENT COMMISSION
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- AGENDA -
PROCUREMENT COMMISSION MEETING #037
THURSDAY, FEBRUARY 18, 2021, 2:00 p.m.
VIA WEBEX

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BUTCH ELEY
Commissioner of Finance & Administration

JASON MUMPOWER
Comptroller of the Treasury

CHRISTI BRANSCOM, Chairman
Commissioner of General Services

MICHAEL F. PERRY
Chief Procurement Officer

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**MINUTES OF FEBURARY 20, 2020
MEETING**

MINUTES
PROCUREMENT COMMISSION MEETING #036
THURSDAY, February 20, 2020, 2:00 p.m.
TN TOWER, 3RD FLOOR, NASHVILLE ROOM

Members in Attendance:

Justin P. Wilson, Comptroller of the Treasury; Christi W. Branscom, Commissioner, Department of General Services; Mike Perry, Chief Procurement Office; Stuart McWhorter, Commissioner, Department of Finance and Administration

Others in Attendance:

Buddy Lea, Christy Allen, Bryan Chriske, Paul Krivacka, Jenny Young, Randy Dean, Kevin Wieck, Davis Nwankwo, Robin Upchurch, Shannon Howell, Karen Conway, Debi Moss, Tim Drown, John Bissell

I. Call to Order:

Commissioner Branscom called the meeting to order and recognized that a quorum of Procurement Commission ("Commission") members was present.

IV. Minutes from the November 14, 2019 Meeting:

Commissioner Branscom presented the November 14, 2019, minutes for approval. Comptroller Wilson stated his office had reviewed minutes and moved adoption of the November 14, 2019 Procurement Commission meeting minutes as presented. Commissioner McWhorter seconded the motion; whereupon the minutes were approved.

V. Consent Agenda Items.

Commissioner Branscom presented the Consent Agenda item (1) for approval. Mr. Paul Krivacka, Lead Attorney/Director of Category Management, Central Procurement Office stated he was available for any questions.

Commissioner Branscom asked if there were any comments or questions on any of the items on the consent agenda. Seeing none, Comptroller Wilson made a motion to approve Consent Agenda item (1). Commissioner McWhorter seconded the motion; whereupon Consent Agenda item (1) was approved.

VI. New Business:

Mr. Krivacka presented the following New Business agenda items:

Mr. Krivacka noted that there were (6) New Business items, some of which could be taken together. He stated that items (4) and (5) were similar and he asked to take those items together.

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

(1) E.#. Capital Asset (Optional GR and GG, TDOT)

Mr. Krivacka summarized the following points with regard to the E.#. Capital Asset (Optional GR and GG, TDOT) proposal:

- This proposal revises the optional language used by TDOT when funding involves assistance related to capital assets (e.g., vehicles, equipment or facilities). The revised term clarifies the definition of Capital Asset and modifies the insurance requirement.

Seeing no discussion on agenda items (1), Comptroller Wilson made a motion to approve the E.#. Capital Asset (Optional GR and GG, TDOT) as presented. The motion was seconded by Commissioner McWhorter. All members voted in favor – none opposed.

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

(2) Solicitation Notice and Nondisclosure Agreement Model

Mr. Krivacka summarized the following point with regard to the Solicitation Notice and Nondisclosure Agreement Model proposal:

- This is a new solicitation notice developed for those unique situations where a solicitation has been identified by STS as containing information that is confidential under Tenn. Code Ann. § 10-7-504(i).
- Potential respondents will be required to sign the proposed NDA and agree to safeguard any Confidential State Data before the full contents of the solicitation document will be released to them for review.

Commissioner McWhorter asked if this would be for contracts under protest or for all. Mr. Krivacka responded that this would be across the board. Procedurally, the solicitation would be issued to the marketplace containing a general scope or specifications without identifying them in such a way to allow someone who wasn't part of the process to gain that information and then later use that information to attack the State's information system. Mr. Krivacka went on to say on vendors who are registered in Edison would be allowed access, and only after they agreed to the non-disclosure agreement.

Seeing no further discussion on item (2), Comptroller Wilson made a motion to approve the Solicitation Notice and Nondisclosure Agreement Model as presented. The motion was seconded by Commissioner McWhorter. All members voted in favor – none opposed.

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

(3) A.#. MyTN.Gov Integration

Mr. Krivacka stated that he passed out to the Procurement Commission members a copy of a slight

change that was brought to CPO's attention by STS that they had erred in including the word "integration" instead of the word "interface." He went on to say that there is a substantial technological difference between "integration" and "interface." This error was brought to STS's attention by one of the State's vendors. Each of the members was requested to approve the redline that each of the members received.

Seeing no discussion on the amendment, Commissioner McWhorter made a motion to approve. The motion was seconded by Comptroller Wilson. All members voted in favor – none opposed.

Mr. Krivacka presented the following points with regard to the A.#. MyTN.Gov Integration proposal:

- This is a new optional contract term within section A. provided by STS for contracts that involve software.
- This term puts the Contractor on notice that the State may require the software developed or provided by the Contractor to interface with the State's customer-facing portal, MyTN.gov.
- When included, the procurement professional should also add the Additional Lines, Items, or Options contract term – as described in the optional language instructions.

Seeing no discussion on agenda items (3), Commissioner McWhorter made a motion to A.#. MyTN.Gov Integration as presented. The motion was seconded by Comptroller Wilson. All members voted in favor – none opposed.

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

- (4) Policy Number 2013-007 Grant Management and Subrecipient Monitoring Policy and Procedures; and
- (5) GR and GG Cover Sheet.

Mr. Krivacka presented the following points with regard to the Policy Number 2013-007 Grant Management and Subrecipient Monitoring Policy and Procedures and GR and GG Cover Sheet proposals:

Policy Number 2013-007 Grant Management and Subrecipient Monitoring Policy and Procedures:

- The Grants Management Policy has been revised to provide additional clarification around the definitions of and characteristics that support classification of a counter party's status as a Contractor, Recipient, or Subrecipient.
- This proposed change will provide additional clarification around the Grantor State Agency Monitoring Requirements. ⁱ

GR and GG Cover Sheet:

- This revision modifies the checkbox from Contractor to Recipient.
- If a Grantor State Agency determines that a Contractor relationship exists, they would not use a Grant Contract model or template. Under a Grant Contract the options should be either a Recipient or Subrecipient depending on the status of the counterpart.
- Additional clarifying language has been proposed to the Grant Management Policy and modification of these checkboxes will also help reduce confusion in light of those

changes.

Mr. Wilson asked about sub-recipient monitoring. Mr. Krivacka replied that holistically the CPO is trying to improve the grant management information system. The CPO has reviewed grant management platforms, Edison capabilities and legislation introduced that would require more detail with respect to what is expected out of the grants management system. Mr. Krivacka made one other point, that at the last Procurement Commission meeting we made one change to the template document that will require the grantee or sub-recipient to provide information to the agency involved in the grant, in addition to the Comptroller's Office. That will help solve some of the problems identified in the Sunset Audit. The advantages of a solid robust grant management system would include grantee self-reporting, which will improve all reporting.

Seeing no further discussion on agenda items (4) and (5), Comptroller Wilson made a motion to approve Policy Number 2013-007 Grant Management and Subrecipient Monitoring Policy and Procedures and GR and GG Cover Sheet as presented. The motion was seconded by Commissioner McWhorter. All members voted in favor – none opposed.

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

(6) Tennessee Procurement Commission Bylaws and Rules of Procedure, Amendment 4

Mr. Krivacka presented the following points with regard to the Tennessee Procurement Commission Bylaws and Rules of Procedure, Amendment 4 proposal:

- As discussed at the last Procurement Commission meeting (November 14th), this proposal seeks to address a recent Sunset audit finding regarding the lack a conflict of interest policy for members.
- The proposed Amendment 4 adds a Conflict of Interest Policy and adds a requirement that each member of the Commission complete and sign the attached Conflict of Interest Policy on an annual basis.

Seeing no discussion on agenda item (6), Commissioner McWhorter made a motion to approve Tennessee Procurement Commission Bylaws and Rules of Procedure, Amendment 4 as presented. The motion was seconded by Comptroller Wilson. All members voted in favor – none opposed.

IV. Reports:

Mr. Krivacka presented the following standard reports for acknowledgement and for informational purposes:

- 1) Certification Related Items
- 2) Limitation of Liability
- 3) Memorandum of Understanding (MOU)

V. Other Business:

Consent to Cancel the March 19, 2020 Procurement Commission Meeting:

Comptroller Wilson, Commissioner Branscom and Commissioner McWhorter gave their verbal consent to cancel the March 19, 2020 Procurement Commission meeting. This means that the next meeting will be April 16, 2020.

VI. Adjournment:

Seeing no other business, a motion for adjournment was made by Commissioner Branscom and seconded by Comptroller Wilson. All members voted in favor - none opposed; whereupon the February 20, 2020 Procurement Commission meeting was adjourned.

PROCUREMENT COMMISSION AGENDA ITEMS OVERVIEW

Overview of Agenda Items:

C.1. RFP Instructions:

- No changes to requisite approvals or approval process. This just removes reference to the CPO's AGSPRS email address, which is being phased out due to automation projects.

C.2. RFP Option, Field Test:

- Adds the option to include an "Oral Presentation" or "Field Test" instead of just an "Oral Presentation." Adding this option will allow procurement professionals to more accurately describe what may be requested of respondents during the solicitation.
- For certain solicitations, State Agencies may need to have more of a technical demonstration and opportunity to field test a product that is being proposed and in other situations an Oral Presentation may be more appropriate.

C.3. Insurance:

- In response to feedback from several respondents, this request revises the standard insurance clause to remove the word "certified" from the following sentence:
"The State reserves the right to require complete, ~~certified~~ copies of all required insurance policies, including endorsements required by these specifications, at any time."
- There is an additional cost that may be associated with certified copies and a complete copy is sufficient for the State's purposes.

C.4. Delegated Grant Authority Template:

- The DGA Template Cover Sheet includes "Contractor" as an option to choose from on the cover sheet where describing the type of relationship the grant contract will establish.
- This option needs to be removed and replaced with "Recipient" to comply with the CPO Grant Management and Subrecipient Monitoring Policy and Procedures, Policy Number 2013-007.
- Also, the DGA Template at Section E. should be modified to add a note that the maximum liability of the Delegated Grant Authority may not exceed ten million dollars unless there is an approved Rule Exception Request.
- This requirement is already included in the Delegated Authority Amendment instructions and the absence of reference to whether there is a limit or not has raised questions.
- This will clearly state that a RER will be required for DGAs over \$10,000,000 moving forward.

C.5. USDA Food and Nutrition Service Requirement of Non-discrimination clause - NEW:

- This would add an optional provision to the GR Template to reduce need for RER moving forward.
- Term used by DHS to comply with contracts with the USDA Food and Nutrition Service.

NB.1. Counterpart - NEW:

- Adds a new Counterpart Term – “This Grant Contract may be executed in two or more dated counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same effective instrument.”
- This will reduce the administrative burden for procurement professionals collecting time sensitive signatures for grant contracts.

NB.2. Procurement Procedures Manual (Sections 5.10. and 5.11):

- This proposal will require evaluator training as a prerequisite for an evaluator to score responses and adds additional information for Evaluation Committee Meetings.
- These changes are designed to improve the quality of technical evaluations.

NB.3. License Term – NEW:

- The State has a number of active licensed trademarks and this request would add an optional term for instances where the State is granting a license to Contractors or Grantees.

NB.4. Federal Procurement Terms - NEW:

- This request adds more optional contract terms to the FA, GR, and GG and configurator to reduce the number of RERs required when federal funds are involved.

NB.5. Warranty – Option – NEW:

- This request adds a new option to the FA template to provide more flexibility to remove or revise the Warranty option with approval from CPO Legal.

NB.6. Statewide Payment Card Policy and Procedures, Policy 2015-010:

- The P-Card Team and P-Card program participants have extensively reviewed the P-Card Policy and have recommended a number of revisions to the Policy such as updated definitions; grouping of similar sections; and, reorganization including the addition of two appendices for informational purposes.
- Note name change of Policy from “Purchasing Card” to “Payment Card” to better reflect role of the p-card as a vehicle for making payments.

RFP INSTRUCTIONS

REQUEST: Revise the RFP Template instructions as follows:

REQUEST FOR PROPOSALS (RFP) STANDARD TEMPLATE

This template prescribes the format and content for a Request for Proposals (RFP). A RFP is a competitive solicitation used to award a contract based on Respondent qualifications, experience, technical approach and cost. Documents of this type must adhere to this template with revisions only as instructions permit. A Rule Exception Request is required unless the deviation is immaterial; however, even immaterial deviations are subject to disapproval.

APPROVAL INSTRUCTIONS

Each RFP must be approved for release in accordance with the instructions below. Approval is also required for any RFP amendment or RFP cancellation. For detailed guidance on contract approvals, see the Procurement Procedures Manual of the Central Procurement Office (CPO) at § 5.15.3. All references below to requisite Comptroller's Office submission and approvals should be followed only as applicable.

Procurement professionals should complete template 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 RFP Template begins on the following page. Additional RFP instructions, considerations, and options follow the standard RFP Template.

Procurement professionals should submit the RFP draft at least 20 business days before the desired RFP release date. (Notwithstanding compliance with this deadline, circumstances may necessitate a delay of the release date.) To prevent additional delays, any approved Rule Exception Requests, endorsements, justifications, or other required approvals must be submitted with the RFP draft. If there are any questions as to whether a Rule Exception Request is required, consult CPO staff for guidance. Each draft must:

1. be clearly marked as "REVIEW DRAFT";
2. specify a number indicating the draft version;
3. highlight all deviations from the template language; and
4. highlight any changes between draft versions that may be necessary prior to release.
 - CPO staff will: (a) review the draft and confer with procuring agency staff by means of e-mailed review notes and redrafts; and (b) e-mail the proposed document to Comptroller staff when the CPO review is completed.
 - Comptroller staff will: (a) review the draft and confer directly with CPO staff and copy procuring agency staff by means of review notes and redrafts exchanged by e-mail; and (b) e-mail approval notice to both the CPO staff and procuring agency staff when the latest draft appears acceptable for release.

PUBLICATION INSTRUCTIONS

Upon Comptroller approval, prepare the RFP for public release by removing any highlighting, changing all text to an appropriate color, and removing any draft version number or other extraneous notations. On the business day before the date approved for public solicitation, e-mail the RFP prepared for public release to the CPO contact assigned to the procuring agency and to the Comptroller so that CPO staff can post the digital document(s) on the Internet as appropriate. The documents presented for publication must consist of one or more (clearly and logically separated component) digital files in PDF and DOC format. If previously approved, the cost proposal attachment may be presented for publication in XLS, spreadsheet format.

ALWAYS confirm that each document is properly posted for public review on the CPO's website. If, for any reason, a RFP is not properly published to the Internet, it may be necessary for the State to revise the approved RFP schedule of events to add additional time before the Q&A and Respondent deadlines.

RFP OPTION, FIELD TEST

REQUEST: Add the following to the Request for Proposals (“RFP”) Template at the RFP Instructions, Considerations, and Options:

2. RFP SCHEDULE OF EVENTS

Option: Oral Presentation or Field Test Event.

Complete and insert the following rows, in order and immediately after the Response Deadline event. Re-number subsequent events as appropriate.

#. State Schedules Respondent Oral Presentation or Field Test		
#. Respondent Oral Presentation or Field Test	8 a.m. - 4:30 p.m.	

5. EVALUATION & CONTRACT AWARD

Option: Oral Presentation or Field Test Points – Example 1.

Replace the RFP Section 5.1. table with the following if an Oral Presentation or Field Test requirement is proposed. Only include this section if the Oral Presentation or Field Test will be evaluated as a separate evaluation category.

EVALUATION CATEGORY	MAXIMUM POINTS POSSIBLE
General Qualifications & Experience (refer to RFP Attachment 6.2., Section B)	NUMBER
Technical Qualifications, Experience & Approach (refer to RFP Attachment 6.2., Section C)	NUMBER
Oral Presentation or Field Test (refer to RFP Attachment 6.2., Section D)	NUMBER ≤ 10% OF TOTAL POINTS
Cost Proposal (refer to RFP Attachment 6.3.)	NUMBER ≥ 30% OF TOTAL POINTS

Option: Oral Presentation or Field Test Points – Example 1.

The procuring state agency must maintain an accurate record of each Respondent’s **Oral Presentation or Field Test** session such that all pertinent dialogue between Proposal Evaluation Team members, technical advisers, and Respondents shall be reduced to writing or otherwise memorialized. Procurement Professionals should consider using a court reporter, video recording, or audio recording to memorialize the **Oral Presentation or Field Test**

Insert the following as sections 5.2.1.5., *et seq.* (and renumber current section 5.2.1.5. accordingly) if a(n) **Oral Presentation or Field Test** is required.

5.2.1.5. The Solicitation Coordinator will invite each apparently responsive and responsible Respondent to make a(n) **Oral Presentation or Field Test**.

5.2.1.5.1. The **Oral Presentations or Field Tests** are mandatory. The Solicitation Coordinator will schedule Respondent **Presentations or Field Tests** during the period indicated by the RFP Section 2, Schedule of Events. The Solicitation Coordinator will make every effort to accommodate each Respondent's schedules. When the Respondent **Presentations or Tests** schedule has been determined, the Solicitation Coordinator will contact Respondents with the relevant information as indicated by RFP Section 2, Schedule of Events.

5.2.1.5.2. Respondent **Presentations or Tests** are only open to the invited Respondent, Proposal Evaluation Team members, the Solicitation Coordinator, and any technical consultants who are selected by the State to provide assistance to the Proposal Evaluation Team.

5.2.1.5.3. **Oral Presentations or Field Tests** provide an opportunity for Respondents to explain and clarify their responses and for the State to test to better understand the practical application of the **good or service** as applicable. Respondents must not materially alter their responses and **Presentations or Field Tests** will be limited to addressing the items detailed in RFP Attachment 6.2., Technical Response & Evaluation Guide. Respondent pricing shall not be discussed or provided during **Oral Presentations or Field Tests**.

5.2.1.5.4. The State will maintain an accurate record of each Respondent's **Oral Presentation or Field Test** session. The record of the Respondent's **Oral Presentation or Field Test** shall be available for review when the State opens the procurement files for public inspection.

5.2.1.5.5. Proposal Evaluation Team members will independently evaluate each **Oral Presentation or Field Test** in accordance with the RFP Attachment 6.2., Technical Response & Evaluation Guide, Section D.

5.2.1.5.6. The Solicitation Coordinator will calculate and document the average of the Proposal Evaluation Team member scores for

RFP Attachment 6.2., Technical Response & Evaluation Guide, Section D, and record that number as the score for Respondent's Technical Response section.

Option: Oral Presentation or Field Test Threshold Requirement.

A threshold requirement should not be arbitrary and may require legal counsel recommendation.

The optional language for RFP section 5.2.1.5. (above) may be revised to establish a minimum standard or threshold requirement that must be met before an invitation to make an **Oral Presentation or Field Test** is extended by the State. The minimum standard or threshold requirement must be detailed in the RFP. See possible examples below:

Option: Ranking

The Solicitation Coordinator will invite the top **NUMBER (#)** ranked Respondents to make an **Oral Presentation or Field Test**. The ranking will be determined after the Technical Response score is totaled and ranked (e.g., 1 – the best evaluated ranking, etc.).

Option: Percentile

The Solicitation Coordinator will invite Respondents whose Technical Response scores have attained a combined score of **NUMBER (#)**. This minimum score threshold represents a score of **NUMBER (#)%** of the maximum possible Technical Response score.

Option: Minimum Score

The Solicitation Coordinator will invite Respondents to make an **Oral Presentation or Field Test** who have attained a minimum score of **NUMBER (#)**.

Option: Oral Presentation or Field Test No Points – Example 2.

The procuring state agency must maintain an accurate record of each Respondent's **Oral Presentation or Field Test** session such that all pertinent dialogue between Proposal Evaluation Team members, technical advisers, and Respondents shall be reduced to writing or otherwise memorialized. Procurement Professionals should consider using a court reporter, video recording, or audio recording to memorialize the **Oral Presentation or Field Test**.

Insert the following optional language as sections 5.2.1.5., *et seq.* (and renumber current section 5.2.1.5. accordingly) if an **Oral Presentation or Field Test** is proposed.

5.2.1.5. The Solicitation Coordinator will invite each Respondent, who is apparently responsive and responsible, to make an **Oral Presentation or Field Test**.

5.2.1.5.1. The **Oral Presentations or Field Tests** are mandatory. The Solicitation Coordinator will schedule Respondent **Presentation or Field Test** during the period indicated by the RFP Section 2, Schedule of Events. The Solicitation Coordinator will make every effort to accommodate each

Respondent's schedules. When the Respondent **Presentations or Field Tests** schedule has been determined, the Solicitation Coordinator will contact Respondents with the relevant information as indicated by RFP Section 2, Schedule of Events.

5.2.1.5.2. Respondent **Presentations or Field Tests** are only open to the invited Respondent, Proposal Evaluation Team members, the Solicitation Coordinator, and any technical consultants who are selected by the State to provide assistance to the Proposal Evaluation Team.

5.2.1.5.3. **Oral presentations or Field Tests** provide an opportunity for Respondents to explain and clarify their responses and for the State to test to better understand the practical application of the **good or service as applicable**. Respondents must not materially alter their responses and **Presentations or Field Tests** will be limited to addressing the items detailed in RFP Attachment 6.2., Technical Response & Evaluation Guide. Respondent pricing shall not be discussed during **Oral presentations or Field Tests**. Evaluators may adjust Respondents' Technical Response scores based on **Oral presentations or Field Tests**.

5.2.1.5.4. The State will maintain an accurate record of each Respondent's **Oral presentations or Field Tests** session. The record of the Respondent's **Oral presentations or Field Tests** shall be available for review when the State opens the procurement files for public inspection.

TECHNICAL RESPONSE & EVALUATION GUIDE

SECTION D: ORAL PRESENTATION OR FIELD TEST. The Respondent must address ALL **Oral Presentation or Field Test** Items (below).

A Proposal Evaluation Team, made up of three or more State employees, will independently evaluate and score the oral presentation or field test response to each item. Each evaluator will use the following whole-number, raw point scale for scoring each item:

0 = little value 1 = poor 2 = fair 3 = satisfactory 4 = good 5 = excellent

The Solicitation Coordinator will multiply the Item Score by the associated Evaluation Factor (indicating the relative emphasis of the item in the overall evaluation). The resulting product will be the item's raw, weighted score for purposes of calculating the section score as indicated.

RESPONDENT LEGAL ENTITY NAME:				
Oral Presentation or Field Test Items		Item Score	Evaluation Factor	Raw Weighted Score
D.1.	ORAL PRESENTATION OR FIELD TEST TOPIC OR QUESTION TO BE ADDRESSED		NUMBER	
D.2.	REPEAT REQUIREMENT ITEMS & ASSOCIATED ITEM REFERENCES AND WEIGHTS AS NECESSARY		NUMBER	
<p align="center">Total Raw Weighted Score (<i>sum of Raw Weighted Scores above</i>):</p> <p align="center">The Solicitation Coordinator will use this sum and the formula below to calculate the score. Numbers rounded to two (2) places to the right of the decimal point will be standard for calculations.</p>				
$\frac{\text{total raw weighted score}}{\text{maximum possible raw weighted score}} \times \text{RFP § 5.1. NUMBER} = \text{SCORE:}$ <p align="center"><i>(i.e., 5 x the sum of item weights above)</i> <i>(maximum section score)</i></p>				
<i>State Use – Evaluator Identification:</i>				
<i>State Use – Solicitation Coordinator Signature, Printed Name & Date:</i>				

SCORE SUMMARY MATRIX

	<i>RESPONDENT NAME</i>		<i>RESPONDENT NAME</i>		<i>RESPONDENT NAME</i>	
GENERAL QUALIFICATIONS & EXPERIENCE (maximum: § 5.1. NUMBER)						
<i>EVALUATOR NAME</i>						
<i>EVALUATOR NAME</i>						
<i>REPEAT AS NECESSARY</i>						
	AVERAGE:		AVERAGE:		AVERAGE:	
TECHNICAL QUALIFICATIONS, EXPERIENCE & APPROACH (maximum: § 5.1. NUMBER)						
<i>EVALUATOR NAME</i>						
<i>EVALUATOR NAME</i>						
<i>REPEAT AS NECESSARY</i>						
	AVERAGE:		AVERAGE:		AVERAGE:	
ORAL PRESENTATION/ FIELD TEST (maximum: § 5.1. NUMBER)						
<i>EVALUATOR NAME</i>						
<i>EVALUATOR NAME</i>						
<i>REPEAT AS NECESSARY</i>						
	AVERAGE:		AVERAGE:		AVERAGE:	
COST PROPOSAL (maximum: § 5.1. NUMBER)	SCORE:		SCORE:		SCORE:	
TOTAL RESPONSE EVALUATION SCORE: (maximum: NUMBER)						
<i>Solicitation Coordinator Signature, Printed Name & Date:</i>						


INSURANCE

REQUEST: Revise the insurance clause in all applicable models and templates as follows:

The State reserves the right to require complete copies of all required insurance policies, including endorsements required by these specifications, at any time.

DELEGATED GRANT AUTHORITY TEMPLATE

Request: Revise the Delegated Grant Authority Cover Sheet and Section E. as follows:

 <h2 style="margin: 0;">DELEGATED GRANT AUTHORITY</h2>					
Agency Tracking #	Edison ID	Begin Date	End Date		
Edison ID of prior, similar DGA (if any)		Last possible Start Date of authorized grant contracts			
Service Caption					
Funding —					
FY	State	Federal	Interdepartmental	Other	TOTAL Maximum Liability
TOTAL:					
Each grant contract will establish the following type of relationship:				<input type="checkbox"/> SUBRECIPIENT <input type="checkbox"/> RECIPIENT	
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 – DGA</i>		
Speed Chart (optional)		Account Code (optional)			

DELEGATED GRANT AUTHORITY

This Delegated Grant Authority application (“DGA”), if approved in accordance with Central Procurement Office rules, policies, and procedures, shall authorize the applicant state agency (“Grantor State Agency”) to execute grant contracts for a particular program or programs without individual, independent approval, PROVIDED THAT all grant contracts are within the limits, guidelines, and conditions of this DGA. The Grantor State Agency shall attach a copy of the proposed grant contract(s) that will be used under the DGA. If the proposed grant contract or contracts include modifications or additions to grant contract templates or models, redline the modifications or additions in the attachment(s) and include an approved Rule Exception Request (“RER”).

Grantor State Agency:	Agency Name	
Service Caption:	Program Identification	
A. What will be the maximum number of individual grant contracts?		Number
B. What will be the maximum term of an individual grant contract? The term of any individual grant contract cannot extend beyond the approved DGA’s end date. An approved DGA may remain in force and effect for up to twelve (12) months unless an approved Rule Exception Request for the DA or DGA templates is obtained.		Number months
C. What is the justification to extend the DGA in excess of twelve (12) months? Please only complete if the Delegation is exclusively federally funded and the term is in excess of twelve (12) months. Include a description of the Federal funds in the justification. <input type="checkbox"/> Please check this box if there are no restrictions in the federal notice of award on the use of funds beyond the first year of the grant. Brief justification and an explanation of any restrictions HERE:		
D. What will be the maximum amount of an individual grant contract? This amount may not exceed five million dollars (\$5,000,000) unless an approved RER is obtained.		\$ Amount
E. What is the maximum liability of the Delegated Grant Authority? This amount may not exceed ten million dollars (\$10,000,000) unless an approved RER is obtained.		\$ Amount
F. GRANTOR STATE AGENCY DECLARATION:		
<ol style="list-style-type: none"> 1. Each of the following is true and applicable: <ol style="list-style-type: none"> a) The program needs and general categories of services are such that adequate guidelines can be developed to direct the Grantor State Agency in competitively or impartially awarding a number of similar grants; and b) The individual grant contracts involved will be of such uniformity and standardization of processes, procedures, and contract terms that individual, independent, and prior approval is unnecessary and impractical. 2. The summary cover sheet correctly records the requested delegated authority period in which every grant contract must begin as well as the relationship (as defined by Central Procurement Office Policy 2013-007) that each grant contract will create. 3. The Grantor State Agency will select grantees in strict accordance with a pre-defined, competitive or impartial process. This process is detailed in Attachment 1. 4. The Grantor State Agency will draft each grant contract with the exact “scope of 		

Grantor State Agency:	Agency Name
Service Caption:	Program Identification
<p>services” detailed in Attachment 2, and in compliance with the form and content required by the appropriate grant contract templates and models in effect at the time that each grant contract is drafted. Each grant contract must include a completed summary cover sheet attached at the front of each copy.</p> <ol style="list-style-type: none"> 5. The Grantor State Agency will ensure that every grant contract entered into under the Delegated Grant Authority: <ol style="list-style-type: none"> a) Has sufficient funds budgeted and available; b) Complies with: Tennessee laws and regulations; Central Procurement Office rules and policies; program policies, rules, and regulations; and any federal laws, rules, regulations, and requirements; c) Shall not create an employer/employee relationship as prohibited by the Tenn. R. & Regs. § 0690-03-01-.17; d) Shall not procure goods, materials, supplies, equipment, or services EXCEPT as provided in this Delegated Grant Authority; and e) Shall not provide for the payment of any amount directly or indirectly to an employee or official of the State. 6. The Grantor State Agency will retain records to document that every grant contract has been executed in accordance with the limits, guidelines, and conditions specified in this Delegated Grant Authority. 7. The Grantor State Agency will provide all such reports and information relating to the executed grant contracts under this Delegated Grant Authority as may be requested by state officials. 8. The Grantor State Agency shall attach a copy of the proposed grant contract(s) that will be used under the DGA. If the proposed grant contract or contracts include modifications or additions to grant contract templates or models, redline the modifications or additions in the attachment(s) and include an approved Rule Exception Request (“RER”). <p>IN WITNESS WHEREOF, and by signature below, I certify that all information in this DGA is, to the best of my knowledge, accurate and represents the limits, guidelines, conditions, and procedures that the Grantor State Agency shall follow in executing each grant contract.</p>	
Grantor Agency Head Name & Title	Date

**USDA FOOD AND NUTRITION SERVICE
REQUIREMENT OF
NON-DISCRIMINATION CLAUSE**

REQUEST: Add the following to the GR Template:

Option: USDA Food and Nutrition Service Requirement of Nondiscrimination.

Add the following optional text as applicable and if required by the USDA Food and Nutrition Service.

#. USDA Food and Nutrition Service Requirement of Nondiscrimination. The Grantee agrees 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 such nondiscrimination and shall post in conspicuous places, available to all employees and applicants, notices of nondiscrimination.

- a. The Grantee agrees to comply with Title VI of the Civil Rights Act of 1964 (Pub. L. 88-352), section 11(c) of the Food and Nutrition Act of 2008, as amended, the Age Discrimination Act of 1975 (Pub. L. 94-135), and the Rehabilitation Act of 1973 (Pub. L. 93-112, sec. 504), and all requirements imposed by the regulations issued pursuant to these Acts by the U.S. Department of Agriculture to the effect that, no person in the United States shall, on the grounds of sex, race, color, age, political belief, religion, disability, or national origin, be excluded from participation in, be denied the benefits of, or be otherwise subject to discrimination under the Supplemental Nutrition Assistance Program (SNAP).
- b. Meaningful Access for Individuals with Limited English Proficiency (LEP)

Subrecipients and contractors that participate in the SNAP must take reasonable steps to ensure that LEP persons have meaningful access to programs, services, and benefits. This includes the requirement to provide bilingual program information and certification materials and interpretation services to single language minorities in certain project areas. SNAP subrecipients and contractors that do not provide meaningful access for LEP individuals risk violating prohibitions against discrimination based on National Origin in the Food and Nutrition Act of 2008, as amended, Title VI of the Civil Rights Act of 1964 (Title VI) and SNAP program regulations at 7 CFR 272A(b). They also risk noncompliance with the USDA policy guidance titled, "Guidance to Federal Financial Assistance Recipients Regarding Title VI Prohibition Against National Origin Discrimination Affecting Limited English Proficient Persons", published in 79 FR 70771 - 70784 (November 28, 2014).

SNAP subrecipients and contractors should develop an implementing plan to address the language assistance needs of the LEP population served. This may include contracting for oral interpretation services, hiring bilingual staff, arranging telephone interpreters and/or language lines, coordinating community volunteers, translating vital documents, and providing written notice that language services are available in appropriate languages. Quality and accuracy of the language service is critical in order to avoid serious consequences to the LEP person and to the recipient. USDA's 2014 policy guidance includes detailed information on assessing LEP needs, identifying practices for translating documents that will be seen as strong evidence of compliance. LEP needs should be considered in developing budgets and front line staff should understand how to obtain

language assistance services. For additional assistance and information regarding LEP matters, please also visit <http://www.lep.gov>.

c. Ensuring Equal Opportunity Access for Persons with Disabilities

SNAP subrecipients and contractors must also ensure equal opportunity access for persons with disabilities. This includes ensuring that communications with applicants, participants, members of the public, and companions with disabilities are as effective as communications with people without disabilities. Subrecipients and contractors that do not provide persons with disabilities equal opportunity access to programs may risk violating prohibitions against disability discrimination in the Rehabilitation Act of 1978, the American with Disabilities Act (ADA) of 1990, as amended, and SNAP program regulations.

DOJ published revised final regulations implementing Title II and Title III of the ADA on September 15, 2010. These regulations are codified at 28 CFR Part 35 "Nondiscrimination on the Basis of Disability in State and Local Government Services" and at 28 CFR Part 36 "Nondiscrimination on the Basis of Disability in Public Accommodations and Commercial Facilities". In accordance with the implementing regulations, subrecipients and contractors must provide auxiliary aids and services where necessary to ensure effective communication and equal opportunity access to program benefits for individuals with disabilities. The type of auxiliary aids and services required will vary, but a subrecipient or contractor may not require an individual with a disability to bring another individual to interpret, and may rely on a person accompanying a disabled individual only in limited circumstances. When a subrecipient or contractor communicates with applicants and beneficiaries by telephone, it must provide text telephone services (TTY) or have access to an equally effective electronic telecommunications system to communicate with individuals who are deaf, hard of hearing, or hearing impaired. Subrecipients and contractors must also ensure that interested persons, including persons with impaired vision or hearing, can obtain information as to the existence and location of accessible services, activities, and facilities. For more information, please visit the ADA website: <http://www.ada.gov>.

COUTERPART

REQUEST: Add the following as an optional term to the GR and GG templates.

Counterpart

Add the following optional term as appropriate.

E.#. Counterpart. This Grant Contract may be executed in two or more dated counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same effective instrument.

**PROCUREMENT PROCEDURES
MANUAL (SECTIONS 5.10 AND 5.11.4)**

NB.2. Procurement Procedures Manual at sections §§ 5.10. and 5.11.4.

REQUEST: Revise the *Procurement Procedures Manual of the Central Procurement Office* as follows:

5.10. *Evaluation Committee.*

The number of evaluation committee members of a solicitation may vary but should consist of at least three (3) members, each of whom should have the technical expertise in terms of education, training and experience to aid the evaluation committee with respect to the technical aspects of the solicitation. If necessary, the solicitation coordinator should seek out State employees or consultants who can attend presentations and provide meaningful technical expertise to evaluation committee members. Only state employees may serve as evaluation committee members, but non-state employees with technical expertise that is helpful to the evaluation committee should be included as consulting, *ex officio* or non-voting members. Before the commencement of the evaluation process, the evaluation committee should attend evaluation training, review and familiarize themselves with the solicitation, applicable statutes, rules and regulations, Central Procurement Office Policy and this *Manual*. All Evaluation Committee members should understand the general solicitation requirements and the specific requirements of the subject solicitation. Only Evaluation committee members that have completed the requisite evaluator training are permitted to score responses.

No individual involved in evaluating a solicitation or the associated scope of service should have a financial interest in a prospective respondent or have the appearance of a conflict of interest with regard to the solicitation or prospective respondent. Ensuring the independence of each person involved in the evaluation of responses is the solicitation coordinator's responsibility. The solicitation coordinator should follow the Central Procurement Office's *Business Conduct and Ethics Policy and Procedures*, which are incorporated in these Procedures by reference. *Appendixes A and B* to the *Business Conduct and Ethics Policy and Procedures* contains all necessary conflict of interest disclosure forms for evaluation committee members.

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5.11.4. *Evaluation Committee Meetings.*

Once the responses have been evaluated and scored by individual evaluation committee members, the full evaluation committee may meet to discuss the responses and arrive at the final scoring. In the event the Solicitation Coordinator determines that an evaluation committee meeting is necessary to correct evaluator score anomalies or to ensure the integrity of the evaluator process, attendance by the full evaluation committee, either in person or electronically, is mandatory for all members. Only Evaluation Committee members who are present in person or

electronically during oral presentations may participate in scoring responses. The full Evaluation Committee should discuss all aspects of the responses so that there is a “unified understanding” of the criteria and corresponding responses. Only an individual Evaluation Committee member may adjust his or her individual score at this point. Respondent scoring should be based on the written responses and respondents’ oral presentations. For example, ambiguous or unclear information provided in a response or during oral presentations or incapable of being clarified after attempts by the solicitation coordinator at seeking clarifications should be downgraded accordingly.

LICENSE TERM

REQUEST: Add the following as a new optional term to the FA, GR, GG, NC, and RV contract templates.

License.

If the contract will involve the State granting a license, e.g., use of the State of TN registered trademark, add the following Section as appropriate:

- E.#.** License. State hereby grants to **Contractor/Grantee** the non-exclusive, non-transferable license, privilege and authority to use the Property in connection with the project as approved, set out in this Contract **at Section A/Attachment Reference** all other rights being reserved to State for the Term of this contract as provided below.
- a. Property. The “Property” licensed **[Insert word portion of mark, if any]** mark:
[Insert picture of mark]
 - i. Exclusivity. None.
 - ii. Territory. Worldwide.
 - b. Term. **Contractor/Grantee** shall begin to use the Property as set out in **Contract Section A/Attachment Reference** and shall cease upon termination of the Contract unless otherwise agreed to herein.
 - c. Use Limitations and Collateral Materials. The Property may be used on signs, promotional materials, marketing materials, Contractor/Grantee’s visitor website, and/or as otherwise set out in **Contract [insert Contract #], Section A/Attachment Reference**. The License also includes the right to create and use promotional, advertising and packing material in connection with marketing of the services. In advertising and promoting with use of the Property, **Contractor/Grantee** shall seek prior approval as set out in this Section. The **Contractor/Grantee** does not have any rights to use the Property on any consumer products or merchandise rights.
 - d. Use of Signage and Other Materials. Upon expiration of this License, Grantee shall cease use of the Property on current materials. If this License is terminated earlier than contemplated by this Contract, **Contractor/Grantee** and State shall negotiate in good faith the wind up of the License.
 - e. Sub-licensing. Sub-licensing is not allowed.
 - f. Approvals. All use of the Property shall require State’s prior written approval. Failure to obtain approvals at all stages shall be cause for termination of Contractor’s/Grantee’s use of the Property, only, and not the remainder of the Contract unless failure to use the Property results in a material breach.
 - g. Intellectual Property Notices. The Property shall always be displayed with the “®” symbol and the following notice shall appear, where space permits, on all marketing or collateral materials bearing the Property:
[Insert word portion of Mark, if any] is a registered trademark and is used under license to the **Contractor/Grantee**.
 - h. Exclusive Property of State. The Property is and shall remain the exclusive property of State and all rights arising from the use of the Property, shall inure to State. **Contractor/Grantee** acknowledges that it does not now have and in the future will not

assert any right, title or interest of any kind or nature whatsoever in or to the Property nor will it change or contest any of State's rights therein.

- i. Royalty Rate. This License shall be royalty free.

FEDERAL PROCUREMENT TERMS

REQUEST: Add the following to the FA Template, Configurator, and GG and GR (substituting Contractor for Grantee and Grant Contract for Contract where applicable):

Procurement of Recovered Materials

Add the following as appropriate.

<p>E.#. <u>Procurement of Recovered Materials.</u></p> <ul style="list-style-type: none">a. In the Performance of this contract, the Contractor shall make maximum use of products containing recovered materials that are EPA-designated items unless the product cannot be acquired competitively within a timeframe providing for compliance with the contract performance schedule; meeting contract performance requirements; or at a reasonable price.b. Information about this requirement, along with the list of EPA-designated items, is available at EPA's Comprehensive Procurement Guidelines website, https://www.epa.gov/smm/comprehensive-procurement-guideline-cpg-program.c. The Contractor also agrees to comply with all other applicable requirements of Section 6002 of the Solid Waste Disposal Act.
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Access to Records

Add the following as appropriate.

<p>E.#. <u>Access to Records.</u></p> <ul style="list-style-type: none">a. The Contractor agrees to provide the State, the [insert name of recipient], the Comptroller General of the United States, or any of their authorized representatives access to any books, documents, papers, and records of the Contractor which are directly pertinent to this contract for purposes of making audits, examinations, excerpts, and transcriptions.b. The Contractor agrees to permit any of the foregoing parties to reproduce by any means whatsoever or to copy excerpts and transcriptions as reasonably needed.c. The Contractor agrees to provide the FEMA Administrator or his authorized representatives access to construction or other work sites pertaining to the work being completed under the contract.d. In Compliance with the Disaster Recovery Act of 2018, the State and the Contractor acknowledge and agree that no language in this contract is intended to prohibit the audits or internal reviews by the FEMA Administrator or the Comptroller General of the United States.
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Use of DHS Logo

Add the following Section as appropriate.

<p>E.#. <u>Use of DHS Logo.</u> The contractor shall not use the DHS seal(s), logos, crests, or reproductions of flags or likenesses of DHS agency officials without specific FEMA pre-approval.</p>

Compliance with Federal Law, Regulations, and Executive Orders

Add the following Section as appropriate.

E.#. Compliance with Federal Law, Regulations, and Executive Orders. This is an acknowledgement that FEMA financial assistance will be used to fund all or a portion of the contract. The contractor will comply with all applicable Federal law, regulations, executive orders, FEMA policies, procedures, and directives.

No Obligation by Federal Government

Add the following Section as appropriate.

E.#. No Obligation by Federal Government. The Federal Government is not a party to this contract and is not subject to any obligations or liabilities to the non-Federal entity, contractor, or any other party pertaining to any matter resulting from the Contract.

Compliance with The False Claims Act

Add the following as appropriate.

E.#. Compliance with The False Claims Act. The Contractor acknowledges that 31 U.S.C. Chap. 38 (Administrative Remedies for False Claims and Statements) applies to the Contractor's actions pertaining to this contract.

Equal Employment Opportunity

Add the following as appropriate.

E.#. Equal Employment Opportunity. During the performance of this contract, the contractor agrees as follows:

- a. The contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex, sexual orientation, gender identity, or national origin. The contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, sex, sexual orientation, gender identity, or national origin. Such action shall include, but not be limited to the following: Employment, upgrading, demotion, or transfer, recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the contracting officer setting forth the provisions of this nondiscrimination clause.
- b. The contractor will, in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, sexual orientation, gender identity, or national origin.
- c. The contractor will not discharge or in any other manner discriminate against any employee or applicant for employment because such employee or applicant has inquired about, discussed, or disclosed the compensation of the employee or applicant or another employee or applicant. This provision shall not apply to instances in which an employee who has access to the compensation information of other employees or applicants as a part of such employee's essential job functions discloses the compensation of such other employees or applicants to individuals who do not otherwise have access to such information, unless such disclosure is in response to a formal complaint or charge, in furtherance of an investigation, proceeding, hearing, or action, including

an investigation conducted by the employer, or is consistent with the contractor's legal duty to furnish information.

- d. The contractor will send to each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding, a notice to be provided by the agency contracting officer, advising the labor union or workers' representative of the contractor's commitments under section 202 of Executive Order 11246 of September 24, 1965, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.
- e. The contractor will comply with all provisions of Executive Order 11246 of September 24, 1965, and of the rules, regulations, and relevant orders of the Secretary of Labor.
- f. The contractor will furnish all information and reports required by Executive Order 11246 of September 24, 1965, and by the rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his books, records, and accounts by the contracting agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.
- g. In the event of the contractor's non-compliance with the nondiscrimination clauses of this contract or with any of such rules, regulations, or orders, this contract may be canceled, terminated or suspended in whole or in part and the contractor may be declared ineligible for further Government contracts in accordance with procedures authorized in Executive Order 11246 of September 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in Executive Order 11246 of September 24, 1965, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.
- h. The contractor will include the portion of the sentence immediately preceding paragraph (1) and the provisions of paragraphs (1) through (8) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to section 204 of Executive Order 11246 of September 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. The contractor will take such action with respect to any subcontract or purchase order as the administering agency may direct as a means of enforcing such provisions, including sanctions for noncompliance: Provided, however, that in the event a contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the administering agency, the contractor may request the United States to enter into such litigation to protect the interests of the United States.
The applicant further agrees that it will be bound by the above equal opportunity clause with respect to its own employment practices when it participates in federally assisted construction work: Provided, That if the applicant so participating is a State or local government, the above equal opportunity clause is not applicable to any agency, instrumentality or subdivision of such government which does not participate in work on or under the contract.

The applicant agrees that it will assist and cooperate actively with the administering agency and the Secretary of Labor in obtaining the compliance of contractors and subcontractors with the equal opportunity clause and the rules, regulations, and relevant orders of the Secretary of Labor, that it will furnish the administering agency and the Secretary of Labor such information as they may require for the supervision of such compliance, and that it will otherwise assist the administering agency in the discharge of the agency's primary responsibility for securing compliance.

The applicant further agrees that it will refrain from entering into any contract or contract modification subject to Executive Order 11246 of September 24, 1965, with a contractor debarred from, or who has not demonstrated eligibility for, Government contracts and federally assisted construction contracts pursuant to the Executive Order and will carry out such sanctions and penalties for violation of the equal opportunity clause as may be imposed upon contractors and subcontractors by the administering agency or the Secretary of Labor pursuant to Part II, Subpart D of the Executive Order. In addition, the applicant agrees that if it fails or refuses to comply with these undertakings, the administering agency may take any or all of the following actions: Cancel,

terminate, or suspend in whole or in part this grant (contract, loan, insurance, guarantee); refrain from extending any further assistance to the applicant under the program with respect to which the failure or refund occurred until satisfactory assurance of future compliance has been received from such applicant; and refer the case to the Department of Justice for appropriate legal proceedings.

Compliance with Contract Work Hours and Safety Standards Act

Add the following as appropriate.

E.#. Compliance with Contract Work Hours and Safety Standards Act.

- a. Overtime requirements. No contractor or subcontractor contracting for any part of the contract work which may require or involve the employment of laborers or mechanics shall require or permit any such laborer or mechanic in any workweek in which he or she is employed on such work to work in excess of forty hours in such workweek unless such laborer or mechanic receives compensation at a rate not less than one and one-half times the basic rate of pay for all hours worked in excess of forty hours in such workweek.
- b. Violation; liability for unpaid wages; liquidated damages. In the event of any violation of the clause set forth in paragraph (b)(1) of this section the contractor and any subcontractor responsible therefor shall be liable for the unpaid wages. In addition, such contractor and subcontractor shall be liable to the United States (in the case of work done under contract for the District of Columbia or a territory, to such District or to such territory), for liquidated damages. Such liquidated damages shall be computed with respect to each individual laborer or mechanic, including watchmen and guards, employed in violation of the clause set forth in paragraph (b)(1) of this section, in the sum of \$27 for each calendar day on which such individual was required or permitted to work in excess of the standard workweek of forty hours without payment of the overtime wages required by the clause set forth in paragraph (b)(1) of this section.
- c. Withholding for unpaid wages and liquidated damages. The (write in the name of the Federal agency or the loan or grant recipient) shall upon its own action or upon written request of an authorized representative of the Department of Labor withhold or cause to be withheld, from any moneys payable on account of work performed by the contractor or subcontractor under any such contract or any other Federal contract with the same prime contractor, or any other federally-assisted contract subject to the Contract Work Hours and Safety Standards Act, which is held by the same prime contractor, such sums as may be determined to be necessary to satisfy any liabilities of such contractor or subcontractor for unpaid wages and liquidated damages as provided in the clause set forth in paragraph (b)(2) of this section.
- d. Subcontracts. The contractor or subcontractor shall insert in any subcontracts the clauses set forth in paragraph (b)(1) through (4) of this section and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for compliance by any subcontractor or lower tier subcontractor with the clauses set forth in paragraphs (b)(1) through (4) of this section.

Prohibition on Certain Telecommunications and Video Surveillance Services or Equipment

Add the following Section as appropriate.

- E.#.** Prohibition on Certain Telecommunications and Video Surveillance Services or Equipment. If applicable and as required by 2 CFR 200.216, **Contractor/Grantee** is prohibited from obligating or expending loan or grant funds to procure or obtain; extend or renew a contract to procure or obtain; or enter into a contract (or extend or renew a contract) to procure or obtain equipment, services, or systems that uses covered telecommunications equipment or services as a substantial or essential component of any system, or as a critical technology as part of any system. As described in Public Law 115-232, Section 889, “covered telecommunications equipment” is as follows:
- a. Telecommunications equipment produced by Huawei Technologies Company or ZTE Corporation (or any subsidiary or affiliate of such entities).
 - b. For the purpose of public safety, security of government facilities, physical security surveillance of critical infrastructure, and other national security purposes, video surveillance and telecommunications equipment produced by Hytera Communications Corporation, Hangzhou Hikvision Digital Technology Company, or Dahua Technology Company (or any subsidiary or affiliate of such entities).
 - c. Telecommunications or video surveillance services provided by such entities or using such equipment.
 - d. Telecommunications or video surveillance equipment or services produced or provided by an entity that the Secretary of Defense, in consultation with the Director of the National Intelligence or the Director of the Federal Bureau of Investigation, reasonably believes to be an entity owned or controlled by, or otherwise connected to, the government of a covered foreign country.

WARRANTY - OPTION

Request: **Add the following as a new option in the FA Template:**

Option: Warranty Additional Options

The standard Warranty term may be removed or revised, with approval by CPO legal.

**STATEWIDE PURCHASING CARD
POLICY AND PROCEDURE,
POLICY 2015-010**

Policy Number 2015-010
Central Procurement Office
Statewide Payment Card Policy and Procedures

Revised: **February 18, 2021**

Prepared by: The Central Procurement Office of the State of Tennessee

1. PROGRAM OVERVIEW

The State of Tennessee Payment Card Program streamlines the State’s payment process for goods and services by eliminating the administrative burdens and costs associated with the State’s traditional payment methods. The Program’s objective is to simplify the documentation necessary for State Agency purchases by placing P-Cards in the hands of Cardholders. Cardholders may use the P-Card to purchase the types of goods and services subject to this Policy. Personal purchases are prohibited. All rules, policies, and procedures of the Central Procurement Office applicable to the procurement of goods and services must be followed unless exempt.

2. DEFINITIONS.

“Bank” means the entity issuing the State’s P-Card or any of its subsidiaries as the context may require.

“Billing Cycle” means the one-month period between statements issued by the Bank. The State’s Billing Cycle begins with the sixteenth (16th) day of the month through the fifteenth (15th) of the following month. Bank statements are issued in accordance with this cycle.

“Cardholder” means the State Agency employee who is issued a physical P-Card to initiate payments on behalf of the State and is responsible for ensuring that such transactions are appropriate and adequately supported pursuant to this Policy. The Cardholder is also responsible for ensuring that all transactions made during a Billing Cycle are verified by established deadlines.

“Cardholder Agreement and Application” means the document approved by all requisite parties and completed by the Cardholder to verify that he or she completed P-Card training, received a copy of and understands this Policy.

“Cardholder Proxy” means the State Agency employee assigned to a Cardholder who may upload attachments or verify the Cardholder’s P-Card transactions when the Cardholder is unable to do so. The assigned Cardholder Proxy shall never use or possess the P-Card of the Cardholder or Cardholders to which he or she is assigned.

“Cardholder Supervisor” means the State Agency employee with supervisory authority over the Cardholder. This person may also serve as the “State Agency Approver.”

“Central Fiscal Office P-Card” means the P-Card assigned to a Cardholder with a Single Transaction Limit of up to fifty thousand dollars (\$50,000).

“Central Procurement Office” or “CPO” means the State office established and empowered by Tenn. Code Ann. § 4-56-104.

“Cycle Limit” means the spending limit that restricts the total value of purchases a Cardholder can make in one Billing Cycle.

“Merchant Category Codes” or “MCCs” means the specific Merchant Category Code, assigned by an acquiring financial institution, that identifies the primary goods or services a supplier provides.

“Online Banking Program” means the Bank’s online portal that provides Cardholders, State Agency P-Card Program Coordinators, and the Statewide P-Card Program Administration Team the ability to view and download statement information, update and manage accounts, set limits and permissions, reset passwords, and process Cardholder requests.

“Payment Card” or “P-Card” means a commercial card that allows organizations to take advantage of the existing credit card infrastructure to make electronic payments for goods or services. A P-Card is similar to a consumer credit card, but the card-using organization must pay the card issuer in full each month. In this Policy, the term “Payment Card” or “P-Card” shall also include “Virtual Payment Cards” or “Virtual P-Cards” as the context requires.

“P-Card Account” means the unique account number assigned to a Cardholder as determined by the Bank.

“Profile” means the unique profile associated with a Cardholder in the Bank’s system that contains monetary or MCC limits on the Cardholder’s ability to make purchases on behalf of the State.

“P-Card Program” means the program established by the State and managed by the Central Procurement Office through which Cardholders and Virtual P-Card Users make purchases on behalf of the State of Tennessee.

“Single Transaction Limit” or “STL” means the maximum dollar limit, per purchase transaction, that can be assigned to the physical P-Card. The STL is assigned per Cardholder at the discretion of the State Agency Fiscal Director.

“State” means the State of Tennessee, including its departments, agencies, and entities that fall under its purview.

“State Agency” means the departments, agencies, and entities of the State of Tennessee other than units of the University of Tennessee or Board of Regents systems.

“State Agency Approver” means the State Agency Employee who approves P-Card or Virtual P-Card Transactions.

“State Agency Fiscal Director” means that State Agency employee, regardless of his or her particular title, who serves as the Agency’s chief financial officer.

“State Agency P-Card Program Coordinator” means the employee within the State Agency who manages the P-Card Program at the State Agency level.

“State Agency Reconciler” means the State Agency employee responsible for the functions associated with post-purchase processing P-Card Transactions which may include account allocation and providing a business purpose when required.

“Statewide Contract” means a contract for goods or services established by the Chief Procurement Officer that all State Agencies must utilize and that may be used by local governments, higher education and authorized not-for-profit entities.

“Statewide P-Card Program Administration Team” means the team within the Central Procurement Office that is responsible for overseeing the P-Card Program.

“Statewide P-Card Program Director” means the employee within the Central Procurement Office who is responsible for managing and overseeing the P-Card Program.

“Supplier” means a person or legal entity with the legal capacity to enter into contracts and sue and be sued who provides goods or services to the State through a contract or a purchase order.

“Transaction” means the purchase of goods or services through use of a P-Card or Virtual P-Card.

“Virtual Payment Card” or “Virtual P-Card” means the unique credit card account number, assigned to a State Agency or an individual for payment to select suppliers authorized to accept Virtual P-Card payments.

“Virtual P-Card User” or “User” means the State Agency employee authorized to use a Virtual P-Card to initiate payment transactions on behalf of the State.

3. TYPES OF ACCOUNTS

This Policy recognizes two general account types: P-Card Accounts and Virtual P-Card accounts. P-Card Accounts and Virtual P-Card accounts can be used only for official State business as set forth in this Policy. P-Cards must be surrendered or Virtual P-Card account’s access cancelled upon the Cardholder’s transfer to another State Agency, separation from state employment, or upon demand by the Cardholder Supervisor, the State Agency P-Card Program Coordinator or the Statewide P-Card Program Director.

3.1. P-Card Accounts

P-Card accounts are those that involve the issuance of a physical P-Card to an individual Cardholder to further the official business of the State. Cardholders are limited to one active physical P-Card.

3.2. Virtual P-Cards.

Virtual P-Cards are cardless accounts that allow State Agencies to pay select suppliers authorized to accept Virtual P-Card payments. The account number may be “embedded” in the supplier’s system. A Virtual P-Card may be used for payments to any Supplier that

is registered in the State's supplier registration system whose payment method has been activated to "P-Card" in Edison. Virtual P-Cards are valuable because Virtual P-Card accounts allow for greater ease of use (multiple buyers can leverage the same payment device), as well as enhanced control through absence of a physical card and spending limits. The State Agency P-Card Coordinator should contact the Statewide P-Card Program Director for more information on Virtual P-Cards.

4. P-CARD PROGRAM ROLES AND RESPONSIBILITIES.

4.1. Statewide P-Card Program Director.

The Statewide P-Card Program Director serves as the primary point-of-contact in the CPO for the P-Card Program. The Statewide P-Card Program Director's role, duties and responsibilities include:

- Establishing written internal procedures to ensure compliance with state procurement statutes, rules, policies and procedures, including this Policy;
- Reviewing and approving, in conjunction with the Comptroller of the Treasury, each State Agency's internal P-Card Procedures, as applicable;
- Developing written internal procedures for P-Card Rule Exception Requests;
- Ensuring that State Agency Transactions are reviewed as needed;
- Developing State Agency specific training for all Cardholders, State Agency Approvers, State Agency Reconcilers, and State Agency Supervisors;
- Developing training and refresher training to be delivered as needed; and
- Notifying State Agency P-Card Program Coordinators of changes in state rules, policies or procedures.

4.2. State Agency Fiscal Director

The State Agency Fiscal Director is responsible for understanding this Policy, the State Agency's internal P-Card Procedures, as applicable, and ensuring that sound accounting practices and internal policies are in place and enforced.

4.3. State Agency P-Card Program Coordinator.

The State Agency P-Card Program Coordinator serves as the main point-of-contact between the State Agency and the Statewide P-Card Program Administration Team. The State Agency must provide the Statewide P-Card Program Administration Team written notice within five (5) business days of any changes in status of the State Agency P-Card Program Coordinator.

The State Agency P-Card Program Coordinator's role, duties, and responsibilities include:

- Completing the Agency Coordinator training in Edison;
- Collaborating with the State Agency Fiscal Director to develop and maintain the State Agency's internal P-Card Procedures to address policy areas unique to the State Agency or that are not covered by this Policy, as applicable;

- Working with State Agency management to identify job titles, positions, or Edison roles that require use of a P-Card or Virtual P-Card;
- Working with State Agency management to determine appropriate Cardholder spending limits based on budget restrictions, job requirements, historical spending patterns, and overall procurement practices;
- Evaluating Cardholder spending limits against actual usage at least annually;
- Terminating a Cardholder's status if necessary (e.g., due to separation from employment, transfer to another State Agency, low P-Card usage) and cancelling a P-Card;
- Ensuring Agency-wide reconciliation procedures support timely verification and allocation of transactions to the chart of accounts at least monthly;
- Ensuring that transactions are reconciled and supported by adequate documentation; and
- Ensuring that Cardholder Profiles permit MCC groups that a Cardholder needs to meet his or her job requirements.

4.4. State Agency Approver.

The State Agency Approver is the State Agency employee who, within the Edison module, approves purchases made by the Cardholder to which he or she is assigned. By approving each P-Card transaction, the Approver exercises critical control by ensuring authorized and appropriate P-Card use and correct allocation of expenses. State Agency Approvers should also review receipts where appropriate to ensure compliance with this Policy. No Cardholder may approve his or her own P-Card transactions nor may he or she direct someone else to approve P-Card transactions in a manner that could violate this Policy or applicable policies of F&A, Division of Accounts. As a general rule, the State Agency Approver should not report to the Cardholder whose transactions he or she is reviewing. A State Agency Approver has the following responsibilities:

- Completing the Cardholder training in Edison;
- Reviewing Cardholder transactions to ensure that purchases made were:
 - For the use and benefit of the State of Tennessee;
 - Necessary for the official duties of the agency;
 - Made in accordance with CPO policies and procedures;
 - For goods or services actually received; and,
 - Transaction receipts are attached to the transaction in Edison.

If a State Agency Approver is in doubt about any of the above, the State Agency Approver should immediately question the Cardholder and seek advice from the State Agency P-Card Program Coordinator. If the Cardholder is unavailable for questioning, the State Agency P-Card Program Coordinator or the Statewide P-Card Program Administration Team may adjust the Cardholder's STL to one dollar (\$1.00).

- Immediately informing the State Agency P-Card Program Coordinator of any misuse, abuse or fraudulent use of a P-Card.

- Notifying the State Agency P-Card Program Coordinator of Cardholder transfers or terminations. (Advanced notice is required if the State Agency Approver is aware of impending personnel actions.)

4.5. Cardholder Supervisors.

The Cardholder Supervisor must have a thorough knowledge of the Cardholders' job responsibilities in order to determine if purchases are job-related or otherwise authorized by CPO rules, policies or procedures. The Cardholder Supervisor's role, duties, and responsibilities may include:

- Completing the Agency Coordinator training in Edison;
- Reviewing all documentation and ensuring it is submitted according to this Policy and the State Agency's internal P-Card Procedures, as applicable;
- Approving or rejecting all Transactions as to the appropriateness of the transaction;
- Ensuring that all documentation is submitted according to this Policy and the State Agency's internal P-Card Procedures, as applicable;
- Maintaining knowledge of this Policy and State Agency's internal P-Card Procedures, as applicable; and
- Requesting reasonable spending limits in accordance with this Policy and State Agency's internal P-Card Procedures, as applicable.

4.6. State Agency Reconciler.

The State Agency Reconciler is the State Agency employee responsible for functions associated with post-purchase processing of P-Card Transactions including account allocation and providing a business purpose when required. The State Agency Reconciler may be the individual charged with preparing all documentation for retention. The State Agency Reconciler must complete the Cardholder training in Edison.

4.7. Cardholders.

Cardholders have the following duties and responsibilities as a condition for being issued a P-Card:

- Being a full-time State employee;
- Reading and becoming familiar with this Policy;
- Completing the Cardholder training in Edison;
- Being responsible for all purchases made on the P-Card;
- Being responsible for verifying transactions in Edison (confirming or disputing) and attaching appropriate supporting documentation on at least a weekly basis (per Section 9.3); and
- Adhering to this Policy and other applicable rules, policies, and procedures.

P-Card is for official State business use only and the purchase of personal or disallowable goods or services is strictly prohibited. Misuse of the P-Card may result in disciplinary action up to and including termination of employment and prosecution to the extent

permitted by law. Cardholders will be required to reimburse the State, including sales tax, for any improper purchases.

Cardholder training is critical—all Cardholders must complete training before being issued a P-Card. Training ensures that the Cardholder understands the P-Card Program procedures and this Policy and is aware of potential disciplinary action for P-Card misuse or abuse. Once training is complete, the Cardholder shall sign a Cardholder Agreement and Application as a condition for being issued a P-Card. The Cardholder Agreement and Application is evidence that the Cardholder has received training and a copy of this Policy and the State Agency’s internal P-Card Procedures, as applicable.

4.8. Assigned Cardholder Proxies.

A State Agency may have assigned Cardholder Proxies. Proxies have the following duties and responsibilities:

- Reading and becoming familiar with this Policy;
- Completing the Cardholder training in Edison;
- Adhering to this Policy and other applicable rules, policies, and procedures.

The assigned Cardholder Proxy (“Proxy”) role is limited in scope and pertains only to assisting the Cardholder with his or her normal tasks of verifying P-Card transactions within the Edison system. The Proxy role is not a role that acts in the capacity of making purchases with the Cardholder’s P-card or otherwise using the Cardholder’s P-Card to complete a transaction. Such functions would violate this Policy. The Proxy shall not have access to the Cardholder’s P-Card nor the Cardholder’s account number.

When a Cardholder is unable to verify his or her P-Card transactions in Edison, the assigned Cardholder Proxy shall be responsible for the Cardholder duties pertaining to verification.

4.9. Virtual P-Card Users.

A Virtual P-Card User has authority to make purchases in accordance with this Policy, utilizing his or her Agency’s local purchase authority.

4.10. Segregation of Duties

In order to maintain appropriate segregation of duties, certain P-Card Program roles should not be combined. Neither the State Agency Fiscal Director nor the State Agency P-Card Program Coordinator shall be Cardholders. Neither the Cardholder Supervisor, the State Agency Approver, nor the State Agency Reconciler shall serve in the capacity as Supervisor, Approver or Reconciler for his or her own transactions but may serve as such for other Cardholders. Any exceptions require an approved P-Card Rule Exception Request.

4.11. Allowable P-Card Program Role Combinations

One individual may function as both the Cardholder Supervisor and Cardholder Approver for a particular Cardholder. That individual will be responsible for all of the duties outlined for each of these roles in Sections 4.4 and 4.5.

5. P-CARD SECURITY.

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

Use of the P-Card is restricted to the authorized Cardholder whose name appears on the face of the card and may not be loaned to any other person. The account number that appears on the P-Card must not be given to any individual other than the Supplier from whom the Cardholder is making a purchase.

5.1. Lost or Stolen Cards.

If a P-Card is lost, stolen, or the card information has been compromised, the Cardholder must immediately contact the Bank's customer service. Upon such notification, outstanding authorizations will be confirmed and the Bank will cancel the P-Card (further use of the P-Card will be blocked by the Bank). Neither the State nor the Cardholder will be responsible for fraudulent charges made to a promptly reported lost or stolen card.

At the time of the notification, the Bank may request the following information:

- Cardholder's name
- Account number
- Last four digits of SSN
- Circumstances surrounding the loss of the card
- Any purchase(s) made prior to the card being lost or stolen

The Cardholder must notify his or her State Agency P-Card Program Coordinator of the P-Card's loss or theft within 48 hours of reporting it to the bank and make arrangements to receive a new P-Card. The Cardholder must complete and return an affidavit from the Bank to initiate an investigation, and send a copy of the Bank affidavit to the State Agency P-Card Program Coordinator. The Bank will then issue a new card with a new account number which will be delivered to the State Agency P-Card Program Coordinator.

5.2. Separation from Employment.

If a Cardholder's separation from employment or transfer to another State position is planned, P-Card use shall be discontinued prior to Cardholder's separation from employment or transfer to allow sufficient time for submission of receipts and processing of outstanding charges before the Cardholder leaves or transfers. In the event of unplanned separation from employment, the Cardholder's P-Card shall immediately be deactivated and the Cardholder shall discontinue P-Card use upon separation from employment.

5.3. Purchasing Rules.

The P-Card is only a vehicle for making payments. Existing State laws governing procurement, accounts payable, records retention, and other applicable laws must still be followed. All procurement rules of the CPO apply when using the P-Card.

5.4. Tax Exemption.

Tenn. Code Ann. § 67-6-329(a) provides that all sales of services and tangible personal property made in Tennessee and for the use and benefit of the State of Tennessee are exempt from Tennessee sales and use tax. Cardholders should obtain an exemption certificate and present it to each Supplier. This form is available on the Department of Revenue web site at <https://www.tn.gov/content/tn/revenue/taxes/sales-and-use-tax/forms.html> or as may be amended in the “Sales and Use Tax Forms - Exemptions” section. Purchases made in other states may be subject to that state’s sales tax.

The Cardholder must be diligent when dealing with the Supplier regarding taxes. Cardholders are responsible for ensuring that Suppliers do not charge tax or provide a credit for inadvertent charges. If the Supplier cannot deduct the sales tax because of pre-set controls within its computer systems or will not honor the exemption, the Cardholder may continue with the purchase but must note the refusal on the receipt and the Cardholder must still pursue steps to have the sales tax charge removed.

In the event a Cardholder is inappropriately charged for sales tax:

- The Cardholder must contact the Supplier to obtain a credit refund of any sales taxes to the P-Card Account.
- The Cardholder is required to maintain documentation of his or her attempts to obtain credit for any Tennessee Sales and Use Tax charged to the P-Card Account in error.

If a Supplier is unable to process a credit against the card, the Cardholder may accept a cash or check refund and contact their State Agency P-Card Program Coordinator for guidance on depositing the funds. However, under no circumstances may the Cardholder accept a credit through other means, including gift cards or store credit.

5.5. Credits.

Cardholders should avoid Suppliers with restrictive merchandise return policies. If a Cardholder returns merchandise, a credit should be issued to the Cardholder’s P-Card and a credit receipt obtained. If a supplier is unable to process a credit against the card, the Cardholder may accept a cash or check refund and contact their State Agency P-Card Program Coordinator for guidance and comply with the Department of Finance and Administration Policy 25, Deposit Practices. However, under no circumstances may the Cardholder accept a credit through other means, including gift cards or store credit. The Cardholder or State Agency Approver is responsible for reviewing the Online Banking Program to ensure that credits are received and, if not, file the appropriate paperwork for disputed items.

5.6. Disputing Transactions.

If there is a problem with a Transaction, the Cardholder must first attempt to reach a resolution directly with the Supplier. If the dispute involves a Transaction that the cardholder believes to be fraudulent, the Cardholder should immediately notify the Bank and his or her State Agency P-Card Program Coordinator. In most cases, disputes can be resolved between the Cardholder and the Supplier. The Supplier will usually issue a credit. See Section 5.5 regarding acceptable forms of credit.

The Cardholder should document all attempts to resolve a problematic Transaction. If the disputed Transaction involves a reservation or order that has been cancelled, the Cardholder is responsible for obtaining a cancellation number. If efforts to resolve the problem with the Supplier are unsuccessful or if a credit does not appear in the Online Banking Program or the Bank Statement, the Cardholder should file the appropriate dispute paperwork with the Bank and contact his or her State Agency P-Card Program Coordinator. The State Agency P-Card Program Coordinator will communicate with the Statewide P-Card Program Administration Team as necessary.

5.7. Forgery, Theft, or Fraudulent Transactions.

Upon notification of any theft, forgery or credit card fraud, the State Agency P-Card Program Coordinator should report the incident to the office of the Comptroller of the Treasury in accordance with Tenn. Code Ann. § 8-4-119 and to the Statewide P-Card Program Administration Team. To comply with this requirement, the State Agency P-Card Program Coordinator shall send the completed Bank affidavit or an email to TN.Investigations@cot.tn.gov and P.Card@tn.gov with the following information: Cardholder's name; last six (6) digits of the Cardholder's account number; and information about the transactions in question (such as the merchants' names, transaction date, and dollar amounts).

5.8. Declined Purchase Transactions.

On occasion, a Cardholder's purchase transaction may be declined. Cardholders should contact the Bank's Customer Service to determine the reason for the decline before contacting their State Agency P-Card Program Coordinator for assistance. Declined transactions are reported to the P-Card Administration Team and subject to review. Common reasons for declined purchases include:

- MCC is restricted from the Payment Card;
- The Cardholders has exceeded the STL or Cycle Limit; or
- Card expiration.

6. CARD ISSUANCE AND CANCELLATION.

6.1. P-Card Issuance.

The State Agency P-Card Program Coordinator is responsible for issuing all P-Cards within his or her Agency. Payment Cards are issued by the P-Card Program Coordinator following the receipt of documentation supporting:

- Completion of P-Card training;

- Completion of the Cardholder Application and Agreement; and
- Completion and approval of a Cardholder Profile.

6.2. P-Card Cancellation.

State Agency P-Card Program Coordinators have authority to terminate a Cardholder’s status as a Cardholder and cancel P-Cards. The Statewide P-Card Program Team should be notified of the need for a P-Card cancellation for the following reasons:

- Cardholder’s separation from employment for any reason;
- Cardholder’s job status changes such that he or she no longer requires a P-Card; or
- Cardholder reports the loss or theft of the P-Card.

The State Agency P-Card Program Coordinator may also suspend or cancel a P-Card as appropriate, such as for the following reasons:

- Cardholder misuses the P-Card;
- Cardholder is untimely with confirming or disputing transactions; or
- Cardholder lost receipts and resort to their Agency’s internal procedures for lost receipts more than three (3) times during a fiscal year may have their P-Card privileges suspended.

If a P-Card is cancelled, it shall be destroyed. If a Cardholder learns of the cancellation of his or her P-Card by the Bank, the Cardholder shall notify the Statewide P-Card Program Administration Team and Agency P-Card Program Coordinator.

7. P-CARD PROGRAM TRAINING.

All program participants must complete appropriate training. The following training is available in Edison and encouraged for all P-Card Program participants:

Training:	Required by:	Recommended for:
Cardholder Training	Cardholders/Virtual P-Card User	All P-Card Program Participants
	Cardholder Approvers	
	Cardholder Proxies	
	Cardholder Supervisors	
	State Agency Reconcilers	

Agency Coordinator Training	State Agency P-Card Program Coordinators	State Agency Fiscal Directors
	Cardholder Supervisor	

8. INTERNAL CONTROLS.

A strong system of internal controls is essential for detection and deterrence of fraud, misuse, or abuse of the P-Card. Internal controls include policies, procedures, training, spending limits, Merchant Category Code restrictions, prompt reconciliation, and prompt account distribution.

8.1. Duty of State Agencies.

Each State Agency must establish an internal control structure that ensures compliance with the State's procurement laws, CPO rules, policies and procedures, this Policy, and the terms and conditions of the P-Card established by the Bank. All State Agencies should ensure:

- Appropriate segregation of duties as outlined in Section 4.10 above;
- Maintenance of approved, signed documentation for all Cardholders, State Agency Approvers and Cardholder Supervisors;
- Appropriate limits on the number of Cardholders assigned to a Cardholder Supervisor or State Agency Approver in order to ensure adequate review of business need and documentation for each Transaction;
- Provision for a regular audit or review of the Agency's P-Card program by the State Agency Internal Audit unit, or other business unit assigned State Agency business process review responsibilities. A high-level summary of the reviews should be sent to the CPO P-Card Administration Team to assist with program improvement. Reviews must include adequacy of:
 - Internal policies and procedures, as applicable;
 - Cardholder Single Transaction Limit and Cycle (Credit) Limits;
 - Timeliness of monthly reconciliation procedures; and
 - Documentation for Transactions;
- Protocol for establishing designated State Agency Central Fiscal Office P-Cardholder and any alternate Central Fiscal Office P-Cardholders, including which Central Fiscal Office P-Card is primary and which alternate Central Fiscal Office P-Card is secondary and circumstances (e.g., unavailability of the primary Central Fiscal Office P-Card, etc.) under which an alternate Central Fiscal Office P-Card may be used.
- Coordination of state agency employee roles with the Statewide P-Card Program Administration Team.

8.2. State Agency P-Card Procedures.

Each State Agency may develop its own internal procedures to carry out the intent and purpose of this Policy and to address unique State Agency complexities or risk factors. If

a State Agency chooses to develop its own internal procedures then such procedures should align with this Policy and must be submitted for review and approval by the Statewide P-Card Program Director and the Comptroller of the Treasury. If a State Agency chooses not to develop its own internal procedures then the State Agency must follow this Policy.

8.3. Card Management and Reconciliation System.

All Transaction verifications and approvals will be completed in Edison.

8.4. Merchant Category Code Restrictions.

Merchant Category Codes are four-digit codes used by commercial credit card brands (e.g., Visa, MasterCard, American Express) to identify a merchant’s principal trade, profession, or line of business. MCCs are assigned to a merchant based on the types of goods or services the merchant provides. MCCs blocked on P-Cards restrict State purchases from certain merchants to protect against unauthorized or prohibited purchases.

- The Statewide P-Card Program Administration Team manages the State-identified MCC groups that contain codes associated with suppliers that provide goods or services that are prohibited from purchase using the P-Card.
- Unauthorized MCCs are blocked at the point-of-sale.
- State Agencies may request activation of additional MCCs for inclusion in a State-authorized group or creation of a new MCC group to meet specific needs.

8.5. Cardholder Spending Limits and Utilization.

The State Agency Fiscal Director is responsible for setting payment card maximum Single Transaction Limits (STL) and Cycle Limits (CL). Spending limits should be based on the Cardholder’s job responsibilities, the position’s unique purchasing needs, and the State Agency’s budget. Cardholder spending limits must be reviewed periodically for appropriateness.

An agency may establish one (1) designated State Agency Central Fiscal Office P-Card, and up to two (2) alternates. The Maximum STL for P-Card Program Roles are listed in the table below.

Spending Limits		
Program Role	Permissible Single Transaction Amount	Cycle Limit
Agency Cardholder	\$1 up to \$10,000 STL	Set at the discretion of the State Agency Fiscal Director
Central Fiscal Office P-Card (limit 1 card with up to 2 alternates)	\$1 up to \$50,000 STL	Set at the discretion of the State Agency Fiscal Director

8.6. Dormant Cards.

The CPO recommends that State Agencies reduce the Cycle Limit of any P-Card that has not been used within twelve (12) complete cycles to one dollar (\$1). When a P-Card has not been used for some time, the State Agency P-Card Program Coordinator should conduct a review to determine if the Cardholder still needs a P-Card. Each State Agency is responsible for ensuring that this review is completed at least annually or in accordance with its own internal P-Card Procedures, as applicable.

9. DOCUMENTATION AND ACCOUNTING.

9.1. Documentation.

State Agencies should handle documentation for reconciliation in accordance with this Policy and State Agency internal P-Card Procedures, as applicable. Any State Agency seeking to use a manual or alternative method for Transaction reconciliation must obtain approval from the Central Procurement Office.

Regardless of the Transaction reconciliation method, Cardholders should provide adequate documentation for all Transactions.

9.2. Purchase Documentation.

It is the Cardholder's responsibility to obtain adequate supporting documentation for the purchase. Such documentation may include receipts, invoices, shipping documents and bills of lading. This information will be used by the Agency to validate and reconcile charges. The supporting documentation shall include the following elements:

- The Supplier's name, location, and contact information; but when this information is not available on the receipt (such as with online purchases) information should be included that would identify the vendor, such as the website address where purchase was made;
- Line item details, which may include quantity, description, unit price, and total price; but when no line item details are available on the receipt, other documentation should indicate description and quantity of items purchased;
- Evidence that the State was not charged for sales tax. If the supplier cannot show a separate line indicating that sales tax was not charged because of pre-set controls within its computer systems, this may be evidenced by the fact that the total of unit prices charged is equal to the total price.

The amount on the purchase documentation and the amount of the charge to the Cardholder's P-Card account must match. Any discrepancies in amounts should be resolved with the Supplier and an explanation regarding the resolution should be made on the receipt or other backup documentation. It is not sufficient to change the amount on the receipt only. Credits may be processed without a receipt, but the Cardholder must provide an explanation of the credit. Verification should be performed in Edison as often as possible in order to meet the deadlines published monthly by the P-Card Administration Team. Legible copies of supporting purchase documentation must be uploaded into Edison.

9.3. Allocation to the Chart of Accounts.

Default accounting strings should be reviewed to ensure that the expenditures are recorded to the appropriate chartfields during the verification and approval process.

9.4. Records Retention Requirements.

The Office of the Secretary of State oversees Tennessee’s Records Management Division, the State Agency that provides guidance on disposition, retention, and destruction of state records. Records Disposition Authority (RDA) SW23 applies to all P-Card documents. RDA SW23 requires that State Agencies maintain documents related to P-Card issuance and use for five (5) years and destroy them at the end of the five-year period. P-Card documents may be maintained in either paper or electronic format, so long as the electronic content has been verified for completeness, accuracy, and usability. RDA SW23 is available in its entirety at <http://www.tnsos.net/rmd/rda/index.php>.

9.5. Internal Revenue Service 1099 Reporting.

In 2011, the Internal Revenue Service announced changes to the Internal Revenue Code, Section 6050W, which shifted the burden of payment reporting requirements from the purchaser to the Supplier’s bank when the P-Card is the payment method for a reportable transaction. Because of the shift in responsibility, participants in the P-Card Program are no longer required to report total P-Card transactions in excess of six hundred dollars (\$600) with certain Suppliers.

9.6. P-Card Use when Purchase Orders Required.

If a P-Card and not a Virtual P-Card is used for any purchase that would require a Purchase Order, State Agencies must ensure that purchase orders are created and properly relieved for any purchases that would require a purchase order.

10. PROHIBITED PURCHASES AND TRANSACTIONS.

The P-Card is for official State business use only and the purchase of personal or disallowable goods or services is strictly prohibited. Misuse of the P-Card may result in disciplinary action up to and including termination of employment and prosecution to the extent permitted by law. Cardholders will be required to reimburse the State, including sales tax, for any improper purchases.

10.1. Prohibited Purchases.

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

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

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

Prohibited Purchase Type		General Justification for Prohibition
15	Gift cards or gift certificates	These purchases must be processed through Edison AP Module to ensure IRS information reporting requirements can be met.
16	Cash withdrawals, including ATM or debit withdrawals	These are prohibited for control purposes.
16	Any goods or services related to political activity as defined under “The Little Hatch Act,” Tenn. Code Ann. §§ 2-19-201 through 208	Purchase of political publications are prohibited by Department of Finance and Administration - Policy 10 , Organizational Dues, Subscriptions, and Sponsorships.
17	Purchases Reserved for the Designated State Agency Central Fiscal Office Cardholder, unless in accordance with Section 11 of this Policy	Cardholders other than the person designated by the State Agency Fiscal Office Cardholder are prohibited from making certain purchases as outlined in section 11 of this Policy.
18	Purchases identified as Capital Assets by the Department of Finance & Administration Capital Asset Guide	Purchases of goods or equipment that require tagging under the Department of Finance and Administration’s policies – Policy 33 , should not utilize the P-Card as the primary payment method because these purchases require the prior approval of the Department of Finance and Administration, Division of Accounts, as the business owner of the Asset Management Module. Exceptions for <i>emergency</i> Asset purchases using the P-Card must be pre-approved by Asset Management.

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

10.2. Personal Purchases Prohibited.

As provided in Sections 3.1, 4.3 and 10.1, Cardholders are prohibited from using a P-Card for the purchase of any goods or services not directly related to job responsibilities or other official State business. Intentional use of a P-Card for any purposes other than State business will result in disciplinary action, up to and including termination from State employment or criminal prosecution. Under Tenn. Code Ann. § 39-16-402, State employees who intentionally or knowingly use a P-Card or a Virtual P-Card for personal purchases commit a Class E felony.

10.3. Split Charges Prohibited.

Tenn. Code Ann. § 12-3-503(b) and CPO Policy Number 2013-003 authorize State Agencies to make a purchase without soliciting quotes or proposals from multiple suppliers when the total value of the purchase is ten thousand dollars (\$10,000) or less. Cardholders are prohibited from splitting a transaction between two or more transactions on a single account, two or more transactions on multiple accounts, or two or more transactions using the P-Card and a purchase order, in order to circumvent the STL imposed on the P-Card. The maximum STL for P-Card purchases using a physical P-Card is ten thousand dollars (\$10,000) or fifty thousand dollars (\$50,000) for a Central Fiscal Office P-Card unless a State Agency has designated a lower STL in its internal P-Card Procedures or has an approved exception from the Statewide P-Card Program Director.

10.4. Purchases by Someone Other than Assigned Cardholder Prohibited.

Purchases made using a P-Card by someone other than the Cardholder are prohibited. Cardholders should not share their card or account number with anyone in order for that person to make a payment on their behalf.

11. PURCHASES RESERVED FOR THE DESIGNATED STATE AGENCY CENTRAL FISCAL OFFICE CARDHOLDER.

Only the person designated by the State Agency Fiscal Director may use his or her individual P-Card for the following purchases:

- Tuition, fees, and supplies for training individuals;
- Internet, newspaper, radio, or television advertisements;
- Subscriptions to newspapers, periodicals, newsletters, or pamphlets;
- Organization membership dues;
- Charges for meeting rooms and attendant expenses in excess of two hundred dollars (\$200) per day or for more than five (5) days;
- Convention or registration fees;
- Association entry fees; and
- Food, beverage, or catering charges for meetings.

State Agencies may request an exception from this paragraph through the use of a P-Card Rule Exception Request eForm in Edison initiated by the State Agency P-Card Program Coordinator and approved by the State Agency Fiscal Director and the Central Procurement Office.

The State Agency Fiscal Director may designate up to two (2) alternate Central Fiscal Office P-Cardholders who may make these purchases, as noted in Section 8.1 above. The State Agency should follow protocol established pursuant to Section 8.1 above in regard to the utilization of those alternate Central Fiscal Office P-Cardholders.

12. ENCOURAGED USE OF P-CARDS.

12.1. Statewide Contracts.

As provided in Section 10.4. of the CPO's *Procurement Procedures Manual*, State Agencies are required to use Statewide Contracts for procuring goods or services to the extent the needed goods or services are available on a Statewide Contract. State Agencies may not procure goods or services available on a Statewide Contract from any other source without prior approval from the Chief Procurement Officer or designee.

12.2. Utilization of Diversity Suppliers.

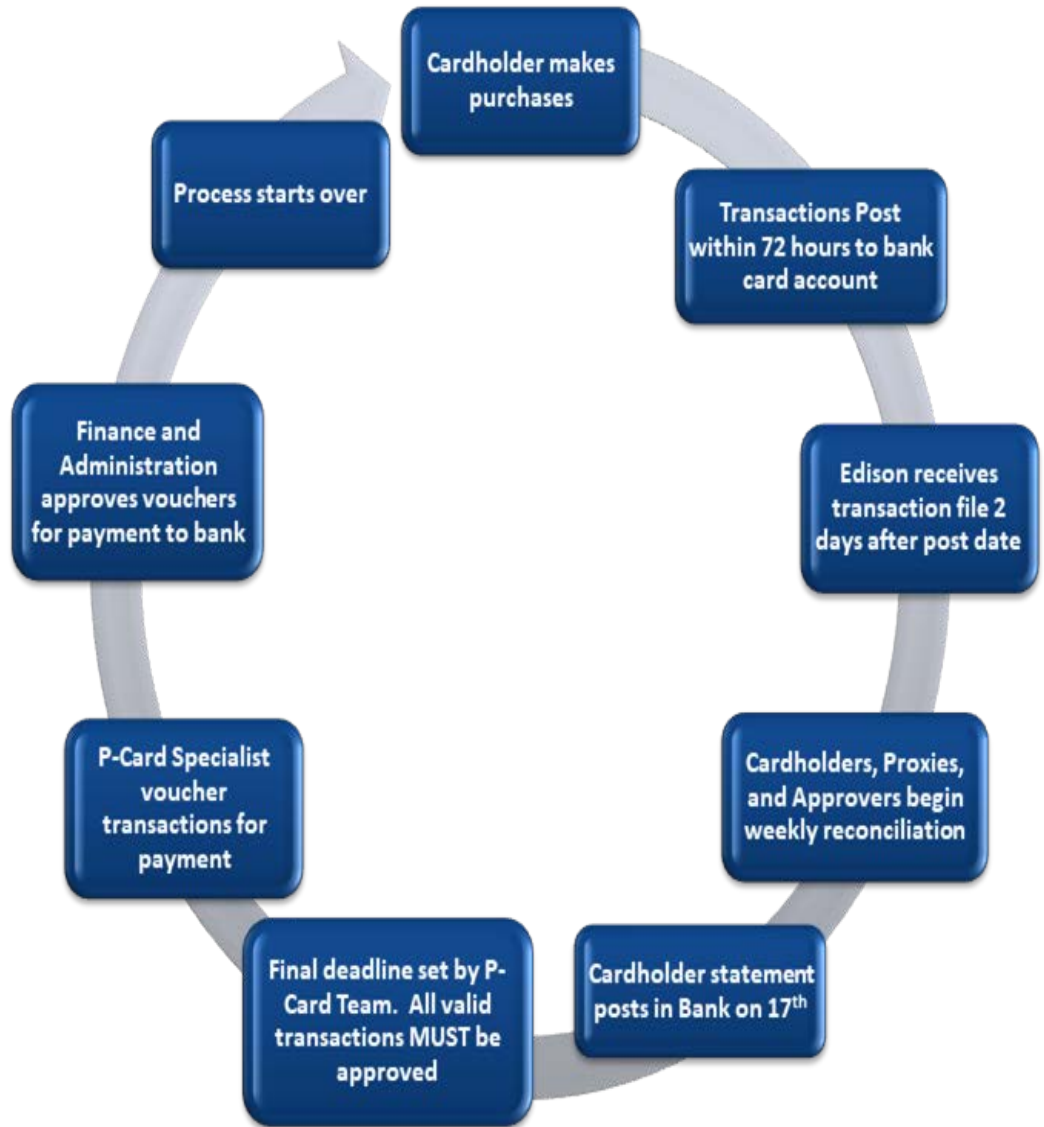
Cardholders are strongly encouraged to make authorized purchases from suppliers certified by the Governor's Office of Diversity Business Enterprise.

13. SURCHARGES AND CONVENIENCE FEES.

Many suppliers charge a "credit card processing fee" or "convenience fee" for accepting credit cards including the P-Card. These types of fees are strictly regulated by Visa and MasterCard.

According to Visa's "Card Acceptance and Chargeback Management Guidelines for Merchants" available on Visa's website, credit card surcharges are allowed but cannot be more than the amount the supplier's bank charges them for processing the transaction. Also, the supplier cannot charge both a surcharge and a convenience fee.

APPENDIX A – P-Card Processing Billing Cycle Overview




APPENDIX B – Typical Roles in Edison

- I. Edison Security Form. In order to assign P-Card related roles in Edison, Edison Security Form FA-1015 must be completed as required. The table below indicates the Edison Security Form roles typically assigned to State Agency P-Card program personnel:

Edison Form FA-1015 Role #	Edison Form Role Name	Edison Role Description	Typical State Agency position assigned this Edison Role
AP-2003	TN2_AP_AGENCY_PCARD_ADMIN	P-Card Agency Administrator	State Agency P-Card Program Coordinator
AP-2011	TN2_AP_CONFIG_PCARD_VIEW*	P-Card Inquiry Role	State Agency Reconciler*
AP-2020	TN2_AP_PCARD_APPROVER	P-Card Approver	State Agency Approver
AP-2022	TN2_AP_PCARD HOLDER	P-Cardholder	Cardholder
AP-2023	TN2_AP_PCARD_PROXY	P-Card Proxy	Cardholder Proxy
PUWF-2103	TN2_WF_EFORM_AGENCY_APPROVAL	Forms Agency (Exception Requests)	State Agency Fiscal Director

- II. The inquiry only role indicated with an asterisk (*) above is typically granted to the State Agency Fiscal Director and the Cardholder Supervisor (if the Supervisor does not also serve in the role of the State Agency Approver) for review of P-Card transactions for the appropriate Cardholders. These roles are also granted to Internal Audit or State Audit for review of P-Card transactions.
- III. The above roles must be given to a user in order to perform the given functions. However, for certain roles, such as the State Agency P-Card Program Coordinator, the State Agency Approver, the State Agency Reconciler, or the assigned Cardholder Proxy, an individual may have multiple Cardholders for whom they perform such function. When a new Cardholder is set up, the Agency will indicate on the New Account Enrollment Workbook (the CPO Excel form used to setup a new Cardholder), who the individual is who should serve in each of these P-Card Program roles. If that individual already has the Edison role, there is no need for an additional Edison role to be added. The new Cardholder will just be added under that individual's "tree".

**EAST TENNESSEE HUMAN RESOURCE
AGENCY**

		STATEMENT of POLICY and PROCEDURE		
		SUBJECT: Purchasing Policy & Procedures		
Date Effective:	10/8/19	Approved by:	Gary Holiway, Executive Director	Policy No.
Prior Revision:	04/11/2017	Adopted By Board:		OPS-080

Introduction

These purchasing procedures set purchasing standards for the East Tennessee Human Resource Agency, Inc. (ETHRA) and for all grants unless otherwise stated in individual contracts or through applicable laws and administrative directives.

ETHRA was established pursuant to Tennessee code Annotated: "Human Resource Agency Act of 1973" and is a public 501c3 not-for-profit agency.

Definitions

Executive Director: *Executive Director or designee*

Program Manager: *Program Manager, Program Director, or designee*

Purchasing Agent: *Purchasing Agent or designee*

Policy

It is ETHRA's policy that all procurement transactions, regardless of method or dollar value, will maximize open and free competition consistent with applicable State and Federal procurement standards.

ETHRA personnel shall not engage in procurement practices which may be considered arbitrary or restrictive. Furthermore, no officer, employee, or agent of ETHRA shall unlawfully benefit directly or indirectly from the purchasing of materials or services by ETHRA.


Purchases may only be made from vendors that have a demonstrated capacity to produce goods or provide services within a reasonable period of time as established by ETHRA. In addition, any vendors found to be misrepresenting quality, quantity, price or that are disbarred from contracting with the Tennessee or Federal governments will be disqualified.

Scope

This policy applies to all ETHRA personnel including employees, volunteers, and Title V employees at all locations. Where purchases involve negotiated contracts, additional provision may be mandated by a program's grantor or state and federal laws.

Purchase Methods

Purchasing requirements and procedures vary depending on the amount of the purchase and type of product or service being purchased. The competitive procedure(s) used should be appropriate for the purchase undertaken. The procedures used must comply with State and local law as well as with Federal requirements. Federal restrictions vary with the type of procurement method used.

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Where necessary, specification requirements shall be based upon a clear and accurate description of the technical requirements for the material, product or service. The absence of such detail shall be recognized as meaning that only the best commercial practices are to prevail and only first quality materials and workmanship are to be used. Reference to brand names, model numbers or other descriptions peculiar to specific brand products will be made where appropriate to establish a required level of quality and functional capabilities, not to restrict purchases only to these brands. Comparable products of other manufacturers will be considered if proof of comparability is contained in the bid. Provision of such proof is the total responsibility of the vendor and could include such things as brochures, catalog pages or other data, attached to the bid.

I. Micro-Purchases (Less than \$10,000)


Micro-Purchases are procurements totaling less than \$10,000. Bids are not required on Micro-Purchases, but the procedure below must be followed.

Micro-Purchases Procedure: Micro-purchases can be made either by an LPO (Limited Purchase Order) or by bank card. LPO's must be approved by an authorized manager and accompanied by relevant documentation. Bank card purchases require supervisory approval via the issuing bank's online bank card system. When approving a purchase, managers must ensure that included documentation demonstrates that the price paid is fair, reasonable and the item meets operational needs. One may not divide or reduce the size of its procurement merely to come within the micro-purchase limit.

II. Small Purchases (\$10,000 to \$50,000)

Small Purchases are those totaling at least \$10,000, but no more than \$50,000. The Purchasing Agent must complete a purchase order for all Small Purchases, and follow the Competitive Quotes procedure below. The Purchasing Agent is also prohibited from dividing or reducing the size of the procurement merely to avoid the requirements of a larger acquisition.

Small Purchases Procedure: The Purchasing Agent must obtain a minimum of three competitive (unsealed, informal) bids or quotes from different vendors, and place said quotes in the transaction file, along with the final purchase order. If a quote is given in writing, said document may be directly placed in the transaction file. If a quote is given verbally, the Purchasing Agent must transfer the pertinent facts about the quote to a written document and place it in the transaction file. If it is impossible or impractical to obtain at least three quotes, then the reason why must be documented in writing, and placed in the transaction file, along with the final purchase order. The purchase order will be considered as written confirmation of the quote.

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Also note, any purchase of \$25,000 or more must be reviewed by the Purchasing Oversight Committee (see subsequent section herein for more details on this Committee). Therefore, some, but not all Small Purchases, might require Committee review. It is the responsibility of the Purchasing Agent to ensure every procurement transaction has secured all necessary approvals.

III. Large Purchases (Greater than \$50,000)

Large Purchases are those totaling over \$50,000. Large Purchases must follow either the Sealed Bids Procedure or the Competitive Negotiation Procedure, in the absence of an approved Exception.

Large Purchases Procedure #1: Sealed Bidding. Sealed bids must be requested for purchases greater than \$50,000. Invitations to bid should be sent to prospective vendors on all formal, sealed-bid purchases, published on ETHRA's website or social media accounts, advertised in print media or by any other appropriate method.


Where federal funds are involved, the Request for Bids (RFP) must also specifically notify all potential bidders that the bid winner must be willing and able to meet all applicable government procurement requirements as applied to the original grant and those specifically related to contract sub recipients.

Invitations to bid shall indicate that bids are to be received by ETHRA on or before a specified date or hour. Bids should be returned in sealed envelopes, addressed as follows. Emailed or faxed bids will not be accepted.

When a sealed bid is opened, examined and recorded, the original copy is placed in a file for evaluation by the Purchasing Agent.

In the event that a request for bids results in only one bid submission, the Purchasing Oversight Committee will review all aspects of the RFP, including product specifications, method(s) used to convey the RFP, geographic area in which RFP advertised, etc. to ensure that nothing in the RFP process would restrict the opportunity to obtain more vendor bids. A thorough review should either support the original RFP process or result in a retraction of the original RFP. The original RFP will be canceled and a new RFP may then be issued addressing the deficiencies of the original RFP specifications or process.

Large Purchases Procedure #2: Competitive Negotiation. The Competitive Negotiation procedure is utilized when the Purchasing Agent determines that the use of Sealed Bidding is not practicable, i.e., when it is not possible to detail fully the scope or quantity of the services or goods sought by ETHRA. Contracts may also use the Competitive Negotiation procedure when the Purchasing Agent determines that the bid prices received by competitive sealed bidding are either unreasonable, or were not independently

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reached in open competition. However, the Purchasing Agent must document the specific reasons why the Sealed Bidding method was not utilized, and place such documentation in the transaction file. Proposals or requests for qualifications leading to a negotiated procurement shall be publicly advertised and solicited in order to obtain the greatest possible competition.

Purchasing Oversight Committee

All purchases of \$25,000 or more must be reviewed by a Purchasing Oversight Committee, consisting of the Financial Director, the Legal Advisor / Compliance Officer, and the Purchasing Agent. In addition, the Oversight Committee must review all purchase requisitions for new technology and purchase requisitions which are or may be perceived to be of a sensitive nature. The Purchasing Oversight Committee must also review Consultant Contracts and requests to purchase vehicles (see *Vehicle Management Policy and Procedure*). In addition, all purchase requests involving computer hardware, software, and peripherals must also be specifically reviewed and authorized by the Information Systems Director. *Any of the reviews to be completed by the Purchasing Oversight Committee or the Information Systems Director must be reduced to writing, dated, signed, and then preserved in the transaction file.*

IV. Exceptions to Standard Procurement Procedures

NOTE: No ETHRA Employee or Purchasing Agent is authorized to independently determine that an exception listed below applies to a given procurement situation without first bringing the details of the proposed transaction to the Purchasing Oversight Committee for a preliminary review and determination of exception applicability.

Purchases from Government-Qualified Source

ETHRA qualifies to purchase off State of Tennessee contracts which do not require additional bids. If ETHRA finds the same product at a price lower than the State contract we are authorized to purchase without additional bids, but must attach a copy of the State contract for comparison. When purchasing equipment or services available on a state contract using Federal funds, regardless of amount of Federal funds expended, ETHRA must ensure that appropriate Federal clauses are incorporated in the procurement contracts with the selected vendor. This can be accomplished by ensuring that the selected vendor is provided a copy of applicable Federal clauses and returns a signed document agreeing to specified clauses to ETHRA for inclusion in ETHRA's files. As a general rule, any Federal clauses and documents that are signed by ETHRA in order to implement a Federal grant agreement and award of Federal funds are the same clauses that must be reviewed and signed by the vendor selected from an existing state contract.

Sole-source Purchases

Purchases may be arranged without benefit of bid when an item is unique and has specific characteristics that can be filled by only one source. A justification for the sole-source purchase shall be included in the file and shall not be based solely on information from the source vendor. In making the sole-source determination, the Purchasing Agent and Oversight Committee will consider the following:



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- Whether the vendor possesses exclusive or predominant capabilities or the item contains a patented feature providing a superior utility not obtainable from similar products;
- Whether the product or service is unique and easily established as one of a kind;
- Whether the program requirements can be modified so that competitive products or services may be used;
- Whether the product is available from only one source and not merchandised through wholesalers, jobbers, or retailers;
- Whether items must be interchangeable or compatible with in-place items.

After the Committee’s review of the written justification from the requisitioning department and ascertaining that the item to be purchased meets one or more of the above criteria, the sole-source purchase may be made without following competitive bid procedures.

Emergency orders

Purchases may be placed by the Purchasing Agent or designee when immediate delivery (one to two days) is necessary for continuation of services. A written memo will be attached to the file copy of the purchase order.

Blanket Purchase Orders

Where continued purchase of services or consumable materials is anticipated from a single vendor, ETHRA may elect to obtain purchases through use of a "blanket" order. A blanket order requisition follows regular purchasing guidelines. A blanket order requires bids, is restricted to routine consumable- type purchases, and denotes a maximum annual obligation.


Products Produced by State Agencies, such as Tennessee State Industries and Services for the Blind, will be utilized where possible in accordance with TCA Section 14-14-104 and 41-22-119.

Procurement Documentation

As indicated above, ETHRA employees initiate a purchase of goods and/or services by completing a Purchase Requisition (PR), obtaining a Limited Purchase Order, or using their ETHRA bank card. Regardless of purchase method, the employee should ensure that documentation describing the item(s) or services needed, any price quotes obtained, relevant vendor information, etc. is attached as support for the purchase.

LPO's

When an LPO is appropriate, the Program Manager or authorized employee fills out and signs the LPO, attaches it to the order confirmation and submits it to Finance.

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Purchase Orders

When a Purchase Order is appropriate, the Program Manager fills out a Purchase Requisition with a description of the needed items, price, vendor name, chargeable account name, required quotes and proper supporting documentation. The Program Manager signs the PR on the "Requested By" line.

If the purchase total (as noted above) triggers a review by the Purchasing Committee, it must be approved by two members of that committee before being presented to the Executive Director. The Executive Director reviews the PR, approves the PR by signature, and either returns it to the Purchasing Agent or forwards it to the Finance Department where the PR is coded with the appropriate general ledger code(s).

The Purchasing Agent creates a numerically-controlled PO, reviews any supporting documentation for compliance related issues, and if appropriate, signs it. Alternatively, the Executive Director may sign the PO if the Purchasing Agent is not available. The PO should include the PO creation date; vendor name and address; program name issuing the requisition; type, quantity and price of supplies and equipment; delivery date, where necessary; any special information needed by the vendor. The completed PO package is sent to the Finance Department.

The Purchasing Agent (or designee) returns a copy of the Purchase Order to the Program Manager who initiated the process. The Program Manager makes the purchase and forwards proof of the purchase (i.e. a purchase confirmation, a screen copy of the order placed, or other proof) to the Finance Department.


The original purchase order is filed numerically and retained in accordance with ETHRA's *Data Retention Policy*. A copy of the purchase order should be provided to the vendor.

Receipt of Goods and Billings

All ETHRA employees are authorized to accept deliveries; however, the receiving employee **MUST** confirm by direct examination that the shipping container does not display any visible damage. If it does, the employee must record on the shipper's manifest the apparent degree of damage to the shipping container and notify the ordering individual as noted on the shipping label of the delivery and the degree of damage. The container should be forwarded to the ordering individual.

On receipt, the employee who ordered the goods will open the container; compare the contents to the purchase order and packing list; note any discrepancies or damage found on the packing list; and sign the packing list. The packing list **MUST** be forwarded to the Finance Department promptly to ensure that the vendor can be paid.

The Accounts Payable, Finance Department will compare the invoice, packing list, and purchase order as evidence that purchases have been received, are in good order, and agree to the vendor's invoice. Any adjustments in amounts due are made at this time. All processed transactions are entered into ETHRA's

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accounts payable system. All scheduled payments will be approved by the Executive Director or designee. On payment, all supporting documents are scanned into an electronic document management system. Scanned documents are filed and retained in accordance with ETHRA's *Data Retention Policy*.

Purchase Order Exceptions

Exceptions to the use of purchase orders (note: these are not the same as the exceptions to the procurement procedures) are as follows:

- telephone billing;
- freight charges incurred in connection with the purchase of supplies and equipment;
- postage charged including purchase of metered postage;
- charges on airlines and gasoline credit cards;
- bonding fees or notary public fees;
- utility billings, connection fees, deposits;
- tuition, fees and other supplies for training of individuals;
- charges for rooms for meetings and attendant costs;
- rental of vehicles while on approved travel;
- rental or leasing of office and storage space; or
- participant/ client expenditures.

Vendor Bidder Selection

Vendors will be selected on the basis of competitive bids where practicable. Selection of bidders for small purchases shall be based on past performance. The selection for large purchases will be based primarily on the apparent ability of the vendor to perform the contract and past performance. Measures used in determining ability might include net worth, number of employees, and gross annual sales.



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Format/or Sealed Bid Envelope

From	

	ATTN: PURCHASING DIVISION East Tennessee Human Resource Agency 9111 Cross Park Drive Suite D-100 Knoxville, TN 37923
DO NOT OPEN - SEALED BID To be opened	

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ETHRA may cancel an invitation to bid any time prior to the award. Bids delivered past the date and hour designated for opening will be rejected and placed in the file unopened. The vendor representative signing the bid must be authorized to bind the vendor to contract. A bid not appropriately signed will be rejected.

Terms and conditions established by the bidder must be noted conspicuously on the face of the invitation. If the conditions vary materially from the terms listed in the invitation to bid, the bid could be considered unresponsive and subject to rejection.

Net pricing shall be requested for the units specified. Net price is list price less all trade or other discounts offered. Insertion of price escalator clauses, minimum order requirements, delivery costs, and other items should be listed where appropriate.

Erasures or use of correction fluid on bid forms are not acceptable and the bid will be rejected. Errors may be corrected, prior to submission, by lining out and entering the substituted words or figures with the change initialed and dated by the person signing the bid. Bids shall not be altered or amended after the bid opening. In the case of arithmetic errors in the extended prices, the unit price will govern.

Amendment or withdrawal of bids may be permitted under certain circumstances. *Prior to the opening*, a vendor may amend or withdraw a bid by submitting the request in writing to ETHRA's Purchasing Agent. After the opening, a vendor may withdraw their bid when there is an obvious calculation error, a factual error, or enforcement would impose considerable hardship on the vendor. A vendor requesting the withdrawal of a bid must do so in writing to the Purchasing Agent, stating the reasons for the request. ETHRA's Purchasing Agent may, after review of the submitted documentation, permit the bid to be withdrawn. In no event should the bidder be permitted to change any pricing or provision of a bid once opened.


Questions concerning invitations to bid should be directed to the Purchasing Agent or other ETHRA employee whose name and phone appears on the invitation to bid.

Vendors may examine bid files at ETHRA's main office during normal working hours, after bid award. A request to review the bid should be made through the purchasing agent.

Bid Awards

Bids shall be awarded to the best qualified vendor submitting the best bid, considering the factors stated in the invitation. Such factors may include but may not be limited to:

- vendor experience and ability to perform, including past performance;
- price;
- quality and reliability of product;

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- associated training costs;
- the effect on Agency productivity;
- purpose or use;
- discount for payment;
- freight;
- delivery terms; and
- environmental impact.

Where more than one item is specified in the invitation, ETHRA reserves the right to determine the low vendor, either on the basis of each individual item, or group of items, or total of all items, unless otherwise stated in the invitation to bid.

Tie bids may exist where two or more vendors offer products that meet all specifications, terms and conditions at identical prices. Tie bids will be broken by the following methods, in descending order of preference:

- in-state business;
- certified Disadvantaged Business Enterprises;
- small business;
- best delivery terms, or
- award purchase on a line item basis to the low vendor on that item.

ETHRA may require additional time to award a bid in order to accumulate sufficient information to make a fair comparison and determine the best bid.


Rejection of Bids

ETHRA may reject any or all bids. Action to reject all bids shall be taken for unreasonably high prices, errors in the invitation to bid, cessation of need, unavailability of funds, or any other reason approved by the Executive Director. Vendor bids may also be rejected if a search of the applicable government disbarment database reveals that the vendor has been barred from bidding on government contracts.

Vendor Performance

Notice of back orders, when necessary, should be presented to ETHRA in writing, specifying expected shipping or delivery date.

Product deficiencies or vendor performance will be reported in writing by the Purchasing Agent to the vendor. The memorandum will request a written answer to ETHRA. Vendors who do not respond promptly are subject to disqualification in future bidding.

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Cancellation of purchase orders will be in writing by the Purchasing Agent. A contractor may request cancellation and ETHRA may grant relief. ETHRA has the right to disqualify any contractor who defaults from future bidding.

Payment may be withheld until such time as all requirements of the purchasing contract have been complied with in full.

Note: Grantor approval should always be obtained before permitting or making any changes in contract terms, service delivery, or product specifications from those specified in the original contract. A copy of the grantor's approval should be retained in the contract file.

Vendor Protests

Resolving controversies concerning protest of qualification of bidders, suspension from bidding and invitation to bid, and stay of award prior to actual award shall be resolved in the manner provided herein. Vendors who disagree in any of the aforementioned areas may document their position in writing and request re-evaluation. If the re-evaluation does not resolve the disagreement, the vendor may request evaluation of the record, including the written protest documentation, through a hearing with the Executive Director. The evaluation by the Executive Director constitutes the final determination for the Agency. However, the vendor may request an appeal in writing to the Board of Directors. A hearing may be scheduled before a committee of the Board of Directors for resolution of the disagreement.


Affirmative Action and Equal Opportunity Statement

All prevailing civil rights legislation will be adhered to and strictly enforced. Section 188 of the workforce Investment Act of 1998 prohibits discrimination on the basis of race, color, religion, sex, national origin, age, disability, political affiliation or belief, citizenship, and status of a lawfully admitted immigrant authorized to work in the United States.

ETHRA is an Equal Opportunity Employer/Program/Service Provider. Auxiliary aids and services are available upon request to individuals with disabilities. For more information contact Steve Bandy, Title VVEqual Opportunity Officer by emailing sbandy@ethra.org.

Taxes

Prices quoted by vendors shall not contain provisions for Federal Excise Taxes or State Sales Tax. ETHRA is exempt from such taxes.

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Liability Claims and Damages

ETHRA, its officers, agents, and employees shall be held harmless from liability from any claims, damages and actions of any nature arising from the use of any materials furnished by the vendor, provided such liability is not attributable to negligence on the part of ETHRA or failure by ETHRA to utilize the materials in the manner outlined by the vendor in descriptive literature or specifications submitted with the vendor's bid.

Related Policies

Other ETHRA polices related to purchasing include the following:

- o *GEN-020 Code of Business Conduct*
- o *GEN-040 Vendor Gift Policy*
- o *GEN-060 Whistleblower Policy*
- o *GEN-090 Data Retention Policy*
- o *OPS-060 Fuel Purchasing Card Policy*
- o *OPS-100 Vehicle Management Policy and Procedure*
- o *FIN-020 Credit Policy*
- o *OPS-130 Bid Analysis Guidelines*



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Questions or Clarifications Related to This Policy

All questions or other clarifications of this policy and its related responsibilities should be addressed to the Executive Director, who shall be responsible for the administration, revision, interpretation, and application of this policy.

Approval



Board Chair

10/8/19
Date



Executive Director

10/8/19
Date

**SOUTHEAST TENNESSEE HUMAN
RESOURCE AGENCY**

SOUTHEAST TENNESSEE HUMAN RESOURCE PROCUREMENT POLICY

BACKGROUND

Southeast Tennessee Human Resource Agency (“SETHRA”) was established pursuant to the Human Resource Agency Act of 1973, as amended, as a non-for-profit delivery system designed to implement human services programs. SETHRA is empowered to own and dispose of property both real and personal and to receive and administer funds and contributions from private and public sources which may be used in support of human resource programs and other funds under State and Federal assistance programs.

SCOPE

The Policy applies to all company Employees who purchase supplies, equipment or services, and/or select Vendors providing such items.

PURPOSE

The Procurement Policy, issued by SETHRA, shall describe the procedures that are to be followed by SETHRA in the handling of procurement activities and to provide direction and ensure a process for the review of the purchase of supplies, goods and services.

POLICY

1. INTRODUCTION

1.1. Standard of Conduct

No officer, Employee, or agent of SETHRA shall unlawfully benefit directly or indirectly from the purchasing of materials or services by SETHRA. All transactions shall be conducted in a manner so as to provide maximum open and free competition.

SETHRA shall adhere to and strictly enforce all prevailing civil rights legislation. SETHRA complies with 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 benefits of, or be subject to discrimination under any program or activity receiving Federal assistance.” SETHRA does not discriminate on the basis of disability in the admission or access to, or treatment or employment in, its programs or activities in compliance with ADA (Americans with Disability Act of 1990), 42 U.S.C. § 12101.

1.2. Initiation of Purchases

Employees may requisition specific items for the purpose of carrying out their work assignments. After the Purchasing Requisition is completed and approved by the Executive Director, orders will be placed. Any Employee that makes a purchase in violation of these policies may be held personally responsible for payment.

1.3. Purchasing Requisition

Purchasing Requisitions shall be required for those items so identified in this Policy. All Purchasing Requisitions shall be reviewed and approved by the Program Director (Directors may also initiate Purchase Requisitions). Each approved Purchase Requisition results in a Purchase Order. Purchases are authorized on consecutively numbered Purchase Order forms by the Executive Director.

In the Executive Director's absence, Purchase Orders may be approved by the Assistant Executive Director or Finance Officer. Purchase Orders issued in the Executive Director's absence will be retained for the Executive Director's review and concurrence of approval upon return.

Purchase Orders shall not be required for specific items listed in Section 3.5 of this policy.

1.4. Specification Requirements

- 1.4.1.** Specification Requirements shall be based upon a clear and accurate description of the technical requirements for the material, product or service. The absence of such detail shall be recognized as meaning that only the best commercial practices are to prevail and that only first quality materials and workmanship are to be used. Reference to brand names, trade names, model number or other appropriate identification should be included to establish the required level of quality and functional capabilities. Comparable products of other manufacturers will be considered if proof of comparability is contained in the bid. Provision of such proof is the total responsibility of the Vendor and could include such things as brochures, catalog pages or other data, attached to the bid.
- 1.4.2.** Wherever possible, all specifications for materials, products or services to be purchased by SETHRA shall be worded or designed so as to permit open and competitive bidding for the supplying of such items or services to which they apply.

1.5 Vendor Selection

All Vendors providing supplies, equipment or services must be reputable organizations having the demonstrated capacity to produce or provide services within a reasonable period of time as established by SETHRA. Vendors shall be subject to disqualification if they are found to misrepresent quality, quantity, or price.

Selection of Vendor shall be based primarily on price and past performance of the vendor, as well as its apparent ability to provide the good or service.

2. PURCHASING METHODS

The following are the purchasing methods that may be utilized for the purchase of goods and/or services:

2.1. Micro Purchase – (No greater than \$3,000.00)

Purchases made without soliciting quotes, bids or proposals from multiple suppliers if the total value of the purchase is three thousand dollars (\$3,000.00) or less.

2.2. Competitive Quote Process (\$3,001.00 to \$25,000.00)

Purchases of items that, by their nature, have sufficiently uniform and impersonal criteria so that their purchase may be based on conformance with required specifications and lowest overall price, may be procured based on price quotes received from a number of prospective Vendors, as specified by the Executive Director and included in Section 3.

2.3. Sealed Bid Process/Invitation to Bid (Greater than \$25,000.00)

SETHRA shall strive to obtain at least three (3) sealed bids on all purchases which exceed \$25,000.00 except, as otherwise provided in this policy. All sealed bid requests/invitations to bid shall be approved by the Finance Department prior to issuance. Please see Exhibit 1 for a description of the invitation to bid process.

2.4. Request for Proposals (RFPs)

SETHRA shall use the formal process of written proposal for certain services that exceed and for which an RFP shall be issued by SETHRA that identifies the criteria to be met. Please see Exhibit 2 for description of the RFP process.

2.5. Competitive Negotiation

2.5.1. Competitive Negotiation is an informal method for contracting for goods and services, whereby proposals are solicited from qualified suppliers, following submission of which changes in proposals and prices may be allowed, and the offer deemed by the Executive Director to be most advantageous in terms of criteria/specifications is accepted.

2.5.2. Such negotiation shall be in accordance with the procedures as specified by the Executive Director. The Executive Director shall prescribe the procedures under which the negotiation is to be conducted. These procedures shall provide for the safeguarding of the information and provide fairness to the Vendors in the negotiation process, ensuring that all communication is conducted in a manner so as not to disclose any information that would give one or more Vendors unfair advantage or unfairly enable one or more Vendors to improve their proposal.

2.5.3. In the event that such a process is to take place, purchases for amounts exceeding \$10,000.00 but less than \$50,000.00 annually shall be approved by the Executive Director and submitted to the SETHRA's Executive Committee for approval prior to entering into a contract. All such contracts shall be reported to the SETHRA's Policy Council and Board of Directors.

2.6. Federal, State and Local Government Contracts

2.6.1. SETHRA may purchase, without using the formal procedures as herein contained, goods and services through Federal, state or local government contract, which has been duly negotiated by such authorized entities.

2.7. Proprietary/Single Source

2.7.1. Proprietary or Single source purchases shall be allowed. These purchases are those generally associated with restricted brands or models but for which bids or quotes may be obtained from distributors or dealers. Single source purchases may be arranged without benefit of bid when an item or service is unique and has specific characteristics that can be filled by only one source. Such purchases shall be allowable on the basis that no other Vendor could reasonably provide the item(s) or services using the procedures as herein provided.

All such purchases shall adhere to the provisions as herein contained.

2.7.2. A justification for single source or proprietary purchases must be included in the file. In making the final determination, the Executive Director should consider at least the following:

1. Whether the Vendor legally possesses exclusive or predominant capabilities or the item contains a patented feature providing a superior utility not obtainable from similar products;
2. Whether the product or service is unique and easily established as one of a kind;
3. Whether the program requirements can be modified so that competitive products or services may be used;
4. Whether the product is available from only one source and not merchandised through wholesalers, jobbers, or retailers;
5. Whether items must be interchangeable or compatible with in-place items.

2.7.3. After review of the written justification from the requisitioning department and ascertaining that the item to be purchased meets one or several of the aforementioned criteria, the single source purchase may be made without following competitive bid procedures as herein contained. A written quote from the supplier should be placed in the file.

3.0 CATEGORIES OF PURCHASES

Purchasing decisions are business decisions made on behalf of SETHRA and therefore should be made with the utmost consideration for what is in the best interest of the agency, including appropriate stewardship of agency assets. It is the responsibility of the purchaser to ensure best pricing for the purchase regardless of the purchase price. SETHRA has determined three specific categories for which they make purchases. The requirements for each type of purchase are outlined below:

3.1 Durable and Consumer Goods

Purchase Price	Purchasing Requirement
\$0.00- \$3,000.00	Requires Purchasing Requisition approved by Program Director and Purchase Order approved by Executive Director
\$3,001.00- \$25,000.00	Requires that SETHRA secure at least three (3) competitive quotes. Must be purchased using a Purchasing Requisition and Purchase Order, with approval from the Program Director and the Executive Director.
\$25,001.00 and Up	Must utilize a sealed bid process unless the item is available under a Federal, State or Local government contract. Requires Purchasing Requisition approved by Program Director and Purchase Order approved by Executive Director.

3.2 Vehicle Maintenance

Estimated Cost	Purchasing Requirement
\$0.00 - \$3,000.00	Requires Purchasing Requisition approved by Program Director and Purchase Order approved by Executive Director.
\$3,001.00 and Up	Requires that SETHRA secure at least three (3) competitive quotes. Must be purchased using a Purchasing Requisition and Purchase Order, with approval from the Program Director and the Executive Director.

3.3 Personal, Professional or Consultant Services

Where SETHRA desires to procure personal services, professional services and/or consultant services, SETHRA shall either follow the requirements as specified herein or, as appropriate, utilize a method that in the discretion of the Executive Director is determined to be fair and open to competition. The process shall generally include a consideration and comparison of potential contractors, based upon factors such as service provider qualifications, experience, and technical approach.

3.4 Emergency Orders

Emergency orders may be placed by the Executive Director when immediate delivery is necessary to meet emergencies from unforeseen causes for continuation of services. A written memo must be attached to the file copy of the purchase order. All emergency purchases shall, if practicable, be made on the basis of at least the use of price quotes.

3.5 Exceptions

SETHRA shall not be required to utilize the purchasing methods in Section 2 for the items or services that have sufficiently uniform and impersonal criteria, so that their purchase is based upon conformance with certain specifications and lowest overall price including but not limited to the following items:

1. Telephone billings;
2. Freight charges not incurred in connection with the purchase of supplies and equipment;
3. Postage including purchase of metered postage;
4. Charges on airfare or fuel purchases;
5. Bonding fees or notary public fees;
6. Utility billings and connection fees;
7. Tuition, fees and other supplies for training of individuals, or other purchases at institutions which courses of study are on the approved THEC list, provided such expenses do not exceed \$1,000;
8. Occasional charges for rooms for meetings and attendant costs;

9. Rental of vehicles while on approved travel;
10. Rental or leasing of office and storage space;
11. Or other contractual agreement with detailed documentation provided for within the agreement;
12. Newspaper advertisements or listing; and
13. Such other items as may be determined by the Executive Director from time to time.

4.0 GENERAL PROVISIONS

4.1 Liability Claims and Damages

SETHRA, its officers, agents and employees shall be held harmless from liability from any claims, damages and actions of any nature arising from the use of any materials furnished by the Vendor, provided such liability is not attributable to negligence on the part of SETHRA or failure of SETHRA to utilize the materials in the manner outlined by the Vendor in descriptive literature or specifications submitted with the Vendor's bid. Vendor will agree to abide by SETHRA's purchasing procedures.

4.2 Controversies/Disputes

Resolving controversies/disputes concerning protest of qualifications of bidders, suspension from bidding, and invitation to bid process, and stay of award prior to actual award shall be resolved in the manner provided herein. Vendors who disagree in any of the aforementioned areas may document their position and protest in writing and request reevaluation within ten (10) days of bid opening or award. This reevaluation shall be initiated by the person or person(s) who were responsible. They shall review and provide a memorandum to the Program Director, Division Manager and Executive Director. All relevant levels of administration shall review the reevaluation and make written comments regarding their thoughts and recommendations. The Executive Director or designee shall review the reevaluation, make a determination and notify the Vendor of the decision. If the reevaluation does not resolve the disagreement, the Vendor may request the decision. If the reevaluation does not resolve the disagreement, the Vendor may request evaluation of the record, including the written protest documentation, through a hearing with the Executive Director. The Executive Director shall issue a letter to the bidder(s) as to his/her findings and decisions. The evaluation by the Executive Director shall be submitted to the Executive Committee for review. This process shall constitute the final determination for the Agency.

4.3 Revisions/Amendment

Any revisions or amendments to the Purchasing Policies and Procedures set forth in the policy shall be submitted to SETHRA's Executive Committee and the Procurement Commission for review and approval.

4.4 Taxes

SETHRA is exempt from Federal Excise Taxes and State Sales Tax, and purchases shall be made in accordance with this tax status. For instance, prices quoted by Vendors shall

not contain provisions for Federal Excise Taxes or State Sales Tax unless required by law or contract.

EXHIBIT 1

PROCEDURES FOR SEALED BIDS: INVITATIONS TO BID

1.0 SEALED BID/INVITATIONS TO BID PROCESS

1.1 Bid Submission. Invitations to bid shall indicate that bids must be received by SETHRA on or before a specified date or hour.

In preparation of Invitations to Bid it shall be the intent of SETHRA to set forth such invitations in a manner which, where possible, provides the following:

1. Terms and conditions clearly stating the requirements for the bid response and language to bind the parties in the event of award;
2. Clear and definitive specifications which shall, wherever possible, permit open and competitive bidding and minimize the likelihood of requests by prospective proposers for clarifications;
3. Instructions for delivering the service requested or packaging, shipping, and delivering the commodity purchased, and where appropriate, instructions for storage by the Vendor;
4. A timeline of the process that specifies deadlines;
5. A description of the factors to be considered in evaluating the proposals – factors may include but are not limited to service provider qualifications, experience, technical approach, and cost;
6. A declaration of the contract terms and conditions which shall be required; and
7. Any requirements for bid and/or performance bonds.

Bids should be returned in sealed envelopes, addressed in the follow manner:

From _____

*ATTN: PURCHASING DIVISION
SOUTHEAST TENNESSEE HUMAN RESOURCE AGENCY
312 RESOURCE ROAD
DUNLAP, TN 37327*

*DO NOT OPEN
SEALED BID
To be opened by: _____*

1.2 SETHRA may cancel an invitation to bid any time prior to bid opening. Bids delivered past the date and hour designated for opening will be rejected and placed in the file unopened.

1.3 Invitations to bid may be mailed (in written or electronic form) to prospective Vendors. Invitations for bid may also be published in a newspaper of general circulation. Only

one copy of a bid is required to be returned to SETHRA. When a sealed bid is opened, examined and recorded, the original copy is placed in a file for evaluation by the Executive Director.

- 1.4 The person signing the bid must be authorized to bind the Vendor to contract. A bid not signed will be rejected. Unsigned bids cannot be signed after the bid has been opened, even if the Vendor or his representative is present at the bid opening.
- 1.5 Terms and conditions established by the bidder must be noted conspicuously on the face of the invitation. If the conditions vary from the terms listed in the invitation to bid, the bid may be considered unresponsive and the proposal may be rejected.
- 1.6 Net pricing shall be requested for the units specified. Net price is list price less all trade or other discounts offered. Insertion of price escalator clauses, minimum order requirements, delivery costs, and other items should be listed where appropriate.
- 1.7 Erasures or use of correction fluid on bid forms are not acceptable. Errors may be corrected, prior to submission, by lining out and entering the substituted words or figures with the change initialed by the person signing the bid in ink. Bids shall not be altered or amended after the bid opening. In the case of errors in the extension prices, the unit price will govern. No corrections will be made in pencil.
- 1.8 Amendment or withdrawal of bids may be permitted under certain circumstances. Prior to the opening, a letter or email submitted to the Executive Director, or designee, may be used to withdraw a bid. Emails should not be used to amend a bid. After the opening, a Vendor may withdraw their bid when there is obvious error in cost data or where enforcement would impose considerable hardship. Consideration for withdrawal is at the sole discretion of the Executive Director or designee and can be made at the written (or e-mail) request of the Vendor. No change in bid price or provision of bids shall be made.
- 1.9 Questions concerning invitations to bid should be directed to the Executive Director or designee or other whose name, phone number or e-mail address is listed on the invitation to bid.
- 1.10 Bid files may be examined or reviewed during normal working hours, after completion of evaluation and prior to award. Request for review should be made through the Executive Director.
- 1.11 **Rejection of Bids.** The Executive Director may reject any or all bids. Action to reject all bids shall be taken for unreasonably high prices, errors in the invitation to bid, cessation of need unavailability of funds, or any other reason approved by the Executive Director.
- 1.12 **Bonds.** As appropriate, any bonds which are required shall be stated in the invitation. To the extent possible, such bonds shall comply with the rules and regulation which apply to the State of Tennessee or the grant or contract, whichever is more restrictive.

2.0 AWARD PROCESS

2.1 Bids shall be awarded to the lowest bidding, qualified responsible and responsive Vendor considering the factors stated in the invitation. Such factors may include but not be limited to:

1. Apparent ability to perform, including past performance;
2. Price;
3. Quality;
4. Purpose or use;
5. Discount for payment;
6. Freight;
7. Delivery date.

2.2 The invitation to bid sets forth the evaluation criteria to be used, no criteria or factors may be used in bid evaluations that are not set forth in the invitation to bid.

2.3 Where more than one item is specified in the invitation, SETHRA reserves the right to determine the lowest bidding Vendor, either on the basis of each individual item, or group of items, or total of all items, unless otherwise stated in the invitation to bid.

2.4 Tie bids may exist where two or more Vendors offer products that meet all specifications, terms and conditions at identical prices. Tie bids will be broken by the following methods, in descending order of preference:

1. In-state businesses;
2. Small businesses;
3. Award item(s) to Vendor who was low Vendor on other item(s) being on the same requisition;
4. Best delivery;
5. By lot or coin toss.

3.0 PROCEDURES AND GUIDELINES FOR VENDORS

3.1 Notice of back orders, when necessary, should be presented to SETHRA in writing, specifying expected shipping or delivery date.

3.2 Product deficiencies or Vendor non-compliance will be reported to the Vendor in writing by the Executive Director. The notification shall request a written response from the Vendor to SETHRA. A Vendor may be removed from a list of eligible Vendors for failure to follow the published procedures and requirements. Failure to cure non-compliance may also result in removal of the Vendor from the approved list of bidders.

- 3.3 Cancellation of purchase orders shall be in writing by the Executive Director or his/her designee. A contractor may request cancellation and SETHRA may grant this request when it is deemed to be in SETHRA's and/or general public's best interest to do so. SETHRA has the right to disqualify any contractor from future bidding if the contractor has defaulted on any previously awarded contract.
- 3.4 Payment may be withheld until such time as all requirements of the purchasing contract have been complied with in full.

4.0 PROCEDURES FOR PURCHASE ORDERS AND BILLINGS

- 4.1 Purchase orders will be pre numbered sequentially, and signed by the Executive Director. The original purchase order will be submitted to the Vendor only when required by the Vendor.
- 4.2 Billings will be matched with the invoice and purchase order as materials are received by SETHRA.
- 4.3 The invoice, purchase order and receiving slip, where applicable, will be reviewed by the Financial Department prior to certification for payment.

EXHIBIT 2
PROCEDURES FOR REQUEST FOR PROPOSAL (RFPS)

1.0 REQUEST FOR PROPOSALS (RFPS)

The formal solicitation of written proposals shall comply with the following requirements:

- 1.1** SETHRA shall prepare and issue an RFP and evaluate proposals in accordance with this policy. Failure by SETHRA to comply with said rule and policy alone shall not be deemed a defect requiring rejection of all bids, said decision remaining in the discretion of SETHRA.
- 1.2** An RFP shall set forth specific provisions in accordance with this policy including:
 - 1.2.1** a clear and accurate description of the technical requirements for the service to be procured - the service technical requirements and scope shall not contain features which unduly restrict competition and shall be in sufficient detail to minimize the likelihood of requests by potential proposers for clarification;
 - 1.2.2** instructions regarding the submission of proposals;
 - 1.2.3** a timeline of the RFP process that specifies deadlines – service providers shall be given a reasonable time, as determined by SETHRA, to consider the required scope of services and the proposal evaluation factors before proposals must be submitted;
 - 1.2.4** requirements and restrictions regarding the RFP;
 - 1.2.5** a description of the factors to be considered in evaluating the proposals – factors may include but are not limited to service provider qualifications, experience, technical approach, and cost; and
 - 1.2.6** a declaration of the contract terms and conditions which shall be required by SETHRA.
- 1.3** Upon approval, SETHRA shall send an actual RFP document or a formal notice stating that the specific RFP has been released to a documented list of potential service providers. Notice of a RFP may also be published in a newspaper of general circulation. SETHRA shall compile the list of potential service providers from those known to SETHRA staff. SETHRA shall determine the number of service providers to include on the list by considering the nature of the service sought, that anticipated dollar amount of the resulting contract, and the number of known service providers.
- 1.4** SETHRA is not required to send an RFP or RFP Notice to more than a total of fifteen (15) service providers provided, however, that SETHRA shall disseminate the RFP or RFP Notice as required by this policy and to all that request the specific RFP. A general or standing request for notice of all RFPS or all RFPS of a given type of service shall not suffice as a request for a specific RFP and shall create no obligation on SETHRA.
- 1.5** To foster the integrity of the RFP evaluation process, each proposer shall be required to submit the Cost Proposal component of the proposal in a sealed and labeled envelope

separate from the Technical Proposal component. The purpose is to allow the cost component to be evaluated separately from the technical component.

1.5.1 The cost proposals shall not be opened until after the evaluation of the technical component is completed. After the technical proposal evaluation is completed, the cost proposals shall be opened and evaluated, and the scores of both components shall be combined to arrive at a total evaluation score provided, however, that the cost proposal shall not be opened if the associated technical proposal has been deemed non-responsive and is rejected by SETHRA.

1.5.2 Any proposal which fails to adequately separate the cost proposal components from the technical proposal shall be considered non-responsive and rejected by SETHRA.

1.6 Proposal evaluations shall be conducted by SETHRA employees in such a manner as to reasonably ensure that all proposals are impartially considered and the policy requirements are adequately met.

1.6.1 Proposals shall be evaluated on the basis of factors pertinent to the service sought and detailed in the RFP document.

1.6.2 Neither the technical proposal nor the cost shall be the only criterion for a contract award recommendation. However, specific factors may be set forth as a criterion for determining which proposals shall be considered responsive to the RFP.

1.7 SETHRA shall communicate, clarify, and negotiate in the best interests of SETHRA, provided that all communication is in manner so as not to disclose any information that would give one or more proposers unfair advantage or unfairly enable one or more proposers to improve their proposal.

1.8 SETHRA shall have the right, at its sole discretion, to amend an RFP in writing at any time.

1.9 SETHRA shall have the right, at its sole discretion, to reject any and all proposals.

1.9.1 Any proposal that does not meet the requirements of an RFP may be considered to be nonresponsive, and the proposal may be rejected.

1.9.2 Any proposal that restricts the rights offset or otherwise qualifies the proposal may be considered to be nonresponsive, and the proposal may be rejected.

1.9.3 Whenever SETHRA proposes to reject all proposals for a certain purchase, such action shall be taken only for the following reasons:

1. unreasonably high prices or failure of all proposals to meet technical specifications;
2. error in the request for proposals;
3. cessation of need;
4. unavailability of funds;
5. a determination by SETHRA that proceeding with the procurement would be detrimental to the best interests of SETHRA, the reason for which must be documented.

- 1.10** SETHRA shall have the right, at its sole discretion, to cancel an RFP in its entirety and, at its sole discretion, to reissue or not reissue an RFP. The approval of the Executive Director shall be required prior to the cancellation of an RFP, and SETHRA shall make a record of such approved request.

EXHIBIT 3
DEFINITIONS

“**Award**” means a notice to a respondent of a solicitation of the acceptance of a bid or proposal.

“**Bid**” means an offer, as a price, whether for payment or acceptance given to a prospective purchaser upon his or her request, usually in competition with other offers. Also, an offer by a buyer to a seller, as at an auction.

“**Employee**” means all officers, employees and staff member of SETHRA.

“**Executive Director**” means SETHRA Executive Director or designee.

“**Invitation to Bid**” a request, verbal or written, which is made to prospective suppliers requesting the submission of a bid on commodities or services. This includes all documents, whether attached or incorporated by reference, utilized for soliciting bids.

“**Purchase Order**” means a purchaser’s document used to formalize a purchase transaction with a Vendor. A purchase order, when given to a Vendor, may contain statements as to the quantity, description, and price of the goods or services ordered; agreed terms, and all other agreements pertinent to the purchase and its execution by the Vendor.

“**Purchase Requisition**” means the form used by the Program Director to approve a purchase and issue a Purchase Order.

“**Vendor**” means a supplier of items, goods or services.

**SOUTHWEST HUMAN RESOURCE
AGENCY**

PROCUREMENT POLICY	ISSUED BY: SOUTHWEST HUMAN RESOURCE AGENCY	POLICY #: 1
	Prepared By: Christy McMahan	Revision # 1 (8/5/2020)
	Approved By: SWHRA Policy Council	Effective Date: 4/20/2017

PROCUREMENT POLICY

BACKGROUND

Southwest Human Resource Agency (“SWHRA”) was established pursuant to the Human Resource Agency Act of 1973, as amended, as a not-for-profit delivery system designed to implement human services programs. The SWHRA is empowered to own and dispose of property both real and personal and to receive and administer funds and contributions from private and public sources which may be used in support of human resource programs, and other funds under State and Federal assistance programs.

SCOPE

The Policy applies to all company Employees who purchase supplies, equipment or services, and/or select Vendors providing such items.

PURPOSE

The Procurement Policy, issued by the SWHRA, shall describe the procedures that are to be followed by SWHRA in the handling of procurement activities and to provide direction and ensure a process for the review of the purchase of supplies, goods and services.

POLICY

1.0 INTRODUCTION

1.1 Standard of Conduct

No officer, employee, family member or agent of the SWHRA shall unlawfully benefit directly or indirectly from the purchasing of materials or services by the SWHRA. All transactions shall be conducted in a manner so as to provide maximum open and free competition. No SWHRA official, employee, family member or agent shall bid on, or sell or offer for sell any merchandise, equipment or material during his/her tenure of office or employment. Neither shall any officer, employee, family member or agent accept or receive, either directly or indirectly, from any person firm or company any money or anything of value whatsoever.

SWHRA shall adhere to and strictly enforce all prevailing civil rights legislation. SWHRA complies with 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 benefits of, or be subject to discrimination under any program or activity receiving Federal assistance.” SWHRA does not discriminate on the basis of disability in the

admission or access to, or treatment or employment in, its programs or activities in compliance with ADA (Americans with Disability Act of 1990), 42 U.S.C. § 12101.

1.2 Initiation of Purchases

Employees may request specific items for the purpose of carrying out their work assignments. After the Purchasing Requisition is completed and approved, orders will be placed by the Program Director or a Department designee. Any Employee that makes a purchase in violation of these policies may be held personally responsible for payment.

1.3 Purchasing Requisition

A Request to Purchase shall be required for those items so identified in this Policy. All Request to Purchase shall be reviewed by the Program Director. Each Request to Purchase that is approved and processed by the Executive Director results in a Purchase Requisition. All Purchase Requisitions will be assigned an identification number and that number shall appear on invoices and receipts as appropriate. Purchases are authorized on consecutively numbered Purchase Request forms by the Executive Director.

Purchase Request Forms shall not be required for items below the threshold amount as set forth in **Section 3.1 and 3.2** or for specific items listed in **Section 3.5** of this policy.

1.4 Specification Requirements

1.4.1 Specification requirements shall be based upon a clear and accurate description of the technical requirements for the material, product or service. The absence of such detail shall be recognized as meaning that only the best commercial practices are to prevail and that only first quality materials and workmanship are to be used. Reference to brand names, trade names, model numbers or other appropriate identification should be included to establish the required level of quality and functional capabilities. Comparable products of other manufacturers will be considered if proof of comparability is contained in the bid. Provision of such proof is the total responsibility of the Vendor and could include such things as brochures, catalog pages or other data, attached to the bid.

1.4.2 Wherever possible, all specifications for materials, products or services to be purchased by the SWHRA shall be worded or designed so as to permit open and competitive bidding for the supplying of such items or services to which they apply.

1.5 Vendor Selection

All Vendors providing supplies, equipment or services must be reputable organizations having the demonstrated capacity to produce or provide services within a reasonable period of time as established by the SWHRA. Vendors shall be subject to disqualification if they are found to misrepresent quality, quantity, or price.

Selection of a Vendor shall be based primarily on price, geographical location and past performance of the Vendor, as well as its apparent ability to provide the good or service. Selection of a vendor will not be restricted to geographic location if Federal funds are involved.

2.0 PURCHASING METHODS

The following are the purchasing methods that may be utilized for the purchase of goods and/or services:

2.1 Competitive Bidding Process

Purchases of items that, by their nature, have sufficiently uniform and impersonal criteria so that their purchase may be based on conformance with required specifications and lowest overall price, may be procured based on price quotes received from a number of prospective Vendors, as specified by the Executive Director and included in **Section 3**.

2.2 Sealed Bid Process/Invitation to Bid

SWHRA shall strive to obtain at least three (3) sealed bids on all purchases which exceed \$5,000, except as otherwise provided in this policy. All sealed bid requests/invitations to bid shall be approved by the Fiscal Department prior to issuance. Please see **Exhibit 1** for a description of the invitation to bid process.

2.3 Request for Proposals (RFPs)

SWHRA shall use the formal process of written proposal for certain services that exceed \$5,000 and for which an RFP shall be issued by SWHRA that identifies the criteria to be met. Please see **Exhibit 2** for a description of the RFP process.

2.4 Competitive Negotiation

2.4.1 Competitive Negotiation is an informal method for contracting for goods and services, whereby proposals are solicited from qualified suppliers, following submission of which changes in proposals and prices may be allowed, and the offer deemed by the Executive Director to be most advantageous in terms of criteria/specifications is accepted.

2.4.2 Such negotiation shall be in accordance with the procedures as specified by the Executive Director. The Executive Director shall prescribe the procedures under which the negotiation is to be conducted. These procedures shall provide for the safeguarding of the information and provide fairness to the Vendors in the negotiation process, ensuring that all communication is conducted in a manner so as not to disclose any information that would give one or more Vendors unfair advantage or unfairly enable one or more Vendors to improve their proposal.

2.4.3 In the event that such a process is to take place, purchases for amounts exceeding \$200 but less than \$50,000 must be approved by the Executive Director. Purchase amounts greater than \$50,000 annually shall be approved by the Executive Director and submitted to the SWHRA's Executive Committee for approval prior to entering into a contract. All such contracts shall be reported to the SWHRA's Policy Council and Board of Directors.

2.5 Federal, State and Local Government Contracts

2.5.1 SWHRA may purchase, without using the formal procedures as herein contained, goods and

services through a Federal, state, or local government contract, which has been duly negotiated by such authorized entities.

2.6 Proprietary/Single Source

2.6.1 Proprietary or single source purchases shall be allowed. These purchases are those generally associated with restricted brands or models but for which bids or quotes may be obtained from distributors or dealers. Single source purchases may be arranged without benefit of bid when an item or service is unique and has specific characteristics that can be filled by only one source. Such purchases shall be allowable on the basis that no other Vendor could reasonably provide the item(s) or services using the procedures as herein provided.

All such purchases shall adhere to the provisions as herein contained.

2.6.2 A justification for single source or proprietary purchases must be included in the file. In making the final determination, the Executive Director should consider at least the following:

1. Whether the Vendor legally possesses exclusive or predominant capabilities or the item contains a patented feature providing a superior utility not obtainable from similar products;
2. Whether the product or service is unique and easily established as one of a kind;
3. Whether the program requirements can be modified so that competitive products or services may be used;
4. Whether the product is available from only one source and not merchandised through wholesalers, jobbers, or retailers;
5. Whether items must be interchangeable or compatible with in-place items.

2.6.3 After review of the written justification from the requisitioning department and ascertaining that the item to be purchased meets one or several of the aforementioned criteria, the single source purchase may be made without following competitive bid procedures as herein contained. A written quote from the supplier should be placed in the file.

3.0 CATEGORIES OF PURCHASES

SWHRA has determined there are specific categories for which they make purchases. The requirements for each type of purchase are outlined below:

3.1 Durable and Consumer Goods

Purchase Price	Purchasing Requirement
\$0 - \$199	Must be purchased pursuant to the Program Director's instructions.
\$200 - \$1,999	Must be purchased using a Request to Purchase and Purchase Requisition, with approval from the Program Director, and either: (1) the Executive Director; or (2) the Fiscal Director.
\$2,000 - \$4,999	Requires that SWHRA secure at least three (3) competitive bids. Must be purchased using a Request to Purchase and a Purchase Requisition, with approval from the Program Director and the Executive Director.
\$5,000 - \$49,999	Must utilize a sealed bid process unless the item is available under a Federal, State or Local government contract.
\$50,000 and Up	Must utilize a sealed bid process unless the item is available under a Federal, State or Local government contract. Must be approved by the SWHRA Executive Committee.

3.2 Vehicle Maintenance

Estimated Cost	Purchasing Requirement
\$0 - \$199	Must be procured from a Vendor on the "Approved Vendor List," and with approval from the Program Director.
\$200 - \$1,999	Must be purchased using a Request to Purchase and Purchase Requisition, with approval from the Program Director and either: (1) the Executive Director or (2) the Fiscal Director.
\$2,000 and Up	Must be purchased using a Request to Purchase and Purchase Requisition, with approval from the Program Director and the Executive Director.

3.3 Personal, Professional or Consultant Services

Where the SWHRA desires to procure personal services, professional services and/or consultant services, the SWHRA shall either follow the requirements as specified herein or, as appropriate,

utilize a method that in the discretion of the Executive Director is determined to be fair and open to competition. The process shall generally include a consideration and comparison of potential contractors, based upon factors such as service provider qualifications, experience, and technical approach.

3.4 Emergency Orders

Emergency orders may be placed by the Executive Director when immediate delivery is necessary to meet emergencies from unforeseen causes for continuation of services. A written memo must be attached to the file copy of the Purchase Requisition. All emergency purchases shall, if practicable, be made on the basis of at least the use of price quotes.

3.5 Exceptions. SWHRA shall not be required to utilize the purchasing methods in **Section 2** for the items or services that have sufficiently uniform and impersonal criteria, so that their purchase is based upon conformance with certain specifications and lowest overall price including but not limited to the following items:

1. Telephone billings;
2. Freight charges not incurred in connection with the purchase of supplies and equipment;
3. Postage including purchase of metered postage;
4. Charges on credit cards and gasoline credit cards;
5. Bonding fees or notary public fees;
6. Utility billings and connection fees;
7. Tuition, fees and other supplies for training of individuals, or other purchases at institutions which courses of study are on the approved THEC list, provided such expenses do not exceed \$1,000;
8. Occasional charges for rooms for meetings and attendant costs;
9. Rental of vehicles while on approved travel;
10. Rental or leasing of office and storage space;
11. Or other contractual agreement with detailed documentation provided for within the agreement;
12. Newspaper advertisements or listings; and
13. Such other items as may be determined by the Executive Director from time to time.

4.0 GENERAL PROVISIONS

4.1 Liability Claims and Damages

The SWHRA, its officers, agents, and employees shall be held harmless from liability from any

claims, damages and actions of any nature arising from the use of any materials furnished by the Vendor, provided such liability is not attributable to negligence on the part of the SWHRA or failure of the SWHRA to utilize the materials in the manner outlined by the Vendor in descriptive literature or specifications submitted with the Vendor's bid. Vendor will agree to abide by SWHRA's purchasing procedures.

4.2 Controversies/Disputes

Resolving controversies/disputes concerning protest of qualifications of bidders, suspension from bidding, and invitation to bid process, and stay of award prior to actual award shall be resolved in the manner provided herein. Vendors who disagree in any of the aforementioned areas may document their position and protest in writing and request reevaluation within ten (10) days of the bid opening or award. This reevaluation shall be initiated by the person or person(s) who were responsible. They shall review and provide a memorandum to the Program Director, Fiscal Director and Executive Director. All relevant levels of administration shall review the reevaluation and make written comments regarding their thoughts and recommendations. The Executive Director or designee shall review the reevaluation, make a determination and notify the Vendor of the decision. If the reevaluation does not resolve the disagreement, the Vendor may request evaluation of the record, including the written protest documentation, through a hearing with the Executive Director. The Executive Director shall issue a letter to the bidder(s) as to his/her findings and decisions. The evaluation by the Executive Director shall be submitted to the Executive Committee for review. This process shall constitute the final determination for the Agency.

4.3 Revisions/Amendment

Any revisions or amendments to the Purchasing Policies and Procedures set forth in the policy shall be submitted to the SWHRA's Executive Committee for review and approval.

4.4 Taxes

SWHRA is exempt from Federal Excise Taxes and State Sales Tax, and purchases shall be made in accordance with this tax status. For instance, prices quoted by Vendors shall not contain provisions for Federal Excise Taxes or State Sales Tax unless required by law or contract.

EXHIBIT 1

PROCEDURES FOR SEALED BIDS: INVITATIONS TO BID

1.0 SEALED BID/INVITATIONS TO BID PROCESS

1.1 Bid Submission. Invitations to bid shall indicate that bids must be received by the SWHRA on or before a specified date or hour.

In preparation of Invitations to Bid it shall be the intent of the SWHRA to set forth such invitations in a manner which, where possible, provides the following:

1. Terms and conditions clearly stating the requirements for the bid response and language to bind the parties in the event of award;
2. Clear and definitive specifications which shall, wherever possible, permit open and competitive bidding and minimize the likelihood of requests by prospective proposers for clarification;
3. Instructions for delivering the service requested or packaging, shipping, and delivering the commodity purchased, and, where appropriate, instructions for storage by the Vendor;
4. A timeline of the process that specifies deadlines;
5. A description of the factors to be considered in evaluating the proposals – factors may include but are not limited to service provider qualifications, experience, technical approach, and cost;
6. A declaration of the contract terms and conditions which shall be required; and
7. Any requirements for bid and/or performance bonds.

Bids should be returned in sealed envelopes, addressed in the follow manner:

From _____

*SOUTHWEST HUMAN RESOURCE AGENCY
P. O. Box 264
HENDERSON, TN 38340*

*DO NOT OPEN
SEALED BID*

- 1.2 The SWHRA may cancel an invitation to bid any time prior to bid opening. Bids delivered past the date and hour designated for opening will be rejected and placed in the file unopened.
- 1.3 Invitations to bid may be mailed (in written or electronic form) to prospective Vendors. Invitations for bid may also be published in a newspaper of general circulation. Only one copy of a bid is required to be returned to SWHRA. When a sealed bid is opened, examined and recorded, the original copy is placed in a file for evaluation by the Executive Director.
- 1.4 The person signing the bid must be authorized to bind the Vendor to contract. A bid not signed will be rejected. Unsigned bids cannot be signed after the bid has been opened, even if the Vendor or his representative is present at the bid opening.
- 1.5 Terms and conditions established by the bidder must be noted conspicuously on the face of the invitation. If the conditions vary from the terms listed in the invitation to bid, the bid may be considered unresponsive and the proposal may be rejected.
- 1.6 Net pricing shall be requested for the units specified. Net price is list price less all trade or other discounts offered. Insertion of price escalator clauses, minimum order requirements, delivery costs, and other items should be listed where appropriate.
- 1.7 Erasures or use of correction fluid on bid forms are not acceptable. Errors may be corrected, prior to submission, by lining out and entering the substituted words or figures with the change initialed by the person signing the bid in ink. Bids shall not be altered or amended after the bid opening. In the case of errors in the extension prices, the unit price will govern. No corrections will be made in pencil.
- 1.8 Amendment or withdrawal of bids may be permitted under certain circumstances. Prior to the opening, a letter or email submitted to the Executive Director, or designee, may be used to withdraw a bid. Emails should not be used to amend a bid. After the opening, a Vendor may withdraw their bid when there is obvious error in cost data or where enforcement would impose considerable hardship. Consideration for withdrawal is at the sole discretion of the Executive Director or designee and can be made at the written (or e-mail) request of the Vendor. No change in bid price or provision of bids shall be made.
- 1.9 Questions concerning invitations to bid should be directed to the Executive Director or designee or other whose name, phone number or e-mail address is listed on the invitation to bid.
- 1.10 After the sealed bid is opened after the designated time bid files may be examined or reviewed during normal working hours, after completion of evaluation and prior to award. Request for review should be made through the Executive Director.
- 1.11 **Rejection of Bids**. The Executive Director may reject any or all bids. Action to reject all bids shall be taken for unreasonably high prices, errors in the invitation to bid, cessation of need, unavailability of funds, or any other reason approved by the Executive Director.
- 1.12 **Bonds**. As appropriate, any bonds which are required shall be stated in the invitation. To the extent possible, such bonds shall comply with the rules and regulations which apply to the State of Tennessee or the grant or contract, whichever is more restrictive.

2.0 AWARD PROCESS

2.1 Bids shall be awarded to the lowest bidding, qualified responsible and responsive Vendor considering the factors stated in the invitation. Such factors may include but not be limited to:

1. Apparent ability to perform, including past performance;
2. Price;
3. Quality;
4. Purpose or use;
5. Discount for payment;
6. Freight;
7. Delivery date.

2.2 The invitation to bid sets forth the evaluation criteria to be used, no criteria or factors may be used in bid evaluations that are not set forth in the invitation to bid.

2.3 Where more than one item is specified in the invitation, the SWHRA reserves the right to determine the lowest bidding Vendor, either on the basis of each individual item, or group of items, or total of all items, unless otherwise stated in the invitation to bid.

2.4 Tie bids may exist where two or more Vendors offer products that meet all specifications, terms and conditions at identical prices. Tie bids will be broken by the following methods, in descending order of preference:

1. In-state businesses;
2. Small businesses;
3. Award item(s) to Vendor who was low Vendor on other item(s) being on the same requisition;
4. Best delivery;
5. By lot or coin toss.

3.0 PROCEDURES AND GUIDELINES FOR VENDORS

3.1 Notice of back orders, when necessary, should be presented to the SWHRA in writing, specifying expected shipping or delivery date.

3.2 Product deficiencies or Vendor non-compliance will be reported to the Vendor in writing by

the Executive Director. The notification shall request a written response from the Vendor to the SWHRA. A Vendor may be removed from a list of eligible Vendors for failure to follow the published procedures and requirements. Failure to cure non-compliance may also result in removal of the Vendor from the approved list of bidders.

3.3 Cancellation of Purchase Requisitions shall be in writing by the Executive Director or his designee. A contractor may request cancellation and the SWHRA may grant this request when it is deemed to be in the SWHRA's and/or general public's best interest to do so. The SWHRA has the right to disqualify any contractor from future bidding if the contractor has defaulted on any previously awarded contract.

3.4 Payment may be withheld until such time as all requirements of the purchasing contract have been complied with in full.

4.0 PROCEDURES FOR PURCHASE REQUISITIONS AND BILLINGS

4.1 Pre-numbered Purchase Requisitions are supplied by an outside vendor. They will be signed by the Executive Director and the appropriate Program Director. The original Purchase Requisition will be submitted to the Vendor only when required by the Vendor.

4.2 Billings will be matched with the invoice and Purchase Requisition as materials are received by the SWHRA.

4.3 Review for payment will be by the Executive Director. The invoice, Purchase Requisition, and receiving slip, where applicable, will be reviewed by the Fiscal Department prior to certification for payment.

EXHIBIT 2

PROCEDURES FOR REQUEST FOR PROPOSALS (RFPS)

1.0 REQUEST FOR PROPOSALS (RFPS)

The formal solicitation of written proposals shall comply with the following requirements:

- 1.1 SWHRA shall prepare and issue an RFP and evaluate proposals in accordance with this policy. Failure by SWHRA to comply with said rule and policy alone shall not be deemed a defect requiring rejection of all bids, said decision remaining in the discretion of SWHRA.
- 1.2 An RFP shall set forth specific provisions in accordance with this policy including:
 - 1.2.1. a clear and accurate description of the technical requirements for the service to be procured - the service technical requirements and scope shall not contain features which unduly restrict competition and shall be in sufficient detail to minimize the likelihood of requests by potential proposers for clarification;
 - 1.2.2. instructions regarding the submission of proposals;
 - 1.2.3. a timeline of the RFP process that specifies deadlines - service providers shall be given a reasonable time, as determined by SWHRA, to consider the required scope of services and the proposal evaluation factors before proposals must be submitted;
 - 1.2.4. requirements and restrictions regarding the RFP;
 - 1.2.5. a description of the factors to be considered in evaluating the proposals – factors may include but are not limited to service provider qualifications, experience, technical approach, and cost; and
 - 1.2.6. a declaration of the contract terms and conditions which shall be required by SWHRA.
- 1.3 Upon approval, SWHRA shall send an actual RFP document or a formal notice stating that the specific RFP has been released to a documented list of potential service providers. Notice of a RFP may also be published in a newspaper of general circulation. SWHRA shall compile the list of potential service providers from those known to the SWHRA staff. SWHRA shall determine the number of service providers to include on the list by considering the nature of the service sought, the anticipated dollar amount of the resulting contract, and the number of known service providers.
- 1.4 SWHRA is not required to send an RFP or RFP Notice to more than a total of fifteen (15) service providers provided, however, that SWHRA shall disseminate the RFP or RFP Notice as required by this policy and to all that request the specific RFP. A general or standing request for notice of all RFPs or all RFPs of a given type of service shall not suffice as a request for a specific RFP and shall create no obligation on SWHRA.
- 1.5 To foster the integrity of the RFP evaluation process, each proposer shall be required to submit the Cost Proposal component of the proposal in a sealed and labeled envelope separate from the Technical Proposal component. The purpose is to allow the cost component to be evaluated

separately from the technical component.

- 1.5.1 The cost proposals shall not be opened until after the evaluation of the technical component is completed. After the technical proposal evaluation is completed, the cost proposals shall be opened and evaluated, and the scores of both components shall be combined to arrive at a total evaluation score provided, however, that the cost proposal shall not be opened if the associated technical proposal has been deemed non-responsive and is rejected by SWHRA.
- 1.5.2 Any proposal which fails to adequately separate the cost proposal components from the technical proposal shall be considered non-responsive and rejected by SWHRA.
- 1.6 Proposal evaluations shall be conducted by SWHRA employees in such a manner as to reasonably ensure that all proposals are impartially considered and the policy requirements are adequately met.
 - 1.6.1 Proposals shall be evaluated on the basis of factors pertinent to the service sought and detailed in the RFP document.
 - 1.6.2 Neither the technical proposal nor the cost shall be the only criterion for a contract award recommendation. However, specific factors may be set forth as a criterion for determining which proposals shall be considered responsive to the RFP.
- 1.7 SWHRA shall communicate, clarify, and negotiate in the best interests of SWHRA, provided that all communication is in a manner so as not to disclose any information that would give one or more proposers unfair advantage or unfairly enable one or more proposers to improve their proposal.
- 1.8 SWHRA shall have the right, at its sole discretion, to amend an RFP in writing at any time.
- 1.9 SWHRA shall have the right, at its sole discretion, to reject any and all proposals.
 - 1.9.1. Any proposal that does not meet the requirements of an RFP may be considered to be nonresponsive, and the proposal may be rejected.
 - 1.9.2. Any proposal that restricts the rights of SWHRA or otherwise qualifies the proposal may be considered to be nonresponsive, and the proposal may be rejected.
 - 1.9.3. Whenever SWHRA proposes to reject all proposals for a certain purchase, such action shall be taken only for the following reasons:
 1. unreasonably high prices or failure of all proposals to meet technical specifications;
 2. error in the request for proposals;
 3. cessation of need;
 4. unavailability of funds;
 5. a determination by SWHRA that proceeding with the procurement would be

detrimental to the best interests of SWHRA, the reason for which must be documented.

- 1.10 SWHRA shall have the right, at its sole discretion, to cancel an RFP in its entirety and, at its sole discretion, to reissue or not reissue an RFP. The approval of the Executive Director shall be required prior to the cancellation of an RFP, and SWHRA shall make a record of such approved request.

EXHIBIT 3

DEFINITIONS

“Award” means a notice to a respondent of a solicitation of the acceptance of a bid or proposal.

“Bid” means an offer, as a price, whether for payment or acceptance given to a prospective purchaser upon his or her request, usually in competition with other offers. Also, an offer by a buyer to a seller, as at an auction.

“Employee” means all officers, employees and staff members of SWHRA.

“Executive Director” means the SWHRA Executive Director or designee.

“Invitation to Bid” a request, verbal or written, which is made to prospective suppliers requesting the submission of a bid on commodities or services. This includes all documents, whether attached or incorporated by reference, utilized for soliciting bids.

“Purchase Requisition” means a purchaser's document used to formalize a purchase transaction with a Vendor. Requisition, when given to a Vendor, may contain statements as to the quantity, description, and price of the services ordered; agreed terms, and all other agreements pertinent to the purchase and its execution by the Vendor.

“Request to Purchase” means the form used to request the purchasing department to purchase goods or services from Vendors that cost between \$200 and \$4,999.

“Vendor” means a supplier of items, goods or services.

CERTIFICATION RELATED ITEMS (CMRA) REPORT



STATE OF TENNESSEE
PROCUREMENT COMMISSION
3rd Floor, William R. Snodgrass TN Tower, 312 Rosa L. Parks Avenue
Nashville, Tennessee 37243-1102
(615) 741-1035 Fax (615) 741-0684

RE-CERTIFICATION

March 2020

1. Item No. 763.62
Service: Janitorial Services
Agency/Location: Tennessee Department of Transportation, TDOT Region 1 Offices, Knoxville, Tennessee
Annual Price: \$60,311.88 annually, or \$5,025.99 per month, or \$0.825 per square foot for a total of 73,136 square feet.
No price increase requested.
Satisfaction: No complaints have been filed.
Re-Certification Requested for Period of 04/01/2020 – 03/31/2021.
2. Item No. 763.A66
Service: Day Porter/Custodial Services
Agency/Location: Tennessee Department of Transportation, TDOT Region 4 Headquarters, 300 Benchmark Place, Jackson, Tennessee
Annual Price: \$20,543.28 annually, or \$1,711.94 per month, or \$9.8766 per hour for an annual total of 2080 hours.
No price increase requested.
Satisfaction: No complaints have been filed.
Re-Certification Requested for Period of 04/01/2020 – 03/31/2021.
3. Item No. 763.21D
Service: Ground Maintenance Services
Agency/Location: Tennessee Department of Mental Health, Cloverbottom Development Center, 275 Stewards Ferry Pike, Nashville, Tennessee
Annual Price: \$206,718.30, Scheduled Services \$173,242.80 annually, or \$4,812.30 per cycle for 36 cycles, or \$34.37 per acre per cycle. Non-Scheduled Services: \$ 33,475.50 annually for 30 cycles or 2,904 hours at \$11.53 per hour.
No price increase requested.
Satisfaction: No complaints have been filed.
Re-Certification Requested for Period of 04/01/2020 – 03/31/2021.

4. Item No. 763.94
Service: Janitorial Services
Agency/Location: Tennessee Department of Environment & Conservation, Bledsoe Creek State Park, 400 Zieglers Fort Road, Gallatin, Tennessee
Annual Price: \$20,612.76, March through November: \$17,044.88 annually, or \$1,893.87 per month, or \$12.31 per hour. December through February: \$ 3,567.88 annually or \$1,189.29 monthly or \$13.07 per hour.
No price increase requested.
Satisfaction: No complaints have been filed.
Re-Certification Requested for Period of 04/01/2020 – 03/31/2021.
5. Item No. 763.A181
Service: Janitorial and Grounds Maintenance Services
Agency/Location: Tennessee Department of Environment & Conservation, Long Hunter State Park, 2910 Hobson Pike, Hermitage, Tennessee
Annual Price: \$53,558.42, Janitorial Services: \$40,518.72 annually, or \$3,376.56 monthly, Ground Maintenance Services (Park Areas): \$10,791.75 annually, or \$719.45 per cycle, Ground Maintenance Services (Fields): \$2,247.95 annually, or \$449.59 per cycle for 5 cycles per year.
No price increase requested.
Satisfaction: No complaints have been filed.
Re-Certification Requested for Period of 04/01/2020 – 03/31/2021.
6. Item No. 763.A184
Service: Janitorial Services
Agency/Location: Tennessee Department of Education, Upper Cumberland Core Office, 448 Neal Street, Cookeville, Tennessee
Annual Price: \$2,397.00 annually, or \$199.75 per month, or \$0.75 per square foot for a total of 3,200 square feet.
No price increase requested.
Satisfaction: No complaints have been filed.
Re-Certification Requested for Period of 04/01/2020 – 03/31/2021.

ADDENDUM

7. Item No. 763.A193
Service: Janitorial Services
Agency/Location: Tennessee Department of Transportation, Gallatin Shop, 1215 Hartsville Pike, Gallatin, Tennessee
Annual Price: \$6,375.83, \$531.32 per month or \$4.28 per square foot for a total of 1,490 square feet. The addendum to this certification was the service dates that were listed. They were shown as Monday through Friday however services are only done on Fridays
No price increase requested.
Satisfaction: No complaints have been filed.
Addendum will have an effective date of 4/1/2020 and run until the end of the contract term on 12/31/2020.

8. Item No. 369.78
Service: Uniforms
Agency/Location: Tennessee Department of Correction, Nashville, Tennessee
Annual Price: Maximum Liability of \$1,800,000.00, Price will vary based on which item or items are purchased from the contract.
There were multiple amendments to this certification, the first was to offer other options for embroidery on polo shirts. CMRA has established a single cost for each embroidery option regardless of the quantity ordered. The second amendment was to add line items to add options for special-order items and to add maternity short sleeve and long sleeve shirts. The third amendment was to clarify and correct the description of the product delivery terms. The current packet reads 14-day delivery from the receipt of the purchase order, however CMRA's agreement with Fechheimer was to fill orders in 30 days the packet has been updated to reflect this change.
No price increase requested.
Satisfaction: No complaints have been filed.
Addendum will have an effective date of 4/1/2020 and run until the end of the contract term on 9/30/2020.

CERTIFICATION

9. Item No. 763.A194
Service: Janitorial Services
Agency/Location: TRICOR, 6185 Cockrill Bend Circle, Nashville, Tennessee
Annual Price: \$23,940, or \$1,995 per month or \$1.747445 per square foot for a total of 13,700 square feet.
Certification Requested for Period of 4/1/2020 – 3/31/2021.

RE-CERTIFICATION

April 2020

1. Item No. 763A79
Service: Janitorial Services
Agency/Location: Tennessee Emergency Management Agency (TEMA), 803 North Concord Street, Knoxville, Tennessee.
Annual Price: \$9,005.52 annually or \$750.46 monthly or \$0.90055 per square foot
No price increase requested.
Satisfaction: No complaints have been filed.
Re-Certification Requested for Period of 5/01/2020 – 4/30/2021

2. Item No. 763.180
Service: Janitorial Services
Agency/Location: Tennessee Department of Transportation, TDOT Region 3 Complex, 6601 Centennial Blvd., Nashville, Tennessee
Annual Price: \$ 200,701.32, or \$16,725.11 per month or \$1.86852 per square foot for a total of 107,412 square feet.
No price increase requested.
Satisfaction: No complaints have been filed.
Re-Certification Requested for Period of 5/01/2020 – 4/30/2021

3. Item No. 763.36a-y
Service: SWC 921 Adult Incontinent Briefs and Pads
Agency/Location: Department of General Services, Central Procurement Office, 312 Rosa L. Parks Ave, Nashville, Tennessee
Annual Price: Current Spend \$96,467.14 (March 2019 through March 2020)
No price increase requested.
Satisfaction: No complaints have been filed.
Re-Certification Requested for Period of 5/01/2020 – 4/30/2021

4. Item No. 763.A44
Service: Lawn Maintenance Services
Agency/Location: Department of Intellectual & Developmental Disabilities, Ruilman Center, 293 Kirkpatrick Lake Road, Lebanon, Tennessee
Annual Price: \$6,197.85 or \$413.19 per cycle for 15 cycles per year. Requested a price decrease due to the Mowing area has been reduced from 10 acres to 8 acres.
No price increase requested.
Satisfaction: No complaints have been filed.
Re-Certification Requested for Period of 5/01/2019 – 4/30/2020

DE-CERTIFICATION

5. Item No. 763.A194
Service: Janitorial Services
Agency/Location: TRICOR, 6185 Cockrill Bend Circle, Nashville, Tennessee
Annual Price: \$23,940, or \$1,995 per month or \$1.747445 per square foot for a total of 13,700 square feet.
No price increase requested.
Satisfaction: Decertifying due to statement by Mary Hall, TRICOR Contract Administrator via email on March 12, 2020: Due to changes at TRICOR post the tornado, TRICOR will manage the cleaning services as prior to the use of CMRA's services. Should the situation change TRICOR will contact CMRA again to inquire about starting new services. No Edison record was created due to finding this information out quickly after the Certification Committee approved the packet.
De-Certification Requested for 5/1/2020

RE-CERTIFICATION

May 2020

1. Item No. 763.A143
Service: Janitorial Services
Agency/Location: Tennessee Department of Transportation, Region 2 Office Complex, 7512 Volkswagen Drive, Chattanooga, Tennessee.
Annual Price: \$233,216.40 or \$19,434.70 monthly, or \$1.86348 per square foot for a total of 125,151 square feet.
No price increase requested.
Satisfaction: No complaints have been filed.
Re-Certification Requested for Period of 6/01/2020 – 5/31/2021

RE-CERTIFICATION

June 2020

1. Item No. 763.20
Service: Rest Area Maintenance
Agency/Location: Tennessee Department of Transportation (TDOT), 10 Counties, Tennessee
Annual Price: \$4,367,046.44, varied monthly price by county
Price increase requested: TDOT has approved wage and benefit increases
Satisfaction: No complaints have been filed.
Re-Certification Requested for Period of 7/01/2020 – 6/30/2021

2. Item No. 763.55
Service: Janitorial Services
Agency/Location: Tennessee Department of Safety, I-40 Scale House Complex, Mile Marker 372, Knoxville, Tennessee
Annual Price: \$7,232.28, or \$602.69 per month or \$2.0664 per square foot for a total of 3,500 feet.
No price increase requested.
Satisfaction: No complaints have been filed.
Re-Certification Requested for Period of 7/01/2020 – 6/30/2021
3. Item No. 763.93
Service: Janitorial Services
Agency/Location: Tennessee Department of Transportation (TDOT), Regional Transportation Management Center, Knoxville, Tennessee
Annual Price: \$20,023.44, or \$1,668.62 per month or \$1.4501 per square foot for a total of 13,808 square feet.
No price increase requested.
Satisfaction: No complaints have been filed.
Re-Certification Requested for Period of 7/01/2020 – 6/30/2021
4. Item No. 763.A171
Service: Janitorial Services
Agency/Location: Tennessee Department of Education, West Tennessee School for the Deaf, 100 Berryhill Drive, Jackson, Tennessee
Annual Price: \$4,688.40, or \$390.70 per month or \$0.8272 per square foot for a total of 5,668 square foot.
Price increase requested: Increase is due to increased labor costs
Satisfaction: No complaints have been filed.
Re-Certification Requested for Period of 7/01/2020 – 6/30/2021
5. Item No. 763.A192
Service: Janitorial Services & Day Porter Services
Agency/Location: Tennessee Army National Guard Headquarters, Houston Barracks, 3041 Sidco Drive, Nashville, Tennessee
Annual Price: \$168,641.53, or \$14,053.44 per month or \$0.99 per square foot for a total of 170,800 square feet for nighttime janitorial and day porter services. Annual Price: \$52,067.49 or \$26,033.74 per visit for a total of 2 visits to strip and wax VCT flooring.
No price increase requested.
Satisfaction: No complaints have been filed.
Re-Certification Requested for Period of 7/01/2020 – 6/30/2021

CERTIFICATION

6. Item No. 763.A195
Service: Ground Maintenance Services
Agency/Location: Tennessee Volunteer Challenge Academy, 3965 Stewarts Lane, Nashville, Tennessee
Annual Price: \$47,260.16. Mowing and Edging \$978.84 per cycle for 32 cycles, Mulching Beds \$2,800.00 per cycle for 1 cycle, Beds maintenance \$215.00 per cycle for 32 cycles, Trimming shrubs \$485.76 per cycle for 3 cycles, Tree Limb Removal \$600.00 per cycle for 8 cycles
Certification Requested for Period of 7/01/2020 – 6/30/2021

DE-CERTIFICATION

7. Item No. 763.A182
Service: Ground Maintenance Services
Agency/Location: Tennessee Volunteer Challenge Academy, 3965 Stewarts Lane, Nashville, Tennessee
Annual Price: \$18,094.18, or \$723.77 per cycle for 25 cycles or \$48.25 per acre for a total of 15 acres.
No price increase requested.
Satisfaction: The reason for decertification is the customer requested and approved additional services leading to material change in both services offered and price for services under the contract. For these reasons, CMRA believes a new certification more easily documents objectives of parties than amending current re-certification.
De-Certification Requested for 7/1/2020

RE-CERTIFICATION

July 2020

1. Item No. 763.A165
Service: Janitorial Services
Agency/Location: Tennessee Army National Guard, Building 130, 3041 Sidco Drive, Nashville, Tennessee
Annual Price: \$2,405.88, or \$200.49 per month or \$0.40 per square foot for a total of 6,070 square feet.
No price increase requested.
Satisfaction: No complaints have been filed.
Re-Certification Requested for Period of 8/01/2020 – 7/31/2021

DE-CERTIFICATION

2. Item No. 763.A190
Service: Ground Maintenance Services
Agency/Location: Tennessee Department of Environment and Conservation, Seven Islands State Birding Park, 2809 Kelly Lane, Kodak, Tennessee.
Annual Price: \$12,000.00, or \$600.00 per cycle for 20 cycles or \$71.43 per acre for a total of 8.4 acres.
No price increase requested.
Satisfaction: The reason for decertification is the customer requested due to budget cuts, no reflection of quality or services performed.
De-Certification Requested for 8/1/2020

3. Item No. 763.A187
Service: Ground Maintenance Services
Agency/Location: Tennessee Department of Safety, Tennessee Highway Patrol Training Center, 283 Stewarts Ferry Pike, Nashville, Tennessee.
Annual Price: \$24,520.98, or \$743.06 per cycle for 33 cycles or \$43.70 per acre for a total of 17 acres.
No price increase requested.
Satisfaction: The reason for decertification is the customer requested due to budget cuts, no reflection of quality or services performed.
De-Certification Requested for 8/1/2020

RE-CERTIFICATION

August 2020

1. Item No. 763.A194
Service: Janitorial Services
Agency/Location: Tennessee Department of Education, East Core Regional Office, Knoxville, Tennessee
Annual Price: \$3,559.84, or \$296.65 per month or \$1.1866 per square foot for a total of 3,000 square feet.
No price increase requested.
Satisfaction: No complaints have been filed.
Re-Certification Requested for Period of 9/01/2020 – 8/31/2021

2. Item No. 763.A186
Service: Janitorial Services
Agency/Location: Tennessee Early Intervention System, 2761 Island Home Blvd., Knoxville, Tennessee
Annual Price: \$8,693.28, or \$724.44 per month or \$1.09 per square foot for a total of 8,000 square feet.
No price increase requested.
Satisfaction: No complaints have been filed.
Re-Certification Requested for Period of 9/01/2020 – 8/31/2021

ADDENDUM

3. Item No. 763.A192
Service: Janitorial Services & Day Porter Services
Agency/Location: Tennessee Army National Guard Headquarters, Houston Barracks, 3041 Sidco Drive, Nashville, Tennessee
Annual Price: \$196,895.52, or \$16,407.96 per month or \$1.15 per square foot for a total of 170,800 square feet for nighttime janitorial and day porter services. Annual Price: \$57,491.40 or \$28,745.70 per visit for a total of 2 visits to strip and wax VCT flooring.
Price increase requested: Increase is due to New COVID-19 specifications resulting in increase of staff hours and slight increase to current actual staff hourly rates.
Satisfaction: No complaints have been filed.
Addendum will have an effective date of 9/1/2020 and run until the end of the contract term on 6/30/2021.
4. Item No. 763.A130
Service: SWC 920 Drug Testing Kits
Agency/Location: Tennessee Department of General Services, Central Procurement Office, 312 Rosa L. Parks Ave., Nashville, Tennessee
Annual Price: Current Spend \$1,010,775.61 (October 2019 through August 2020). Drug Testing Kits on contract will be produced by GH Solutions. In the event of a supply chain disruption, CMRA through GH Solutions will procure drug testing devices from a back-up manufacturer, UCP Biosciences. UCP Biosciences agrees to the same pricing as GH Solutions. These kits will continue to be ordered by CMRA from Woodard Brothers Distributing and shipped from them. Laboratory confirmations will continue to be performed by Abbott Laboratory Services.
No price increase requested.
Satisfaction: No complaints have been filed.
Addendum will have effective date of 9/1/2020 and run until the end of the contract term on 9/30/2020.

RE-CERTIFICATION

September 2020

1. Item No. 763.A766
Service: Janitorial Services
Agency/Location: Tennessee Department of Transportation, Region 4 Headquarters, 300 Benchmark Place, Jackson, Tennessee
Annual Price: \$112,040.88, or \$9,336.74 per month or \$1.57991 per square foot for a total of 70,916 square feet.
No price increase requested.
Satisfaction: No complaints have been filed.
Re-Certification Requested for Period of 10/01/2020 – 9/30/2021

2. Item No. 763.76, 763.77
Service: Janitorial Services & Inspection Services
Agency/Location: Tennessee Department of Transportation Motor Pool, First Street North, Nashville, Tennessee
Annual Price: \$22,692.12, or \$1,891.01 per month.
No price increase requested.
Satisfaction: No complaints have been filed.
Re-Certification Requested for Period of 10/01/2020 – 9/30/2021

3. Item No. 763.A188
Service: Janitorial Services
Agency/Location: Tennessee Air National Guard Base, Nashville International Airport, Nashville, Tennessee.
Annual Price: \$34,500.96, or \$2,875.08 per month or \$1.56 per square foot for a total of 22,116 square feet.
No price increase requested.
Satisfaction: No complaints have been filed.
Re-Certification Requested for Period of 10/01/2020 – 9/30/2021

4. Item No. 763.A130
Service: SWC 920 Drug Testing Kits
Agency/Location: Department of General Services, Central Procurement Office, 312 Rosa L. Parks Ave, Nashville, Tennessee.
Annual Price: Current Spend \$1,138,002.12 (September 2019 – August 2020).
Price increase requested - Pricing changes have been made to this certification. Price for Fentanyl kit has increased from \$10.60 to \$28.09. Gabapentin has also been added to this contract at \$28.09.
Satisfaction: No complaints have been filed.
Re-Certification Requested for Period of 10/01/2020 – 9/30/2021

5. Item No. 763.36ad
Service: SWC 924 Female Sanitary Products
Agency/Location: Department of General Services, Central Procurement Office, 312 Rosa L. Parks Ave, Nashville, Tennessee.
Annual Price: Current Spend \$119,010.99 (September 2019 – August 2020).
No price increase requested.
Satisfaction: No complaints have been filed.
Re-Certification Requested for Period of 10/01/2020 – 9/30/2021

6. Item No. 763.A169
Service: SWC 917 Grease Trap Service
Agency/Location: Department of General Services, Central Procurement Office, 312 Rosa L. Parks Ave, Nashville, Tennessee.
Annual Price: Current Spend \$283,535.42 (September 2019 – August 2020).
No price increase requested.
Satisfaction: No complaints have been filed.
Re-Certification Requested for Period of 10/01/2020 – 9/30/2021

7. Item No. 763.A196
Annual Price: Maximum Liability of 1,800,000.00. Price will vary based on which item or items are purchased from the contract. Current Spend \$506,491.35 (October 1, 2019 – August 30, 2020).
No price increase requested.
Satisfaction: No complaints have been filed.
Re-Certification Requested for Period of 10/01/2020 – 9/30/2021

DE-CERTIFICATION

8. Item No. 763.32
Service: Janitorial Services
Agency/Location: Tennessee Department of Transportation, TDOT Region 1 Offices, Knoxville, Tennessee
Annual Price: \$60,311.88 annually, or \$5,025.99 per month, or \$0.825 per square foot for a total of 73,136 square feet.
No price increase requested.
Satisfaction: Reason for decertification: Customer has requested to seek certification and service outside of CMRA. CMRA regrets that TDOT Region 1 has decided to decertify the janitorial services for Contracts #65793 and #67199. We acknowledge the disunion of this relationship for services at this location.
De-Certification Requested for 10/1/2020.

9. Item No. 763.93
Service: Janitorial Services
Agency/Location: Tennessee Department of Transportation (TDOT), Regional Transportation Management Center, Knoxville, Tennessee
Annual Price: \$20,023.44, or \$1,668.62 per month or \$1.4501 per square foot for a total of 13,808 square feet.
No price increase requested.
Satisfaction: Reason for decertification: Customer has requested to seek certification and service outside of CMRA. CMRA regrets that TDOT Region 1 has decided to decertify the janitorial services for Contracts #65793 and #67199. We acknowledge the disunion of this relationship for services at this location.
De-Certification Requested for 10/1/2020.

RE-CERTIFICATION

October 2020

1. Item No. 763.A180
Service: Janitorial Services
Agency/Location: Tennessee Department of Transportation, Buildings A,C,E, 6630 Centennial Blvd., Nashville, Tennessee.
Annual Price: \$6,962.93, Building A \$2,320.98 Annual Price \$193.41 per month or \$2.3026 per square foot for a total of 1,008 square feet. Building C \$2,320.98 Annual Price \$193.41 per month or \$2.3026 per square foot for a total of 1,008 square feet. Building E \$2,320.98 Annual Price \$193.41 per month or \$2.3026 per square foot for a total of 1,008 square feet.
No price increase requested.
Satisfaction: No complaints have been filed.
Re-Certification Requested for Period of 11/01/2020 – 10/31/2021
2. Item No. 763.38c-d
Service: SWC 923 Snap Out and Continuous Forms
Agency/Location: Department of General Services, Central Procurement Office, 312 Rosa L. Parks Ave, Nashville, Tennessee.
Annual Price: Current Spend \$850,474.32 (October 2019 through October 2020).
Price increase requested: Increase to line Item 40 from \$216.97 to \$259.52 and line item 37a will be discontinued from contract.
Satisfaction: No complaints have been filed.
Re-Certification Requested for Period of 11/01/2020 – 10/31/2021

ADDENDUM

3. Item No. 763.A188
Service: Janitorial Services
Agency/Location: Tennessee Air National Guard Base, Nashville International Airport, Nashville, Tennessee.
Annual Price: \$56,300.09, or \$4,691.69 per month or \$3.28 per square foot for a total of 17,127 square feet.
Price increase requested: Increase is to account for additional labor hours and supplies costs to meet new specifications. Square feet changed to 17,127.
Satisfaction: No complaints have been filed.
Addendum will have an effective date of 11/1/2020 and run until the end of the contract term on 9/30/2021.

DE-CERTIFICATION

4. Item No. 763.A184
Service: Janitorial Services
Agency/Location: Tennessee Department of Education, Upper Cumberland Core Office, 448 Neal Street, Cookeville, Tennessee
Annual Price: \$2,397.00 annually, or \$199.75 per month, or \$0.75 per square foot for a total of 3,200 square feet.
No price increase requested.
Satisfaction: Reason for decertification: Customer has requested to seek decertification of contracts #65801 and #67947 pursuant to the permanent closure of the named regional CORE offices.
De-Certification Requested for 11/1/2020.

5. Item No. 763.A174
Service: Janitorial Services
Agency/Location: Tennessee Department of Education, East Core Regional Office, Knoxville, Tennessee
Annual Price: \$3,559.84, or \$296.65 per month or \$1.1866 per square foot for a total of 3,000 square feet.
No price increase requested.
Satisfaction: Reason for decertification: Customer has requested to seek decertification of contracts #65801 and #67947 pursuant to the permanent closure of the named regional CORE offices.
De-Certification Requested for 11/1/2020.

RE-CERTIFICATION

November 2020

1. Item No. 763.63
Service: Janitorial Services
Agency/Location: Tennessee Army National Guard Armed Forces Reserve Center, Volunteer Training Site Building 686, Smyrna, Tennessee.
Annual Price: \$82,962.12, or \$6,913.51 per month or \$0.9732 per square foot for a total of 85,245 square feet.
Price increase requested: The increase in cost is due to increase in cost of cleaning supplies due to COVID-19 and labor costs. This is the first cost increase since 2013.
Satisfaction: No complaints have been filed.
Re-Certification Requested for Period of 12/01/2020 – 11/30/2021

2. Item No. 763.A100
Service: Ground Maintenance Services
Agency/Location: Tennessee Department of Transportation, TDOT Region 4 Boswell Complex, 5344 Boswell Ave., Memphis, Tennessee.
Annual Price: \$7,008.84 or \$194.69 per cycle for thirty-six (36) cycles.
No price increase requested.
Satisfaction: No complaints have been filed.
Re-Certification Requested for Period of 12/01/2020 – 11/30/2021

3. Item No. 763.A99
Service: Janitorial Services
Agency/Location: Tennessee Department of Transportation, TDOT Region 4 Boswell Complex, 5334 & 5336 Boswell Ave., Memphis, Tennessee.
Annual Price: \$33,986.76, Center, Annual Price: \$21,799.32 or \$1,816.61 per month.
Engineering Building, Annual Price: \$8,373.48 or \$697.79 per month. Help Building, Annual Price: \$3,813.96 or \$317.83 per month.
No price increase requested.
Satisfaction: No complaints have been filed.
Re-Certification Requested for Period of 12/01/2020 – 11/30/2021

CERTIFICATION

4. Item No. 763.A197
Service: Offender Release Jackets
Agency/Location: Tennessee Department of Correction, Nashville, Tennessee
Annual Price: Maximum Liability of \$200,000.00. Price will vary based on which item or items are purchased from the contract.
Certification Requested for Period of 12/01/2020 – 11/30/2021

5. Item No. 763.A198
Service: Boots for TDOC
Agency/Location: Tennessee Department of Correction, Nashville, Tennessee
Annual Price: Maximum Liability of \$350,000.00. Price will vary based on which item or items are purchased from the contract.
Certification Requested for Period of 1/01/2021 – 12/31/2021

DISCUSSION

6. Item No. 763.A168
Service: SWC 919 Premium Coffee
Agency/Location: Department of General Services, Central Procurement Office, 312 Rosa L. Parks Ave, Nashville, Tennessee.
Annual Price: Current Spend \$3,246.40 (December 2019 through November 2020).
No price increase requested.
Satisfaction: No complaints have been filed.
This contract will not be recertified at this time. The facility that supports this contract has been affected by a fire and will not be recertified for the foreseeable future. CMRA is hoping to get more information on other options for how to proceed. All appropriate parties have been notified that this contract will not recertify at this time.

RE-CERTIFICATION

December 2020

1. Item No. 763.A164
Service: Janitorial Services
Agency/Location: Tennessee Emergency Management Agency, 1510 R.E. Bailey Bypass, Jackson, Tennessee
Annual Price: \$8,016.00, \$668.00 per month or \$1.237 per square foot for a total of 6,478 square feet.
Price increase requested: The increase in cost is due to increase in cost of cleaning supplies due to COVID-19 and labor costs. This is also the first cost increase sought since 2013.
Satisfaction: No complaints have been filed.
Re-Certification Requested for Period of 1/01/2021 – 12/31/2021
2. Item No. 763.A178
Service: Janitorial Services
Agency/Location: Tennessee Highway Patrol, Truck Inspection Site (I-65 North), 5753 Highway 31W, Portland, Tennessee
Annual Price: \$6,084.29, or \$507.02 per month or \$2.03 per square foot for a total of 3,000 feet.
No price increase requested.
Satisfaction: No complaints have been filed.
Re-Certification Requested for Period of 1/1/2021 – 12/31/2021

3. Item No. 763.A193
Service: Janitorial Services
Agency/Location: Tennessee Department of Transportation, Gallatin Shop, 1215
Hartsville Pike, Gallatin, Tennessee
Annual Price: \$6,375.83, or \$531.32 per month or \$4.28 per square foot for a total of
1,490 square feet.
No price increase requested.
Satisfaction: No complaints have been filed.
Re-Certification Requested for Period of 1/01/2021 – 12/31/2021



STATE OF TENNESSEE
PROCUREMENT COMMISSION
3rd Floor, William R. Snodgrass TN Tower, 312 Rosa L. Parks Avenue
Nashville, Tennessee 37243-1102
(615) 741-1035 Fax (615) 741-0684

CERTIFICATION

January 2021

1. Item No. 763.A199
Service: Janitorial Services
Agency/Location: Tennessee Department of Human Services, Dyersburg Office, 1365 Morgan Road, Dyersburg, Tennessee.
Annual Price: \$5,469.60 annually, \$455.80 per month or \$2.18784 per square foot for a total of 2,500 square feet.
Certification Requested for Period of 2/1/2021 – 1/31/2022
2. Item No. 763.A200
Service: Janitorial Services
Agency/Location: Tennessee Department of Human Services, Paris Office, 1108 Tyson Avenue, Paris, Tennessee.
Annual Price: \$6,996.00 annually, \$583.00 per month or \$2.7984 per square foot for a total of 2,500 square feet.
Certification Requested for Period of 2/1/2021 – 1/31/2022
3. Item No. 763.A201
Service: Janitorial Services
Agency/Location: Tennessee Department of Human Services, Union City Office, 1419 North Morgan Street, Union City, Tennessee.
Annual Price: \$8,904.00 annually, \$742.00 per month or \$3.5616 per square foot for a total of 2,500 square feet.
Certification Requested for Period of 2/1/2021 – 1/31/2022
4. Item No. 763.A202
Service: Janitorial Services
Agency/Location: Tennessee Department of Human Services, Maryville Office, 1749 Triangle Park Drive, Maryville, Tennessee.
Annual Price: \$6,360.00 annually, \$530.00 per month or \$2.544 per square foot for a total of 2,500 square feet.
Certification Requested for Period of 2/1/2021 – 1/31/2022

5. Item No. 763.A203
Service: Janitorial Services
Agency/Location: Tennessee Department of Human Services, Elizabethton Office, 407 Cherokee Park Drive, Elizabethton, Tennessee.
Annual Price: \$5,472.00 annually, \$456.00 per month or \$0.87552 per square foot for a total of 6,250 square feet.
Certification Requested for Period of 2/1/2021 – 1/31/2022

6. Item No. 763.A204
Service: Janitorial Services
Agency/Location: Tennessee Department of Human Services, Cleveland Office, 3069 Overlook Drive, Cleveland, Tennessee.
Annual Price: \$7,140.00 annually, \$595.00 per month or \$2.856 per square foot for a total of 2,500 square feet.
Certification Requested for Period of 2/1/2021 – 1/31/2022

LIMITATION OF LIABILITIES REPORT

2284 LOL_REQ	34301 HIPAA Consultant	Contractor will be assisting and advising TDOH on which programs and divisions are and should be HIPAA covered entities. Contractor is an experienced and knowledgeable health law consultant, specializing in public healthcare entities. The Contract has a Maximum Liability of \$49,000 over a term of 6 months. Contractor asked to revise the LOL provision during negotiations to 1x the Maximum Liability. Since the potential risk factors are low and the Contractor is highly specialized and works within public health budgetary constraints, it was determined that this reduction in Contractor's LOL was reasonable, in accordance with Tenn. Code Ann. § 12-3-701, and in the best interest of the State.	A	2 lind0914001	6/12/2020 11:37	6/12/2020 11:38	34301 34301-30620	67079
2328 LOL_REQ	34301 Up to Date LOL	Contractor will be providing a subscription fee based service at a very low dollar cost. Given the low potential for risk of liability to the State, it was determined to modify the Contractor's LOL clause to the amount of the license fee paid for the licensed materials. This modification conformed with Tenn. Code Ann. § 12-4-701 and posed no appreciable risk to the State.	A	2 karea1220001	6/16/2020 13:08	6/19/2020 15:00	34301 HL213-1	
2342 LOL_REQ	34301-98021 Covid-19 control program	Contractor will be working under the direction of TDOH to provide essential COVID-19 functions during the pandemic. These services are presently being performed by State employee volunteers who need to return to their regularly scheduled duties. Contractor requested that the LOL provision be changed to 1x Maximum Liability under the Contract. This modification to the Contract requested poses no risk to the State, is in the best interest of the State, and conforms with Tenn. Code Ann. § 12-3-701.	A	1 lind0914001	6/18/2020 8:36	6/18/2020 8:37	34301 34301-98021	
2359 LOL_REQ	34301 Covid-19 Call Center	Contractor will be performing call center duties in accordance with the protocol established by TDOH and the CDC. Currently, the call centers are being manned by State employee volunteers who need to return to their normal job responsibilities. Contractor requested the LOL provision be changed to 1x Maximum Liability under the Contract. This modification to the Contract poses no risk to the State, is in the best interest of the State, and conforms with Tenn. Code Ann. § 12-3-701.	A	1 lind0914001	6/21/2020 7:14	6/21/2020 7:15	34301 34349-97921	
3125 LOL_REQ	34301 Hologic	Contractor will be providing the TDOH with medical test kits, instrumentation and maintenance for the detection of sexually transmitted diseases. Contractor has requested that the LOL clause only apply when the test are used in accordance with the Contractor's test procedures and medical guidelines. This Contract modification has been successfully used in other medical related contracts, conforms with Tenn. Code Ann § 12-3-701 and is in the best interest of the State.	A	3 karea1220001	9/15/2020 11:50	9/15/2020 11:51	34301 HL287	
3141 LOL_REQ	34901 LOL AAMVA	Contractor will provide driver, network, and program services to TDOSHS. Contractor requested a reduction of the LOL during negotiations to 1x the Maximum Liability and that it would not be held accountable for any lost revenues, lost profits, loss of business, decrease in the value of any securities or cash position, time, goodwill, or any indirect, special, incidental, punitive, exemplary or consequential damages of any nature, whether based on warranty, contract, statute, regulation, tort (including but not limited to negligence), or any other legal theory that may arise under the Contract. Since the potential risk factors are low and the Contractor conducts itself in a highly specialized forum and works within the national automobile resources network, it was determined that this reduction in Contractor's LOL was in accordance with Tenn. Code Ann. § 12-3-701 and was in the best interest of the State.	A	3 MARK0830001	9/16/2020 12:37	9/17/2020 9:49	34901 34901-01040	TBD
3577 LOL_REQ	33101- Instructure, Inc. LOL	Contractor will provide learning resources and tools to the TDOE for TSD. The Contractor requested that the LOL clause be modified with respect to consequential and incidental damages. The overall Maximum Liability component will remain at 2x Maximum Liability of the Contract. It was determined during negotiations that this change conformed with Tenn. Code Ann. § 12-3-701, that the State would not be adversely impacted given the Contractor's expertise in education, and was in the best interest of the State.	A	3 kristo916001	11/12/2020 9:33	11/12/2020 9:34	33101 33192-01620	Instructure, Inc. / Supplier ID 197941
3770 LOL_REQ	31865-00830 TennCare Limitation of Liability Deloitte PO Ts and Cs	Contractor will provide to F&A, Division of TennCare HIPAA beneficial analytics. Contractor requested a removal of that portion of the LOL provision associated with liability for consequential damages. This change was necessary to allow the agency to procure these services from the Contractor and to satisfy CMS reporting requirements for federal funding assistance and HHS requirements for de-identifying datasets. It was determined that this modification provided low risk to the State, was in the best interest of the State, and was in agreement with Tenn. Code Ann. § 12-3-701.	A	2 jamem0114004	12/8/2020 12:50	12/8/2020 12:51	31865 31865-00830	TBD
3802 LOL_REQ	BU-32101 Xerox Nuvera Digital Printers	Contractor will provide to DGS / OAS service and maintenance for 4 Xerox Nuvera digital printers. During negotiations, Xerox refused to provide indemnity to the state for negligent or willful acts of state employees but did agree to provide indemnity for any employees, officers or agents of Xerox. It was determined that this change satisfied the requirements under Tenn. Code Ann. § 12-3-701, that the State would not be adversely impacted given the Contractor's expertise in office equipment, and was in the best interest of the State.	A	3 RACH0403001	12/10/2020 14:23	12/11/2020 8:10	32101	66920
3807 LOL_REQ	31865 - NTT Data State Health Consulting LOL Language	Contractor will provide a Medical Management System and Business Support System to F&A, Division of TennCare. In contact negotiations, the Contractor refused to be responsible for consequential damages but did agree that the LOL would remain at 2x Maximum Liability under the Contract. It was determined during these negotiations that this change conformed with Tenn. Code Ann. § 12-3-701, that the State would not be adversely impacted given the Contractor's expertise in medical management systems, and was in the best interest of the State.	A	3 donog0613001	12/11/2020 14:26	12/11/2020 14:30	31865 31865-00823	TBD
3821 LOL_REQ	31786 Medical TPA procurement	Contract requires the Contractor to provide medical 3rd party administration and management of medical behavioral and pharmacy claims and services under the State insurance programs. Contract evaluation dictated a modification of the LOL provision to 1x the total Paid Claims that have been processed throughout the one year of contract performance immediately preceding a breach processed and paid claims and should the breach occurs in the 1st year of the contract, the calculation will be based on processed claims from the beginning of contract performance until the date of the breach and prorated to equal 1 year. It was decided during the contract drafting process, that this approach to the LOL provision was a much more reasonable assessment of the risk associated with this Contract, that this change complied with Tenn. Code Ann. § 12-3-701 and was in the best interest of the State.	A	3 seann0912001	12/15/2020 11:14	12/15/2020 11:21	31786 31786-00148	n/a
3909 LOL_REQ	31865-00828 TennCare LOL Request for TALX Contract	Contractor will be providing employment and income verifications to F&A, Division of TennCare. Contractor requested the removal of that portion of the LOL provision related to liability for consequential damages. This change was necessary to allow the agency to conduct these services and to satisfy CMS and other federal requirements associated with employment and income verification. TALX is the sole source for providing these services to the State. It was determined during these negotiations that this change conformed with Tenn. Code Ann. § 12-3-701, that the State would not be adversely impacted given the Contractor's expertise in employment and income verification, and was in the best interest of the State.	A	1 jamem0114004	12/28/2020 11:15	12/28/2020 16:52	31865 31865-00828	TBD

4058 LOL_REQ	33101 - WIDA Liability	Contractor will be providing core curriculum services to TDOE. Contractor is the Board of Regents of the University of Wisconsin and an official entity of the State of Wisconsin. The Board self-insures its liability exposure through a self-insurance program authorized in accordance with Wisconsin law. This required insertion language stated that the State of Wisconsin was self-funded for Wisconsin liability purposes. The Wisconsin Self-Funded Liability Program provides coverage against claims made as the result of the negligent acts of University officers, employees and agents. The liability protection is afforded under Wisconsin Statute 895.45 (1) and extends to all employees in the course and scope of their duties. Thus, neither party will be liable for the acts and omissions of the other party. This modification to the Contract poses no risk to the State, is in the best interest of the State and conforms with Tenn. Code Ann. § 12-3-701.	A	1 richj0506001	1/20/2021 7:56	1/20/2021 7:57	33101 33101-2100533111FA3	69104
4094 LOL_REQ	31786 EAP/BHO pro forma contract	Contract requires the Contractor to provide medical 3 rd party administration and management of medical behavioral and pharmacy claims and services under the State insurance programs. Contract evaluation dictated a modification of the LOL provision to 1xs the total Paid Claims that have been processed throughout the one year of contract performance immediately preceding a breach processed and paid claims and should the breach occurs in the 1 st year of the contract, the calculation will be based on processed claims from the beginning of contract performance until the date of the breach and prorated to equal 1 year. It was decided during contract negotiations that this approach to the LOL provision was a much more reasonable assessment of the risk associated with this Contract, that this change complied with Tenn. Code Ann. § 12-3-701 and was in the best interest of the State.	A	3 seann0912001	1/21/2021 14:19	1/21/2021 14:20	31786 31786-00157	
4107 LOL_REQ	40100 The Atkins Group Limitation of Liability	Contractor will provide advertising services to TDOT. The State has very limited claims for indirect or special damages under an advertising contract. During negotiations, the State agreed to eliminate Contractor's liability for loss of profits or similar and special damages. However, the State reserved its right to seek damages directly from a breach. This modification to the Contract poses no risk to the State, is in the best interest of the State and conforms with Tenn. Code Ann. § 12-3-701.	A	3 JENN0909002	1/22/2021 14:12	1/22/2021 16:53	40100 40100-27120	TBD
4124 LOL_REQ	31786 Medical TPA	Contract requires the Contractor to provide medical 3rd party administration and management of medical behavioral and pharmacy claims and services under the State insurance programs. Contract evaluation dictated a further modification of the LOL provision to 1xs the total Paid Claims that have been processed throughout the one year of contract performance immediately preceding a breach processed and paid claims and should the breach occurs in the 1st year of the contract, the calculation will be based on processed claims from the beginning of contract performance until the date of the breach and prorated to equal 1 year. It was decided during contract negotiations that this approach to the LOL provision was a much more reasonable assessment of the risk associated with this Contract, that this change complied with Tenn. Code Ann. § 12-3-701 and was in the best interest of the State.	A	2 seann0912001	1/26/2021 8:57	1/26/2021 13:59	31786 31786-00148	
4143 LOL_REQ	34800 Revisions to Contract D.18.	Contractor will be providing software to the TBI for investigation, case management, and remote access purposes. During negotiations, the Contractor added language addressing the coverage of consequential damages by the Contractor's insurance carrier. TBI does not anticipate filing any insurance claims for consequential-type damages. Contractor agreed to the presumption of 2xs the Maximum Liability as potential exposure for ordinary damage claims. Under the circumstances, it was concluded that the proposed revisions were reasonable, posed minimal risk and were in compliance with Tenn. Code Ann. § 12-3-701.	A	3 phyla0928001	1/27/2021 12:19	1/27/2021 12:22	34800 34800-110120	TBD
4166 LOL_REQ	32701-04191 Kansas State Limitation of Liability	Contractor, a state of Kansas entity, will be conducting indoor radon training for TDOE. Contractor is self-insured through a self-insurance program authorized in accordance with Kansas law. Contractor required the insertion of language in the Contract stating that Contractor is self-funded for liability purposes. The Kansas Self-Funded Liability Program provides coverage against claims made as the result of the negligent acts of University officers, employees and agents. Kansas is afforded protection under the Kansas Tort Claims Act, Kansas Statute 75-6101 and extends to all employees in the course and scope of their duties. Thus, neither party will be liable for the acts and omissions of the other party. This modification to the Contract poses no risk to the State, is in the best interest of the State, and conforms with Tenn. Code Ann. § 12-3-701.	A	3 JENNL0906007	1/28/2021 14:42	1/28/2021 14:44	32701 32701-04191	69057

MEMORANDUM OF UNDERSTANDING (MOU) REPORT

Number	SWC# / Edison Contract #	Contract Name	Category Specialist / Sourcing Analyst	Vendor Name	Description	MOU Active Date	Items Added via MOU
282	37896	Managed Service Provider (MSP)	Laitin Beecham	Knowledge Services	Temporary and Contract Staff Augmentation	2/7/2020	Public Health Educator and Fulltime/Parttime Certified Nursing Assistants
283	64264	Paper and Plastic Goods	James Vallone	American Paper & Twine	Supplier removed from contract, products moved to new supplier	3/23/2020	Trash Can Liners
284	65033	Footwear	James Vallone	Shoe Corp of Birmingham, Inc	Items created to separate pairs and cases	3/13/2020	Shoes by Pairs
285	64345	Cellular Devices, services, and Business solutions	Richard Kotler	Verizon Wireless	Data Only Plan for high volume users	3/16/2020	Mobile Broadband Data Only Plan for users above 25GB/month
286	62218	Highway Markings and Accessories	Lanessa Munson	G&C Supply Co. Inc.	Added additional line items for paddles and transfer tape	3/26/2020	Stop/Slow Traffic Paddle, Paddle Covers, Paddle Replacement Pole, Transfer Tape
287	57008	Pest Control	Lanessa Munson	Kirklands Pest Control	Omitted line items and locations/counties from Middle TN Exterminating pervious contract were award to another Supplier	3/26/2020	Building Locations and Counties for Monthly Recurring Services
288	44824	GPS for Vehicle Tracking	Michael Porter	LB Technology	GPS Tracking Units and Accessories for Automotive and Construction Vehicle Tracking	3/31/2020	Upgraded 5G GPS Service, Vehicle, Monthly, Includes Device Lease, Real-Time Tracking and Reporting Analytics; Installation, GPS Service, Vehicle - Tier 2; Installation, GPS Service, Vehicle - Tier 3; Posted Speed Limit analysis; Gv3004 Non-Warranty Service Call; Replacement Wiring Harness; Trailer Temperature Monitor; Panic Button/SOS button; OBD Y-Splitter Accessory Cable; Bluetooth driver registration system; 6-pin or 9-pin Accessory Cable; In Cab buzzer; Snowplow Cable Kit; Forward Facing In-Cab Camera w/ GPS Service; Dual Camera Package w/ GPS service; Plow Over Hydraulic Module; Tire Pressure Monitor kit;
289	53203	NetTN	Sharon Pope	AT&T Corp	NetTN Services	4/27/2020	Hosted Transitional Data Management Services (TDMS)
290	60043	ITA Learning Services	Sharon Pope	Learning Tree	It Academy Training Services	5/1/2020	Added process documents
291	37896	Managed Service Provider (MSP)	Laitin Beecham	Knowledge Services	Temporary and Contract Staff Augmentation	2/18/2020	Clinical Health Director
292	37896	Managed Service Provider (MSP)	Laitin Beecham	Knowledge Services	Temporary and Contract Staff Augmentation	2/7/2020	CPR Trainer Services and Social Worker
293	37896	Managed Service Provider (MSP)	Laitin Beecham	Knowledge Services	Temporary and Contract Staff Augmentation	4/23/2020	Infection Prevention Specialist
294	37896	Managed Service Provider (MSP)	Laitin Beecham	Knowledge Services	Temporary and Contract Staff Augmentation	4/2/2020	Epidemiologist 3
295	37896	Managed Service Provider (MSP)	Laitin Beecham	Knowledge Services	Temporary and Contract Staff Augmentation	5/27/2020	Emergency Travel RN II
296	37896	Managed Service Provider (MSP)	Laitin Beecham	Knowledge Services	Temporary and Contract Staff Augmentation	6/2/2020	Full Time LPN II
297	51896	Equipment Rental	Laitin Beecham	Hutson Inc	Equipment	4/28/2020	15 ft mower and boom mower
298	50258	Educational Seminars	Kayla Cook	Nashville Auction School	Educational Seminars	6/2/2020	Online seminar capability due to COVID 19
299	64068	Esper Software	Simeon Ayton	Esper Regulatory Technologies	Regulatory Software	7/20/2020	Retrospective Review
300	37896	Managed Service Provider (MSP)	Laitin Beecham	Knowledge Services	Temporary and Contract Staff Augmentation	7/29/2020	Scientist
301	37896	Managed Service Provider (MSP)	Laitin Beecham	Knowledge Services	Temporary and Contract Staff Augmentation	7/29/2020	Lab Manager
302	37896	Managed Service Provider (MSP)	Laitin Beecham	Knowledge Services	Temporary and Contract Staff Augmentation	7/29/2020	Athletic Trainer
303	37896	Managed Service Provider (MSP)	Laitin Beecham	Knowledge Services	Temporary and Contract Staff Augmentation	7/29/2020	Environmental Services
304	404/56573	Digital Imaging Services	Eve Whittenburg	Vital Records Control of Tennessee LLC	Monthly Processing Fee	8/13/2020	G1A - Monthly processing fee, not to exceed \$13,000.00, based on mail scanning services volume for the month.
305	66934	Alternate Care Site Operating Agreement	Joyanna Brassfield	Hospital Authority of Nashville and Davidson County, Tennessee dba Nashville General Hospital	At-the-ready staffing	8/17/2020	Nurse Director; Registered Nurses; Pharmacy Technician; Registration/Medical Records
306	63186	Security Training Awareness	Sharon Pope	Infosec Institute Inc.	Web-based Security Awareness Training	9/1/2020	Additional Licenses
307	50258	Educational Seminars	Kayla Cook	Nashville Auction School	Educational Seminars	9/1/2020	Online seminar capability due to COVID 19

Number	SWC# / Edison Contract #	Contract Name	Category Specialist / Sourcing Analyst	Vendor Name	Description	MOU Active Date	Items Added via MOU
308	NV51898	Equipment Rental	Laitin Beecham	United Rentals North America Inc.	Equipment Rental	9/2/2020	Trench Box Safety and Shoring Equipment
309	37896	Managed Service Provider (MSP)	Laitin Beecham	Knowledge Services	Temporary and Contract Staff Augmentation	9/10/2020	Public Health Educator II
310	53203	NetTN	Sharon Pope	AT&T Corp	NetTN Services	10/15/2020	Ethernet Private Line Service - Wide Area Network
311	37896	Managed Service Provider (MSP)	Laitin Beecham	Knowledge Services	Temporary and Contract Staff Augmentation	10/13/2020	Public Health Nurse Consultant 3
312	64423	Vehicles	Mke Neely	TT Columbia	Model Change	11/1/2020	New Police Models
313	64473	Vehicles	Mke Neely	Lonnie Cobb	New Models	11/15/2020	New F-150 Models
314	67744	TFACA Educational Books	Kayla Cook	Tennessee Firemen's Association	Additional Books	12/9/2020	Hazardous Material Awareness and Operations 3rd Ed with Advantage ISBN #9781284140705
315	57481	Interior & Exterior Signage	Eve Whittenburg	Jarvis Award Sign & Flag	Interior and Exterior Signage and services	1/27/2021	Additional signs and installation services
316	37896	Managed Service Provider (MSP)	Laitin Beecham	Knowledge Services	Temporary and Contract Staff Augmentation	1/27/2021	PRN LP; PRN RN; Advanced Emergency Medical Technician; Scheduled telephonic language hourly *all scheduled calls must be approved in advance.

CORRECTIONS OF ERRORS REPORT

Request to correct the following errors:

- (1) Revise the website link in the Solicitation Release Notice example from:
<http://tn.gov/generalservices/article/request-for-proposals-rfp-opportunities> to the following:
<https://www.tn.gov/generalservices/procurement/central-procurement-office--cpo-/supplier-information/request-for-proposals--rfp--opportunities1.html>.
- (2) Revise the sentence at RFP Template, section 1.4.7. to the following: "For internet posting, please refer to the following website:
<https://www.tn.gov/generalservices/procurement/central-procurement-office--cpo-/supplier-information/request-for-proposals--rfp--opportunities1.html>."
- (3) Revise the section numbering from "D.20." to "D.18." on the Tennessee Local or Federal Government (GU-RV) Model.

Explanation of errors:

- (1) The website address in the Solicitation Release Notice is no longer correct and needs to be updated.
- (2) The website address in RFP Section 1.4.7. is no longer correct and was inadvertently copied two times.
- (3) The numbering skips from D.17. to D.20. and needs to be updated to chronological order.

Procurement Staff signatures:

Bryan Chriske

Digitally signed by Bryan Chriske
DN: cn=Bryan Chriske, ou=Comptroller of the Treasury, email=bryan.chriske@cot.tn.gov, c=US
Date: 2021.02.02 12:51:46 -06'00'

Bryan Chriske, Legislative Procurement Compliance Manager,
Comptroller of the Treasury

Date

Paul D. Krivacka

Digitally signed by Paul D. Krivacka
DN: cn=Paul D. Krivacka, o=Central Procurement Office,
ou=Department of General Services,
email=paul.krivacka@tn.gov, c=US
Date: 2021.02.08 09:02:50 -06'00'

Paul Krivacka, Director of Category Management and Legal Team,
Central Procurement Office

Date

Buddy Lea

Digitally signed by Buddy Lea
DN: cn=Buddy Lea, o=Finance and Administration, ou=Finance
and Administration, email=buddy.lea@tn.gov, c=US
Date: 2021.02.02 11:03:54 -06'00'

Buddy Lea, Assistant Commissioner,
Department of Finance & Administration

Date

**GOVERNOR'S OFFICE OF DIVERSITY
BUSINESS ENTERPRISE
2021 AMOUNT OF FAIR PROPORTION
REPORT**

**The Governor’s Office of Diversity Business Enterprise 2021 Amount of Fair Proportion
Recommendation is 11%, with the following breakdown per category:**

Minority-owned Business: 3%
<p>“Minority” means a person who is a citizen or lawful permanent resident of the United States and who is: African American, a person having origins in any of the black racial groups of Africa; Hispanic, a person of Mexican, Puerto Rican, Cuban, Central or South American, or other Spanish culture or origin, regardless of race; Asian American, a person having origins in any of the original peoples of the Far East, Southeast Asia, the Indian subcontinent, or the Pacific Islands; or Native American, a person having origins in any of the original peoples of North America. “Minority-owned business” means a minority-owned business that is a continuing, independent, for profit business that performs a commercially useful function, and is at least fifty-one percent (51%) owned and controlled by one (1) or more minority individuals who are impeded from normal entry into the economic mainstream because of past practices of discrimination based on race or ethnic background.</p>
Woman-owned Business: 4%
<p>“Woman-owned business” means a woman-owned business that is a continuing, independent, for profit business that performs a commercially useful function, and is at least fifty-one percent (51%) owned and controlled by one or more women; or, in the case of any publicly owned business, at least fifty-one percent (51%) of the stock of which is owned and controlled by one (1) or more women and whose management and daily business operations are under the control of one (1) or more women.</p>
Service-disabled veteran-owned businesses: 3%
<p>“Service-disabled veteran” means any person who served honorably on active duty in the armed forces of the United States with at least a twenty percent (20%) disability that is service-connected, meaning that such disability was incurred or aggravated in the line of duty in the active military, naval or air service. “Service-disabled veteran-owned business” means a service-disabled veteran-owned business that is a continuing, independent, for profit business located in this state that performs a commercially useful function, and:(A) Is at least fifty-one percent (51%) owned and controlled by one (1) or more service-disabled veterans; (B) In the case of a business solely owned by one (1) service-disabled veteran and such person’s spouse, is at least fifty percent (50%) owned and controlled by the service-disabled veteran; or(C) In the case of any publicly owned business, at least fifty-one percent (51%) of the stock of which is owned and controlled by one (1) or more service-disabled veterans and whose management and daily business operations are under the control of one (1) or more service-disabled veterans.</p>
Businesses owned by persons with disabilities: .50%
<p>“Person with a disability” means an individual who meets at least one (1) of the following: (A) Has been diagnosed as having a physical or mental disability resulting in marked and severe functional limitations that is expected to last no less than twelve (12) months; (B) Is eligible to receive social security disability insurance (SSDI); or (C) Is eligible to receive supplemental security income (SSI) and has a disability as defined in subdivision (5)(A). “Business owned by persons with disabilities” means a business owned by a person with a disability that is a continuing, independent, for-profit business that performs a commercially useful function, and is at least fifty-one percent (51%) owned and controlled by one (1) or more persons with a disability; or, in the case of any publicly owned business, at least fifty-one percent (51%) of the stock of which is owned and controlled by one (1) or more persons with a disability and whose management and daily business operations are under the control of one (1) or more persons with a disability.</p>
Small businesses: .50%
<p>“Small business” means a business that is a continuing, independent, for profit business which performs a commercially useful function with residence in this state and has total gross receipts of not 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.</p>