



STATE OF TENNESSEE
PROCUREMENT COMMISSION
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Nashville, Tennessee 37243-1102
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- AGENDA -

PROCUREMENT COMMISSION MEETING #010
THURSDAY, MARCH 20, 2014 – 11:00 A.M.
LEGISLATIVE PLAZA – ROOM 29

Agenda Item		Page #
I.	Call to Order	--
II.	Approval of Minutes from February 20, 2014 Meeting (see attached documentation)	1
New Business:		
III.	Proposed changes to the following Central Procurement Office document (see attached documentation): (1) Business Conduct and Ethics Policy and Procedures	5
IV.	Proposed "TRICOR Purchasing Procedures Manual Business and Program Support Policy 311.01" (see attached documentation)	18
Reports:		
V.	Limitation of Liability Report (see attached documentation)	83
VI.	Other Business Update on status of Grant Management and Subrecipient Monitoring Policy and Procedures (deferred at February 20, 2014 meeting)	--
VI.	Adjournment	--

LARRY B. MARTIN, Chairman
Commissioner of Finance & Administration

JUSTIN P. WILSON
Comptroller of the Treasury

ROBERT E. OGLESBY
Commissioner of General Services

MICHAEL F. PERRY
Chief Procurement Officer

**MINUTES OF FEBRUARY 20, 2014
MEETING**



STATE OF TENNESSEE
DEPARTMENT OF GENERAL SERVICES

BILL HASLAM
GOVERNOR

ROBERT E. OGLESBY, AIA
COMMISSIONER

MINUTES
PROCUREMENT COMMISSION MEETING #009
THURSDAY, FEBRUARY 20, 2014 – 2:00 P.M.
LEGISLATIVE PLAZA, ROOM 29

Members in Attendance:

Larry B. Martin, Commissioner of Finance & Administration; Justin P. Wilson, Comptroller of the Treasury; Robert E. Oglesby, Commissioner of the Department of General Services; and Mike Perry, Chief Procurement Officer.

Others in Attendance:

Hannah Terry, Tonya Vanterpool, Kaci Stewart, Charlotte McKinney, Shannon Howell, Paul D. Krivacka, Jamil Moore, Bryan Chriske, Shay Oliphant, Claire Harris, Kristen McKeever, Tony Bybee, Shelia Simpson, Jenny Young, Mark Nafel, Buddy Lea, Jane Chittenden, Don Ivancic, Melinda Parton, Sherry Whitby, Tom Arnold

I. Call to Order.

Commissioner Martin called the meeting to order and recognized that a quorum of members was present.

II. Minutes from the January 16, 2014 Procurement Commission Meeting.

Commissioner Martin presented the January 16, 2014 minutes and asked if any additions or corrections were needed. Comptroller Wilson made a motion to approve the minutes from the January 16, 2014 Procurement Commission Meeting as presented. The motion was seconded by Commissioner Oglesby; whereupon the minutes were unanimously approved.

III. Proposed changes to the following Central Procurement Office documents:

Chief Procurement Officer Perry requested that agenda item (3) Grant Management and Subrecipient Monitoring Policy and Procedures be deferred until the next meeting due to new information received that morning regarding direct appropriation grants that could affect the language of this policy. Comptroller Wilson made a motion to defer the agenda item as requested. The motion was seconded by Commissioner Oglesby; whereupon the request was

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unanimously approved. Chief Procurement Officer Perry then asked that Deputy Chief Procurement Officer Oliphant present each document on the agenda and answer any questions for the Commission.

(1) Request for Proposals (RFP) Standard Template

Deputy Chief Procurement Officer Oliphant stated that revisions were made to the RFP Standard Template making it more user friendly. Additional instructions and updated terminology were also added. Comptroller Wilson asked for verification that the Advisory Council Subcommittee had reviewed the recommended changes. Deputy Chief Procurement Officer Oliphant stated that several Subcommittee meetings were held to review and discuss the RFP Standard Template and that complete agreement was obtained on the changes as presented. Comptroller Wilson made a motion to approve the Request for Proposals (RFP) Standard Template as presented, which was seconded by Commissioner Oglesby; whereupon the Request for Proposals (RFP) Standard Template was unanimously approved.

(2) OIR Pre-Approval Endorsement Request

Deputy Chief Procurement Officer Oliphant stated that additional instructions were added stating that this endorsement was necessary regardless of the dollar amount and some terminology was also updated. Comptroller Wilson made a motion to approve the OIR Pre-Approval Endorsement Request as presented, which was seconded by Commissioner Oglesby; whereupon the OIR Pre-Approval Endorsement Request was unanimously approved.

(3) Grant Management and Subrecipient Monitoring Policy and Procedures

Deferred.

(4) Proposed additions regarding Cooperative Purchase Agreements to Sections 4.1 and 6.7 of the *Procurement Manual of the Central Procurement Office*

Deputy Chief Procurement Officer Oliphant stated that a definition of a Cooperative Purchase Agreement was added and procedural text was also added. Comptroller Wilson made a motion to approve the additions regarding Cooperative Purchase Agreements to Sections 4.1 and 6.7 of the *Procurement Manual of the Central Procurement Office* as presented, which was seconded by Commissioner Oglesby; whereupon the additions regarding Cooperative Purchase Agreements to Sections 4.1 and 6.7 of the *Procurement Manual of the Central Procurement Office* were unanimously approved.

IV. Proposed Amendment to Article XIV of the Tennessee Procurement Commission Bylaws and Rules of Procedure.

Deputy Chief Procurement Officer Oliphant stated that additional language was added to Article XIV to allow the Procurement Commission Staff to correct obvious typographical and clerical

errors as needed, provided the errors were “insubstantial”. Any changes made of this nature would be reported at the following Procurement Commission meeting. In addition, Deputy Chief Procurement Officer Oliphant stated that the language added to Article XIV would apply to correcting grammar, punctuation, spelling errors, and erroneous information (*e.g.*, contact names, physical addresses, email addresses, web site addresses, phone numbers). Mr. Oliphant stated that this change would obviate the need for documents containing insubstantial errors from having to go through the Advisory Council and Procurement Commission approval process. Mr. Oliphant confirmed that these changes would be made after agreement by the Procurement Commission Staff and would also be reported at the following Procurement Commission meeting.

Comptroller Wilson made a motion to approve the Amendment to Article XIV of the Tennessee Procurement Commission Bylaws and Rules of Procedure as presented, which was seconded by Commissioner Oglesby; whereupon the Amendment to Article XIV of the Tennessee Procurement Commission Bylaws and Rules of Procedure was unanimously approved.

V. Other Business.

Chief Procurement Officer Perry noted that a letter was received announcing The General Assembly’s intention to implement a fee for Audio Visual services. For Procurement Commission meetings held at Legislative Plaza, the fee would be \$712.50 per meeting. Chief Procurement Officer Perry stated that this fee would come out of the Central Procurement Office’s operating budget and other alternatives were being investigated.

Chief Procurement Officer Perry also noted that the State Building Commission recently adopted an Organizational Conflict of Interest Policy and stated that the Central Procurement Office was redrafting its Business Conduct and Ethics Policy to incorporate language to address organizational conflicts of interest. Pending legislation would also affect this policy, but a draft would be circulated for review by the Advisory Council Subcommittee in the near future. Chief Procurement Officer Perry stated that the Central Procurement Office believed the issue of organizational conflicts of interest should be addressed by the flexibility of a policy and not the rigidity of a statute. Chief Procurement Officer Perry also pointed out that the State Building Commission, Central Procurement Office, and Department of Transportation have unique differences in policies, procedures, and approval processes. Chief Procurement Officer Perry stated that the revised Business Conduct and Ethics Policy will be brought to the Procurement Commission at a future date. Comptroller Wilson asked Chief Procurement Officer Perry to explain why this policy change needed to go before the Advisory Council. Chief Procurement Officer Perry stated that per statute, all procurement policies, procedures, and rules must be vetted through the Advisory Council and he believed that was a healthy process that should remain intact.

VI. Adjournment.

A motion to adjourn was made by Comptroller Wilson and was seconded by Commissioner Oglesby; whereupon the February 20, 2014 Procurement Commission meeting was adjourned.

**PROPOSED REVISIONS TO POLICY
#2013-009**

**BUSINESS CONDUCT AND ETHICS
POLICY AND PROCEDURES**

Policy Number 2013-009
Central Procurement Office
Business Conduct and Ethics Policy and Procedures

Effective: May 28, 2013
Last Amended: DATE
Prepared by: The Central Procurement Office of the State of Tennessee

1. Purpose.

The purposes of this Policy Number 2013-009 are as follows:

- To establish a code of business and ethical conduct for Central Procurement Office or Covered State Agency Personnel involved in Procurement or Contract Administration on behalf of the State of Tennessee.
- To prescribe an Organizational Conflicts of Interest policy applicable to Central Procurement Office or Covered State Agency Personnel who are involved in Procurement or Contract Administration and to provide guidance in identifying and managing Organizational Conflicts of Interest, all of which serves to:
 - Promote full and open competition, integrity, and transparency in Procurement or Contract Administration;
 - Promote an environment conducive to Contracting Parties providing goods or services to the State in an impartial and objective manner;
 - Provide guidance to enable Contracting Parties to make informed decisions while conducting business with the State; and
 - Protect the validity of the State's Procurement or Contract Administration, protect the State's interests, and protect the State's confidential and sensitive information.

2. Scope.

The Central Procurement Office recognizes that Personnel involved in Procurement or Contract Administration on behalf of the Central Procurement Office and Covered State Agencies represent the State in all facets of their work. All Central Procurement Office and Covered State Agency Personnel involved in Procurement or Contract Administration are expected to conduct themselves such that their personal and professional conduct does not have a negative effect on the work of the Central Procurement Office or the Covered State Agency or reflect poorly on the public image, reputation, or credibility of the State. Accordingly, this policy applies to all Personnel of the Central Procurement Office and Covered State Agencies involved in Procurement or Contract Administration, which includes by way of example, drafting Solicitations, negotiations, evaluations of Responses, contract awards and amendments to contracts, protests or termination hearings with respect to contracts. Moreover, this policy

requires all Central Procurement Office or Covered State Agency Personnel involved in Procurement or Contract Administration to manage Organizational Conflicts of Interest through Avoidance, Mitigation or Waiver, as described below, when they know of the existence of an Organizational Conflict of Interest.

3. Definitions.

For purposes of this policy, the following terms shall have the meanings described below:

“Affiliate” of a Contracting Party means (i) any member, partner or joint venture member of the Contracting Party; (ii) any shareholder of the Contracting Party having an interest of at least ten percent (10%) in any class of stocks; (iii) any Person that directly or indirectly through one or more intermediaries Controls (as hereinafter defined), or is Controlled by, or is under common Control with, the Contracting Party or any of the Contracting Party’s shareholders, members, partners or joint venture members; or (iv) any entity for which ten percent (10%) or more of the equity interest in such entity is held directly or indirectly, beneficially or of record by (a) the Contracting Party, (b) any of the shareholders, members, partners or joint venture members of the Contracting Party, or (c) any affiliate of the Contracting Party.

“Biased Ground Rules” means the requirements for a contract or prerequisites for competition for a contract that have been written by a Person who, as a part of its performance of a State contract, directly or indirectly participates in writing statements of work or specifications for another contract for which the Person who established the requirements or prerequisites, or any of its Affiliates, seeks to compete.

“Contract Administration” means the roles within the Central Procurement Office or a Covered State Agency associated with contract management, which includes evaluating contractor performance, managing contract compliance, and whether or not to renew or extend a contract. Contract Administration does not include ancillary State Agency programmatic roles related to a contract or ministerial roles, such as paying contract invoices or administrative support functions.

“Contracting Party” means any Person, or its Affiliates or subcontractors, retained by the State to perform Procurement or program implementation services for the State, or proposing to perform such services.

“Control” means the possession, directly or indirectly, of the power to cause the direction of the management of an entity, whether through voting securities, by contract, Immediate Family relationship or otherwise.

“Covered State Agency” means a State Agency that is not exempt from the rules and regulations, or policies and procedures of the Central Procurement Office under the provisions of Tenn. Code Ann. § 12-3-102.

“Employee” means natural persons who are employees of the State of Tennessee and State Agencies.

“Immediate Family” means spouse, dependent children or stepchildren, or relatives related by blood or marriage.

“Impaired Objectivity” means when a Person evaluates Responses or contract performance for its own products or services or for the products or services of competitors. Impaired Objectivity can exist where a contract requires the exercise of judgment, and the economic interests of the Person will be harmed through the free and unbiased exercise of that judgment.

“Organizational Conflict of Interest” means, as to Procurements, contracts or proposed contracts with the State, a circumstance arising out of a Contracting Party’s existing or past activities, business or financial interests, Immediate Familial relationships, contractual relationships, or organizational structure (e.g., parent entities, subsidiaries, Affiliates, etc.) that results in:

- (i) Impaired Objectivity of a Contracting Party;
- (ii) An Unfair Competitive Advantage for any Respondent with respect to a Procurement;
- (iii) Biased Ground Rules; or
- (iv) Impropriety, as determined by the Chief Procurement Officer, with respect to any of the State’s Procurements or contracts.

“Person” means any individual, corporation, limited liability company, partnership (general or limited), joint venture, association, joint stock company, trust, government (or any agency or political subdivision thereof), other business entity, or other organization recognized by law.

“Personnel” means all employees, evaluators or subject matter experts, whether or not an employee of the Central Procurement Office, a Covered State Agency, or the State, involved in drafting Solicitations, evaluating Responses, providing advice or assistance in connection with evaluating Responses, or awarding contracts pursuant to a Procurement on behalf of the Central Procurement Office or a Covered State Agency.

“Procurement” means the act of buying, purchasing, renting, leasing, or otherwise acquiring any goods or services covered by the Rules of the Central Procurement Office or this policy. It also includes all functions that pertain to the obtaining of any goods or service, including the description of requirements, selection and solicitation of sources, preparation and award of a contract, and all phases of Contract Administration.

“Respondent” means a Person with the capacity to contract and sue and be sued who has submitted a Response to a solicitation.

“Response” means a written response to a Solicitation for goods or services.

“Solicitation” means a written document that facilitates the award of a contract to Contracting Parties for goods or services. Examples of solicitations include, but are not limited to, an Invitation to Bid, a Request for Information, a Request for Proposals, and a Request for Qualifications.

“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.

“Unfair Competitive Advantage” means a situation that exists when a Person competing for the award of a contract has obtained:

- (i) Access to proprietary or confidential State information, or other State information that is not available to the public or other Respondents, and that would assist Respondents in responding to a Solicitation or in obtaining the contract; or
- (ii) Scoring criteria or points allocation information, or other source selection information, that is relevant to the contract but is not available to all Respondents to a Solicitation and that would assist the Respondents in responding to a Solicitation or in obtaining the contract.

4. Requirement of Good Faith and Fair Dealing.

All Central Procurement Office or Covered State Agency Personnel involved in public Procurement or Contract Administration must act in good faith and deal with the public in a fair and impartial manner. All Central Procurement Office or Covered State Agency Personnel must act with honesty and integrity and shall remove themselves from Procurement or Contract Administration in the event they cannot act in good faith or conduct their work in a fair and unbiased manner.

5. Fiduciary Duty.

Involvement by Personnel in the Procurement or Contract Administration involves a public trust. All Central Procurement Office or Covered State Agency Personnel owe a fiduciary duty to the State and all Personnel play an important role in ensuring that the State’s needed goods or services are procured in an efficient, transparent and economical manner on terms and conditions in the best interests of the State.

6. Avoiding Conflicts of Interest.

All Central Procurement Office or Covered State Agency Personnel should avoid any actions, relationships, or business transactions that conflict with the State’s best interests or otherwise create individual or Organizational Conflicts of Interests that taint the procurement process or the reputation of the State.

No Personnel of the Central Procurement Office or a Covered State Agency who is involved in Procurement or Contract Administration shall participate in any portion of the process when:

- The Personnel is contemporaneously employed by a Respondent to a Solicitation;
- The Personnel, any member of the Personnel’s Immediate Family, or persons with whom the Personnel has a personal relationship that precludes the Personnel from acting in a fair and impartial manner, or holds a position with a Respondent or Affiliate or subcontractor as an officer, director, trustee, partner or the like;
- The Personnel, any member of the Personnel’s Immediate Family, or persons with whom the employee has a personal relationship that precludes the Personnel from acting in a fair and impartial manner; or The Personnel, a member of the Personnel’s Immediate Family, or persons with whom the Personnel has a personal relationship that impairs the Personnel’s ability to act in a fair and impartial manner, is negotiating, or has an

arrangement concerning prospective employment with Respondents, Contracting Parties, subcontractors, or Affiliates.

7. Prohibition against Rebates, Gifts, Compensation.

No Central Procurement Office or Covered State Agency Personnel shall solicit, demand, accept, or agree to accept from any Person, which includes without limitation, Respondents, Contracting Parties, subcontractors or Affiliates, any rebate, gift, money, or anything of value whatsoever, or any promise, obligation, or contract for future rewards or compensation in connection with Procurement or Contract Administration.

8. Organizational Conflicts of Interest.

- A. All Central Procurement Office or Covered State Agency Personnel shall at all time conduct and carry out their duties and responsibilities in a manner intended to uphold high ethical standards and to comply with this policy. If Personnel of the Central Procurement Office or a Covered State Agency have actual knowledge of an Organizational Conflict of Interest, the Organizational Conflict of Interest shall be disclosed to the Chief Procurement Officer and shall be Avoided, Mitigated or Waived as more particularly described in Section 8.D. below.
- B. The Central Procurement Office or a Covered State Agency must consider potential Organizational Conflicts of Interest during preparation of all Solicitation documents, during the evaluation of Responses, during the award of contracts and must disclose the existence of Organizational Conflicts of Interest that become known or discovered at any time during the term of any contract.
- C. All Respondents or Contracting Parties must disclose the existence of Organizational Conflicts of Interest that are known or discovered at any time during the Procurement process or during the term of any contract awarded pursuant to a Procurement, and must upon request, disclose all facts bearing on Organizational Conflicts of Interest.
- D. Upon identification of an Organizational Conflict of Interest, the Central Procurement Office or any Covered State Agency shall, as soon as reasonably possible, simultaneously notify the Chief Procurement Officer of the Organizational Conflict of Interest and submit to the Chief Procurement Officer a plan to address the Organizational Conflict of Interest, which plan shall include actions or agreements necessary to Avoid, Mitigate, or Waive (as these terms are described below) the Organizational Conflict of Interest.
 - i. Avoidance may involve the removal or limitation of Personnel of the Central Procurement Office or any Covered State Agency from being involved in the drafting of the Solicitation, Procurement activities, evaluation of Responses, or management of a contract awarded to a Respondent or the award of future contracts.
 - ii. Mitigation may involve specific actions by a Respondent, a Contracting Party or Personnel of the Central Procurement Office or any Covered State Agency to limit the effect of an Organizational Conflict of Interest. Mitigation may also

involve more general efforts or recognitions when the circumstances are covered by applicable State statutes, rules, policies or procedures.

- iii. The Central Procurement Office or any Covered State Agency may, upon written approval of the Chief Procurement Officer, waive the requirement to resolve an Organizational Conflict of Interest if the Chief Procurement Officer concurs with the determination of the Central Procurement Office or Covered State Agency that resolution is not feasible or is not in the best interests of the State. Such determination must be documented in writing and maintained by the Central Procurement Office or the Covered State Agency.
- iv. No Organizational Conflict of Interest occurs when (i) all material facts of the transaction and the basis for a possible Organizational Conflict of Interest are disclosed and the contract, Procurement or transaction is approved by the Chief Procurement Officer or (ii) the Procurement, contract, or transaction is fair to the State, which such determination shall be documented in writing and filed with and approved by the Chief Procurement Officer.
- v. Neither the Central Procurement Office nor a Covered State Agency shall commence with implementation of the plan to Avoid, Mitigate, or Waive the Organizational Conflict of Interest, as required by subparagraphs 8.D.i, 8.D.ii. or 8.D.iii., until the Central Procurement Office or Covered State Agency has documented the basis in writing and has received written approval of the plan from the Chief Procurement Officer.
- vi. In all instances where an Organizational Conflict of Interest exists in a Procurement or contract in which the Chief Procurement Officer has participated, the use of the term “Chief Procurement Officer” in Section 8 of this policy, shall mean the Procurement Commission or its designee.

9. Site Visits Related to a Procurement.

Site visits to Respondent locations needed to properly evaluate goods or services for a pending or future Solicitation are allowed subject to the following conditions:

- If site visits are required within the Solicitation for evaluation purposes, the State, and not the Respondent being evaluated, must pay for such visits.
- Exceptions to this policy may be made by the Chief Procurement Officer or his or her designee. Any exception must be made on a case-by-case basis. If an exception is made, a written determination signed by the Chief Procurement Officer or his or her designee shall be included in the contract file.
- Central Procurement Office or Covered State Agency Personnel making such site visits will incur and recover travel costs from the State entity for which the Procurement is being conducted in accordance with State travel regulations.
- No direct reimbursement of Personnel by a Respondent is permitted. The Central Procurement Office or Covered State Agency will determine all costs incurred by Personnel in connection with the site visit and bill the appropriate Respondent for reimbursement of costs by means of a check payable to the State Agency.

10. Required Disclosures for Central Procurement Office and Covered State Agency Personnel.

All Personnel of the Central Procurement Office or a Covered State Agency involved in Procurement or Contract Administration shall make disclosures to the Chief Procurement Officer in the following situations:

- When the Personnel has family or personal relationships that conflict with, or could potentially give rise to an individual or Organizational Conflict of Interest;
- When the Personnel has an interest, Immediate Familial, personal, professional or financial interest, that conflicts with the best interests of the State;
- When the Personnel was previously employed by a Respondent or Contracting Party involved in the procurement;
- When the Personnel is aware of or should be aware of any other facts or circumstances that compromise the Personnel's ability to carry out his or her fiduciary duty to the State and act in a fair and impartial manner with respect to the State or the public;
- When the Personnel has knowledge of an Organizational Conflict of Interest that arises during the Procurement or contract processes.

All Personnel of the Central Procurement Office or any Covered State Agency who participate in Solicitation development for a procurement where an award of the contract is based in whole or in part on subjective criteria (e.g., an RFQ or a RFP) shall execute a disclosure substantially in form to Attachment A to this policy, the Solicitation Development Conflict of Interest Disclosure Statement. Any potential conflict shall be brought to the attention of the Chief Procurement Officer to determine whether re-assignment is warranted.

From time-to-time, Personnel, by virtue of the nature of their roles as evaluators, will be privy to confidential or sensitive information that is only available to evaluation team members. The Chief Procurement Officer shall require Personnel participating in Response evaluation for a procurement where an award of the contract is based in whole or in part on subjective criteria (e.g., RFQ or a RFP) to execute a confidentiality agreement, substantially in form to Attachment B1 to this policy, whereby the Personnel agree not to disclose any information, whether written or oral, received by the Personnel during the evaluation process.

All Personnel of the Central Procurement Office or a Covered State Agency who participate in the Response evaluation for a procurement where an award of the contract is based in whole or in part on subjective criteria (e.g., an RFQ or a RFP) shall execute a disclosure substantially in form to Attachment B2 to this policy, the Response Evaluation Conflict of Interest Disclosure Statement. Any potential conflict shall be brought to the attention of the Chief Procurement Officer to determine whether re-assignment is warranted.

Covered State Agency Personnel Procurement or Contract Administration roles are also responsible for filing annual conflict of interest disclosures in accordance with their particular agency's policies and procedures. If no policies and procedures exist within the Personnel's agency, then the Personnel shall file an annual conflict of interest and confidentiality attestation in accordance with the policies and procedures of the Central Procurement Office. Filing an annual disclosure statement does not absolve Personnel involved in a particular procurement from disclosing known individual or Organizational Conflicts of Interest on a case-by-case basis.

Such disclosures shall be made available to the Central Procurement Office upon request. The annual conflict of interest disclosures of Covered State Agency Personnel shall be maintained by the Covered State Agency.

All Central Procurement Office Personnel with Procurement or Contract Administration roles shall execute an annual conflict of interest and confidentiality attestations substantially in form to Attachment C to this policy. Filing an annual disclosure statement does not absolve Personnel involved in a particular procurement from disclosing known individual or Organizational Conflicts of Interest on a case-by-case basis. The annual attestations of Central Procurement Office Personnel shall be maintained by the Director of Category Management and Legal Team.

Related Statutes, Rules and Policies

Tenn. Code Ann. §§ 4-56-101, *et seq.*

Tenn. Code Ann. §§ 12-3-101, *et seq.*

Tenn. Code Ann. §§ 12-4-101, *et seq.*

ATTACHMENT A

SOLICITATION DEVELOPMENT CONFLICT OF INTEREST DISCLOSURE STATEMENT

INSTRUCTIONS FOR THE STATEMENT SIGNATORY:

Complete the space provided with the Solicitation number applicable to the statement.

Complete, sign and date the applicable section (solicitation development or response evaluation).

Complete each space provided beside the disclosure statements by either "initialing" the statement (to indicate an affirmation of the corresponding statement) OR by writing "N/A" (to indicate that the corresponding statement is not applicable).

If a possible conflict of interest is identified, a description of such should be attached to this document.

SOLICITATION
NUMBER:

--

PERSONNEL INVOLVED WITH SOLICITATION DEVELOPMENT—

	I did not identify any potential conflict of interest, financial or otherwise, regarding my involvement with the development, formulation, drafting or review of the subject Solicitation or its specifications or scope of services.
	I identified the following possible individual or Organizational Conflict of Interest issues, detailed and attached hereto, which might adversely reflect on or threaten the integrity of the subject Procurement process:

SIGNATURE & DATE:

PRINTED NAME:

ATTACHMENT B1

ATTESTATION REGARDING CONFIDENTIALITY IN THE EVALUATION OF [INSERT
PROCUREMENT METHOD] # _____ FOR _____

Personnel Name: _____

Personnel Phone Number: _____

Personnel Email Address: _____

I, _____ (*print name*), do hereby attest, certify, warrant, and assure that I shall not disclose any Procurement evaluation information, including but not limited to the identity of evaluators or the number or identity of Respondents related to [INSERT PROCUREMENT METHOD] # _____ for _____ until the Notice of Intent to Award is communicated in writing or electronic transmission to all Respondents.

Personnel's Signature

Date

ATTACHMENT B2

RESPONSE EVALUATION CONFLICT OF INTEREST DISCLOSURE STATEMENT

IMPORTANT: COMPLETE AND SIGN ATTACHMENT B1 PRIOR TO ATTACHMENT B2

INSTRUCTIONS FOR THE STATEMENT SIGNATORY:

Complete the space provided with the Solicitation number applicable to the statement.

Complete, sign and date the applicable section (solicitation development or response evaluation).

Complete each space provided beside the disclosure statements by either "initialing" the statement (to indicate an affirmative corresponding statement) OR by writing "N/A" (to indicate that the corresponding statement is not applicable).

If a possible conflict of interest is identified, a description of such should be attached to this document.

SOLICITATION
NUMBER:

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PERSONNEL INVOLVED WITH RESPONSE EVALUATIONS—

	I reviewed the attached listing of prospective Respondents expressing an interest in the subject Solicitation and did not identify any potential conflict of interest, financial or otherwise, regarding my ability to fairly evaluate OR assist with the evaluation of all Responses.
	I reviewed the attached listing of prospective Respondents expressing an interest in the subject Solicitation and identified the following possible Organizational Conflict of Interest issues, detailed and attached hereto, which might adversely reflect on my ability to fairly evaluate OR assist with the evaluation of all proposals OR that may give rise to an Organizational Conflict of Interest.

SIGNATURE & DATE:

PRINTED NAME:

ATTACHMENT C

**CENTRAL PROCUREMENT OFFICE OR COVERED STATE AGENCY EMPLOYEE
ANNUAL ATTESTATIONS**

Employee Name: _____

Employee Phone Number: _____

Employee Email Address: _____

CONFLICT OF INTEREST

I, _____ (*print name*), do hereby attest, certify, warrant and assure that I will not participate in any portion of a Procurement that involved a potential conflict of interest, financial or otherwise.

Furthermore, I _____ (*print name*), do hereby attest, certify, warrant and assure that I will make disclosures to the Chief Procurement Officer in the following situations:

- When I have an Immediate Family or a personal relationship that conflicts with, or potentially creates a conflict;
- When I have an interest, Immediate Familial, personal, professional or financial, that conflicts with the best interests of the State;
- If I was previously employed by a Respondent involved in the Procurement;
- When I am aware of or should be aware of any other facts or circumstances that compromise my ability to carry out my fiduciary duty to the State and act in a fair and impartial manner with respect to the State or the public;
- When I have actual knowledge of an Organizational Conflict of Interest involving a Solicitation, a contract award, or the circumstances giving rise to an Organizational Conflict of Interest during the term of any contract awarded pursuant to a Solicitation.

CONFIDENTIALITY

I, _____ (*print name*), do hereby attest, certify, warrant, and assure that I shall not disclose any Procurement evaluation information related to a Procurement until the Notice of Intent to Award is communicated in writing or electronic transmission to all Respondents.

Employee's Signature

Date

**PROPOSED “TRICOR PURCHASING
PROCEDURES MANUAL, BUSINESS AND
PROGRAM SUPPORT POLICY 311.01”**



PURCHASING PROCEDURES MANUAL
Business and Program Support Policy 311.01

Issue Date:

TRICOR Purchasing Procedures Manual
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Attachment A: TO-0053 Purchase Requisition

Attachment B: Signature Authorization Form

Attachment C: TRICOR Policy 211 Conflicts of Interest and the Acceptance of Gifts
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Attachment D: Guideline for Supplier Classification

Attachment E: Contract for Goods and Services Form

Attachment F: TRICOR Policy 542 Purchasing of Breeding Stock

A. DEFINITIONS OF TERMS USED IN THE MANUAL

1. Edison: Edison is the State of Tennessee's Enterprise Resource Planning (ERP) system. An ERP system is an integrated software package that is used to perform administrative business functions such as financials and accounting, procurement, payroll, benefits, and personnel administration.
2. Equipment: Machinery, implements, tools, furniture, livestock, vehicles, and other apparatus with a unit cost of \$5,000 or more, a minimum useful life expectancy of three years, and does not lose its identity when used for the intended purpose.
3. Instrumentality of Government: Any entity created by a political subdivision of the State.
4. Invoice Splitting: Repetitive buying, within a calendar month, to intentionally limit purchases under a specific dollar amount and avoid approval of a greater purchase value.
5. MRO: Maintenance, repair, operating supplies.
6. MRP Order: Material requirement order for a production component initiated through TIMS.
7. Material Resource Planning (MRP): Module within the TRICOR Integrated Management System (TIMS) used to manage and control manufacturing operations.
8. Minority-Owned Business: A continuing, independent, for-profit business which performs a commercially useful function and is at least 51% owned and controlled by one or more minority individuals who are impeded from normal entry into the economic mainstream because of past practices of discrimination based on race, ethnic background..
9. Political Subdivision: Any local governmental entity, including, but not limited to, any municipality, metropolitan government, county, utility district, school district, public building authority, and development district created and existing pursuant to the laws of Tennessee, or any instrumentality of government created by any one (1) or more of the named local governmental entities.
10. Procurement Request (PR): Requisition document used to initiate a purchase.
11. Proprietary Procurement: A procurement where competition is restricted to authorized distributors of certain goods or services.

12. Purchasing Agent: Buyer Planner, Purchasing Manager, Contracts Manager, Buyer Planner Manager or other staff as designated by the appointing authority to make purchases for TRICOR.
13. Purchase Order: A document issued by TRICOR to a contracting party authorizing a purchase. 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.
14. Professional Service Contracts: Contract that directly engages the time and effort of a contractor whose primary purpose is to perform an identifiable task rather than to furnish an end item of supply.
15. Small Business: A business which is independently owned and operated, in accordance with the provisions of [T.C.A. § 12-3-1102(5)], and is not dominant in its field of operation.
16. Sole Source Procurement: A procurement where only one vendor possesses the unique and singularly available capability to meet the requirements of the solicitation, such as technical qualifications, ability to deliver at a particular time, or services from a public utility or situation where a particular supplier or person is identified as the only qualified source available to the requisitioning authority.
17. Tennessee Service-Disabled Veteran Owned Business: A business owned by 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. "Tennessee service disabled veteran owned business" means a service-disabled veteran owned business that is a continuing, independent, for profit business located in the state of Tennessee that performs a commercially useful function.
18. TRICOR Integrated Management System (TIMS): Integrated system software application which migrates all of TRICOR's business functions and operations within a single database, also referred to as an Enterprise Resource System (ERP). References to TIMS shall also include any replacement software applications.
19. Under Shipment (Shortage): Actual units received are less than the number of units as it appears on the packing slip.
20. Woman-Owned Business: A continuing, independent, for-profit business which performs a commercially useful function, and is at least 51% owned and controlled by one or more women; or, in the case of any publicly owned business, at least 51% of the stock of which is owned and

controlled by one or more women and whose management and daily business operations are under the control of one or more women.

B. BIDS, PURCHASES AND REQUIREMENTS

Procedure

All purchases of goods, equipment, or services shall be obtained through competitive bidding unless otherwise noted in these procedures. A MRP order from TIMS and/or a Procurement Request (TO-0053, see Attachment A, or TIMS Requisition) must be initiated by the requestor and approved by his/her supervisor for all purchases. All Procurement Requests (PRs) must meet the required approval authority prior to a Purchase Order being awarded (Section C-1).

Process

1. With the exception of Small Non-Competitive Purchases and Professional Service Contracts, discussed below, three competitive bids are required for all purchases. When a competitive bid is not obtained, such as in emergency situations, the reason must be clearly explained and documented. As soon as practicable, the Chief Executive Officer shall report to the Executive Committee of the Board of Directors in writing any contracts (except Small Non-Competitive Purchases) awarded on an emergency basis that were not competitively bid.
2. Purchases will be identified according to the following categories:
 - a. Small Non-Competitive (Local) Purchases - Purchases of \$10,000 or less (or an amount in compliance with the State's purchasing policy, if greater), per commodity or service, do not require competitive bidding. However, competitive pricing is encouraged. These purchases will require an approved Procurement Request or MRP order and will be processed by the assigned authorized Purchasing Agent. The only approval required is the originating Manager. The purchasing agent shall exercise care to ensure maximum value received on purchases obtained without competitive bids.
 - b. Competitive Purchases - Competitive Purchases - All purchases above \$10,000 to \$50,000 (or an amount in compliance with the State's purchasing policy, if greater) requires at least three (3) competitive bids on all purchases which exceed \$10,000. All competitive bid responses should be retained. Written confirmation for receipt of purchase order from the successful vendor shall be retained for purchases over \$10,000. When purchases are from a single source of supply, proprietary to a particular brand or model or for used equipment, requestors are required to fully document on the purchase requisition and to adhere to the applicable purchasing procedure for each of these type purchases. All purchases above \$50,000 require a

formal solicitation process with the exception of livestock purchased at public auction. Purchase of livestock will be conducted in accordance with the requirements of TRICOR Policy 542 "Purchase of Breeding Stock". In instances where bids are not obtained from minority owned, woman owned, Tennessee service-disabled owned, or small businesses, buyer planners are required to fully document his/her good faith effort to solicit bids from such businesses. All necessary levels of approval are required on the PR.

- c. Contract Purchases – Raw Material, equipment, supply purchases may be made from statewide contracts or agency contracts issued by the Central Procurement Office, or TRICOR term contracts with the same approval levels applying. All Purchase orders generated from Procurement Requests or MRP orders must identify the current contract number.
- d. Professional Service Contracts – [T.C.A. § 41-22-408] Personal, professional and consultant services shall be procured in an effective manner for the efficient discharge of duties to manage and operate TRICOR. Except as otherwise provided in these procedures, contracts representing the procurement of services shall be made on a competitive basis.

Due to the unique mission of TRICOR, the Chief Executive Officer has the discretion to enter into professional service contracts which enhance the organization's ability to meet the needs of its business, the development of its blended workforce and other areas as required. In the event services are procured under this authority, the purpose and method of selection shall be documented prior to selection of the contractor.

(a) Prior Notice of Professional Service Contracts. In the event the cumulative maximum liability of any contract awarded under this authority, with any given vendor, exceeds or is reasonably expected to exceed \$100,000 (or two times the State level whichever is higher) over any one (1) year period, the Chief Executive Officer will notify the Executive Committee of the Board of Directors in writing the purpose and method of selection, the identity of the proposed vendor and provide a copy of the proposed agreement at least ten (10) days before such contract is executed. Any Member of the Executive Committee can request in writing to the **Chief Executive Officer** a meeting to discuss and approve and/or disapprove such contract before it being executed. Absent such written request being received within such timeframe, the Chief Executive Officer may proceed to execute such agreement. If the payments to such vendor ever exceed \$150,000 (or two times the State level whichever is higher) in any 12 month period, the Chief Executive

Officer shall give additional written notice of same to the Executive Committee.

(b) Notice of Professional Service Contracts Not Approved in (a), As to any agreement not approved in (a) above where the actual payments to any vendor exceeds \$100,000 in any three (3) year period, (or two times the maximum State level whichever is higher) the Chief Executive Officer shall give the Executive Committee of the Board of Directors written notice of same promptly, but in no event more than thirty (30) days from the end of the month when such threshold of payments is crossed.

3. Bid Process will be identified according to the following categories:

a. Competitive Bid Process, Formal

Upon receipt of the Requisition for Purchase with all appropriate approvals, the Purchasing Department will process the requisition, attach an Invitation to Bid and secure sealed bids from vendors. The bid is to be posted publically on the TRICOR website.

b. Competitive Bid Process, (Local) Informal

Upon receipt of the Requisition for Purchase with all appropriate approvals, the Purchasing Department will process the requisition and secure informal written or telephone bids from vendors.

Informal bid process may be utilized for purchases not exceeding \$50,000. Fax and email confirmation is acceptable as written confirmation of bids on informal purchases.

A bid list for one-time purchases of large value and term contracts is determined by the vendor's diversity certification status, (minority owned, woman owned, Tennessee service-disabled veteran owned, or small business) qualifications, the apparent ability of the vendor to perform the contract, geographic location, and past performance. Measures used in determining ability may include net worth, number of employees, gross annual sales, time in business and comparable contracts.

c. Multi-Step Bidding

1. This is a two phase method consisting of a technical first phase. This is composed of one or more steps in which bidders submit un-priced technical offers to be evaluated by TRICOR. The second phase occurs when those bidders whose technical offers are determined to be acceptable during the first phase, have submitted their bids for consideration.

The multi-step sealed bidding process is designed to obtain the benefit of competitive sealed bidding by award of a contract to the lowest cost, responsible and responsive bidder. This process provides the benefits of the competitive sealed proposals procedure through the Invitation to Bid of technical offers and to conduct discussions to evaluate and determine the acceptability of technical offers.

2. For acquisitions made under the provisions of multi-step sealed bidding, validation tests for the purpose of determining compliance with performance standards, or for objectively determining the validity of the bidder's performance outputs which has resulted in an adjustment to bid price may be conducted in phase two (2). After the apparent lowest responsible and responsive bidder has been determined, no such tests shall be required of the bidder unless, prior to the completion of phase one (1), validation tests shall be set forth in sufficient detail to enable bidders to perform such tests prior to the submission of the final technical offer. All performance standards, criteria for measuring performance output and validation tests shall be set forth in the Invitation to Bid. However, nothing herein shall be construed to mean that such validation tests shall be required to be conducted by TRICOR.
3. Acceptability of Technical Offers shall be determined by an evaluation team consisting of TRICOR personnel. The TRICOR Purchasing Department will chair the evaluation team. Other evaluation team personnel will be determined based on the type of commodity being purchased, special requirements of the facility, cost of purchase, and other factor(s) stated in the Invitation to Bid.

d. Best Value Bid

“Best value contracting” is the process of selecting the bid which provides the greatest value to TRICOR. This selection is based on evaluating and comparing all pertinent factors, including price, so the overall combination will result in TRICOR’s needs being met.

Factors that may be included as part of the technical bid evaluation include, but are not limited to:

1. Quality and reliability of products/goods; experience and qualifications (i.e. pending litigation, years in business, utilization of minority owned, woman owned, Tennessee service-disabled veteran owned, and small businesses as sub consultants, subcontractors, and/or suppliers to assist in providing goods and services, partnering with or mentoring of minority owned, woman owned, Tennessee service-disabled veteran owned, and small business programs associated with the delivery of goods

2. and services, customer references);
 3. Delivery terms (i.e. number of days for product to be shipped or for job to be started);
 4. Past vendor performance, financial resources, and ability to perform to specification requirements;
 5. Cost of any TRICOR employee training associated with the purchase;
 6. The effect of the purchase on TRICOR productivity;
 7. Implementation and start-up cost, including installation costs; life cycle costs, trade-in value and warranty options;
 8. Discounts;
 9. Environmental options and resources (green, energy efficiency and earth-conscious considerations) such as recycle options, remanufactured/refurbished products and/or equipment, packaging, certificates, permits, awards, successful and ongoing programs;
 10. Used products and/or equipment;
 11. The weight values (percent) options of items when applied to contract bid groups to ensure that the aggregate costs of a group reflects an accurate value of the items within the group that have the greatest volume or cost; or
 12. Contract group bid award factors such as the aggregate cost of creating purchase documents, receiving labor versus direct distribution or desktop delivery e.g. Just In Time (J.I.T.) methods, inventory carrying costs, invoice payment process and costs associated with the contract bid and administration process.
- e. Service Contract [T.C.A. § 41-22-408]. The procedures shall apply to all Service procurements and resulting contracts for personal services, professional services, and consultant services with the exception of those services that are in accordance with the approval as outlined in Section B, 2d of this manual.
1. Service contracting is the process of selecting the method by which TRICOR selects one or more contractors with which to contract for a given service which provides the greatest value to TRICOR. This selection is based on evaluating and comparing all pertinent factors, including price, so the overall combination will result in TRICOR's needs being met.

- a. Personal, professional, and consultant services shall be procured by a method that is determined in TRICOR's discretion to be efficient and reasonable. Except as otherwise provided in these processes, contracts representing the procurement of services shall be made on a competitive basis.
 - b. To be competitive, a procurement method must include a consideration and comparison of potential contractors, based upon both cost and quality (i.e., service provider qualifications, experience, and technical approach). The terms "proposal," "bid," "quote," and "offer" shall all denote that which a service provider provides for competitive consideration and comparison under any competitive procurement methodology.
 - c. Accordingly, the Request for Proposal process, Competitive Negotiation, or an Alternative Competitive Procurement Method may be used. Notwithstanding the foregoing, Non-Competitive Negotiation may also be used, in order for TRICOR to meet procurement objectives efficiently and effectively and in the best interests of TRICOR.
 - d. Regardless of the procurement methodology used, TRICOR shall retain a record of the procurement process and negotiations upon which each contract is based and documentation that each contract is awarded to a responsible and responsive proposer.
2. Request For Proposals (RFPs) - the formal solicitation of written proposals shall comply with the following requirements:

TRICOR shall prepare and issue an RFP and evaluate proposals.

An RFP shall set forth specific provisions including:

- a. directions regarding the submittal of proposals;
- b. a timeline of the RFP process that specifies deadlines - 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;
- c. providers shall be given a reasonable time, as determined by TRICOR, to consider the required scope of services and the proposal evaluation factors before proposals must be submitted;

- d. TRICOR requirements and restrictions regarding the RFP;
 - e. 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
 - f. a declaration of the contract terms and conditions which shall be required by TRICOR.
3. TRICOR Buyer Planner Manager or designee shall carefully consider all individuals involved with the development, formulation, drafting, or review of an RFP or its scope of services and safeguard against a conflict of interest.
- a. The appropriate TRICOR Director shall approve all RFPs and any addenda, amendments, and clarifications to RFPs that would result in contracts, before their public release. An RFP or its revisions shall be approved based on the following:
 - i. application of the requirements;
 - ii. adequacy of the scope of service description; and
 - iii. adequacy of the RFP's assurance of:
 - 1. openness to potential service providers;
 - 2. clear and open competition;
 - 3. achievement of procurement objectives; and
 - 4. protection of the TRICOR's interests.
 - b. Upon approval, TRICOR purchasing department shall send an actual RFP document or a formal notice that the specific RFP has been released to a documented list of potential service providers. The purchasing department shall determine the number of service providers to include on the list by considering the nature of the service sought, the anticipated amount of the resulting contract, and the number of known service providers.
 - c. The purchasing department shall disseminate the RFP and RFP Notice publically through posting on the TRICOR website 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 TRICOR.
 - d. 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. 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 TRICOR.
 2. Any proposal which fails to adequately separate the cost proposal components from the technical proposal shall be considered non-responsive and rejected by TRICOR.
- e. Proposal evaluations shall be conducted by TRICOR employees in such a manner as to reasonably ensure that all proposals are impartially considered and TRICOR requirements are adequately met.
1. Proposals shall be evaluated by a team of at least three (3) TRICOR employees.
 2. Prior to reviewing proposals, each Proposal Evaluation Team member shall review a list of service providers making proposals, determine if a conflict of interest exists with a potential contractor, and sign a conflict of interest statement. Said statement shall be retained as procurement file documentation.
 3. Proposals shall be evaluated on the basis of factors pertinent to the service sought and detailed in the RFP document.
 4. 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.
 5. In the event that a proposal evaluation process results in two or more proposals receiving evaluation scores that tie for the rank of highest score, TRICOR shall request best and final cost proposals from only those proposers with scores that tie for the rank of highest score. TRICOR shall

calculate new evaluation scores for the tying proposals by adding the original technical proposal scores to the recalculated cost proposal scores based on the best and final cost proposals. Should another tie result, the contract award shall be decided per section C.8. Award Criteria.

6. To affect a contract award to a service provider other than the proposer receiving the highest evaluation score, the Buyer Planner Manager, or designee of TRICOR shall provide written justification for such an award.
7. TRICOR shall communicate, clarify, and negotiate in the best interests of TRICOR, provided that all communication is conducted in a manner so as not to disclose any information that would give one or more proposers an unfair advantage or unfairly enable one or more proposers to improve their proposal.
8. TRICOR shall have the right, at its sole discretion, to amend an RFP in writing at any time. However, prior to any such amendment, TRICOR will consider whether it would negatively impact the ability of potential proposers to meet the proposal deadline and revise the RFP schedule if deemed appropriate.
9. TRICOR shall have the right, at its sole discretion, to reject any and all proposals.
10. Any proposal that does not meet the requirements of an RFP may be considered to be nonresponsive, and the proposal may be rejected.
11. Any proposal that restricts the rights of TRICOR or otherwise qualifies the proposal may be considered to be nonresponsive, and the proposal may be rejected.
12. Whenever TRICOR proposes to reject all proposals for a certain purchase, such action shall be taken only for the following reasons:
 - a. unreasonably high prices or failure of all proposals to meet technical specifications;
 - b. error in the request for proposals;
 - c. cessation of need;
 - d. unavailability of funds;

- e. a determination by TRICOR that proceeding with the procurement would be detrimental to the best interests of TRICOR, the reason for which must be documented and approved by the CFO.

13. TRICOR 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.

14. All proposals and other material submitted in response to an RFP become subject to public record requirements of TRICOR. Selection or rejection of a proposal does not affect its public records status. Upon the completion of the review and evaluation of proposals submitted in response to an RFP, evaluated proposals and associated materials shall be open for review by the public in accordance with [T.C.A. 10-7-504(a)(7)].

4. Competitive Negotiation - the informal process of verbal or written solicitation of proposals shall comply with the following requirements:

a. The Competitive Negotiation process may be used when it is determined by CFO that one of the following is true:

- i. public need will not permit the delay incident to the RFP process;
- ii. no acceptable proposals have been received after an RFP process;
- iii. rates payable for the services are regulated by law;
- iv. the services to be procured are legal or expert witness services; or
- v. the total cost of the services does not exceed an amount in excess of TRICOR CEO Authorization level, provided that service requirements shall not be artificially divided so that procurement meets these criteria.

b. Prior to proceeding with a Competitive Negotiation process, the Buyer Planner Manager, or designee of TRICOR shall justify such a procurement method in writing, based on the criteria set forth in Section B.2.a., and request and obtain the written approval of the CFO. Said request shall document the

criteria and methodology to be used in evaluating offers in response to the solicitation.

c. Upon approval to proceed with the Competitive Negotiation process, purchasing shall:

i. identify and contact at least three (3) potential service providers for Competitive Negotiation, provided, however, that purchasing shall contact minority, disadvantaged, and small business service providers as required by purchasing Policy 311.01,(I);

ii. communicate the requirements of TRICOR, solicit proposals, and clarify and negotiate as necessary in the best interests of TRICOR, ensuring that all communication is conducted 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;

iii. document all proposals in response to the solicitation; and

iv. select for contract award, in accordance with the approved evaluation criteria and methodology, the service provider meeting required qualifications, terms, and conditions and offering the best proposal in terms of qualifications, delivery, and cost.

d. Purchasing shall document the Competitive Negotiation process. Purchasing shall provide a summary of said documentation upon submitting the contract for authorized approval.

e. Subsequent to selection and negotiation Purchasing shall write a contract and initiate contract approval.

5. Alternative Competitive Procurement Method - an alternative process of procuring service shall comply with the following requirements:

a. TRICOR may devise and document procedures for an Alternative Competitive Procurement Method and use the methodology in a specific contractor selection process provided that:

i. prior, written approval of the CFO is obtained, and

- ii. prior, written approval of the CEO is obtained for procurement processes that will result in a contract requiring the approval of the CEO.
6. Non-Competitive Negotiation - the negotiation of the terms of a service contract with only one service provider shall comply with the following requirements:
- a. Non-Competitive Negotiation may be used when it is determined by the CFO that one of the following is true:
 - i. there is only one uniquely qualified service provider capable of performing the needed service;
 - ii. the selected service provider is a state agency or any political subdivision of the state of Tennessee created and existing pursuant to the constitution and laws of Tennessee or any instrumentality of government created by one or more political subdivisions of Tennessee or by an act of the General Assembly;
 - iii. the selected service provider is an entity of the federal government;
 - iv. the use of Non-Competitive Negotiation is in the best interests of TRICOR;
 - v. contracts for services by professional persons or groups of high ethical standards shall not be based upon competitive bids, but shall be awarded on the basis of recognized competence and integrity;
 - vi. the total cost of the services for which the contract shall be written does not exceed an amount in excess of TRICOR CEO authorization level, provided that service requirements shall not be artificially divided so that a procurement meets this criteria.
 - b. Before beginning Non-Competitive Negotiation, the CFO of TRICOR shall justify such a procurement in writing
 - i. A Non-Competitive Negotiation request shall specify:
 - 1. the petition to procure the subject service by means of negotiation with only the one, identified service provider;

2. the service provider with whom TRICOR would negotiate for the service;
 3. the service to be procured;
 4. the specific process per Section B.6.a. requirement(s) for Non-Competitive Negotiation believed to be satisfied by the subject procurement;
 5. the justification for Non-Competitive Negotiation detailing sound, business reasoning why a competitive procurement of the given services is not appropriate and why Non-Competitive Negotiation is in the best interests of TRICOR;
 6. the maximum cost of the non-competitive procurement; and
 7. the contract duration.
- ii. The request and approval for Non-Competitive Negotiation required by process per Section B.6.b. shall not be required when:
1. the selected service provider is a state agency or any political subdivision of the state of Tennessee created and existing pursuant to the constitution and laws of Tennessee or any instrumentality of government created by one or more political subdivisions of Tennessee or by an act of the General Assembly;
 2. the selected service provider is an entity of the federal government; or
 3. the total cost of the services for which the contract shall be written does not exceed an amount in excess of TRICOR CEO authorization level so long as that amount does not exceed the informal purchase thresholds established by the Procurement Commission, provided that service requirements shall not be artificially divided so that a procurement meets this criteria
- c. Upon approval to proceed with Non-Competitive Negotiation, TRICOR evaluation team (including procurement) shall negotiate the best possible terms and

price with the service provider, write a contract, and initiate contract approval in accordance with these procedures. Any communications related to negotiations must be documented.

- d. By signing the contract, TRICOR CEO indicates and confirms his/her determination that the contract price resulting from non-competitive negotiations is fair, reasonable, and competitive.
 - e. TRICOR shall document the Non-Competitive Negotiation process.
7. If bids are submitted by a vendor collectively in one large envelope, but respond to separate Invitations to Bid, each bid must be sealed in a separate envelope clearly marked on the outside or the bids will be rejected.
 8. TRICOR will not accept mail with inadequate postage. When postage-due mail is delivered, TRICOR cannot assume the responsibility for paying the amount due and will refuse the mail.
 9. A bid must be received in the TRICOR purchasing office on or before the date and time designated for the bid closing or the bid will be rejected.
 10. A bid bond issued by a surety company licensed to do business in the State of Tennessee may be required by the Invitation to Bid. When required, the amount of the bid bond shall be stated as a set amount or as a percentage of the bid price in the Invitation to Bid [T.C.A. § 62-6-129]. The bid bond cannot exceed five (5) percent of the total estimated value of the contract. Bid bonds submitted by unsuccessful vendors will be returned upon award of a contract [T.C.A. § 12-3-502 (i)].
 11. A performance bond issued by a surety company licensed to do business in the State of Tennessee may be required by the Invitation to Bid. When required, the amount of the performance bond [T.C.A. § 62-6-129] shall be equal to the combined monetary value of the services of the construction manager and the value of the work to be so managed. The amount may be reduced proportionately as performance under the contract moves forward successfully. Performance bonds must be filed with TRICOR within ten (10) business days after receipt of request. An irrevocable letter of credit or a certificate of deposit, from a state or national bank or a state or federal savings and loan association having its principle office in Tennessee may be accepted in lieu of a performance bond, subject to approval of the terms and

conditions of said irrevocable letter of credit or certificate of deposit.

12. Any time a contractor will be required to do work on state property, beyond delivering items to the TRICOR location, the contractor must submit an original (.pdf acceptable) certificate of insurance meeting the criteria listed below. The contractor is required to submit a certificate of insurance directly to the Purchasing Division for processing.

The contractor shall procure and maintain for the duration of the contract, at their own cost and expense insurance against claims for injuries to persons or damages to property including contractual liability which, may arise in connection with the performance of the work performed by the contractor, its agents, representatives, employees or subcontractors under the contract.

The insurance carrier(s) must be licensed to conduct business in the State of Tennessee. The insurance will be evidenced by an original or .pdf format document certificate of insurance. The certificate shall include wording which states the Purchasing Division will be notified thirty (30) days prior to cancellation of the coverage or a major change in the coverage provided. TRICOR shall be held harmless for any injuries, claims or judgments against the contractor.

Certificates for liability coverage shall name TRICOR as an additional insured. The following Insurance Coverages are required:

- i. Workers' Compensation Insurance: a certificate shall be provided which indicates the contractor provides workers' compensation coverage in compliance with the state laws of Tennessee, and Employer's Liability with the following limits:
 1. E.L. Each Accident \$500,000.
 2. E.L. Disease- Each Employee \$500,000.
 3. E.L. Disease - Policy Limit \$500,000.
- ii. General Liability and Property Damage Insurance: Comprehensive General Liability Insurance, including but not limited to, bodily injury, property damage, contractual liability, products liability, with combined single limits of \$500,000 per occurrence with a minimum aggregate of \$1,000,000.

The successful bidder(s) shall provide TRICOR with an original certificate of insurance or .pdf format document as proof of insurance coverage, as stated above, naming TRICOR, as an additional insured, within ten (10) business days after request. If the certificate of insurance is in .pdf format, it must be received directly from the insurance company.

Failure to maintain insurance coverage for the duration of the contract period may result in cancellation of the contract. In the event that the insurance policy on file in the TRICOR Purchasing Division expires or is canceled, the contractor will be required to cease work until proof of insurance is presented.

13. An invitation to bid will be dispatched either electronically or via print, or an Invitation to Bid may be obtained by a prospective bidder or vendor at the issuing location for TRICOR.
14. Any Purchase Order issued as a result of a vendor's bid will be sent to the firm's name and address/e-mail address registered to the specific vendor number stated on the Invitation to Bid.
15. It is understood and agreed that the signature shall constitute an offer when accepted in writing by TRICOR and subject to the terms and conditions of such acceptance will constitute a valid, binding contract between TRICOR and the vendor/contractor submitting such offer. Unsigned bids will be rejected. Unsigned bids cannot be signed after the bid has been opened, even if the bidder or the bidder's representative is present at bid opening. No signatures shall be in pencil.
16. Invitations to Bid shall request an actual and net price for the unit specified for each item. All pricing is FOB destination. The requirement for inside delivery must be stated within the Invitation to Bid and the resultant purchase order to assure that bidders are notified of such requirement and price their bids accordingly. The net price is list price less all trade or other discounts offered, not including cash discount for prompt payment. Unit price must be shown on the price sheet of the invitation to bid.
17. Each correction of a line item unit price made by the bidder on the bid response must be initialed in ink by each correction. No corrections will be made in pencil. No bid or line item shall be altered or amended after the bid opening. Failure to comply with the above may be cause for provisional rejection of part, or all, of the bid.

18. Invitations to Bid, request net prices. If cash discount for prompt payment is offered by the bidder, it must be shown in the space provided on the Invitation to Bid. Discount for prompt payment periods of less than thirty (30) days will not be considered in the award process. All discounts offered for prompt payment will be taken if earned. Cash discounts will be computed either from the date of delivery at destination and acceptance of the goods offered, or the date of receipt of correct and proper invoices prepared in accordance with the terms of the purchase order, whichever date is later. TRICOR is eligible for the cash discount if the warrant is issued and post marked to the appropriate vendor prior to the 30th day from the above computation. If the payment is made via ACH (direct deposit), the discount is earned if the effective date of the deposit is within the 30 day limit.
19. The number of calendar days required for delivery after receipt of order (ARO) must be shown by the vendor in the space provided on the Invitation to Bid. If delivery time is already specified by TRICOR and the bidder intends to comply, this space is not required to be completed by the vendor.
20. There are two terms that describe shipping methods accepted by TRICOR. No shipping charges will be paid when the terms of the purchase are "FOB Destination". This is the shipping method of choice. "Prepay and Add Freight" is the method of shipment used when the vendor will not ship "FOB Destination". The vendor pays the shipping charges and adds this amount to the invoice. The charges on the freight bill should be the same as the charges shown on the invoice. When utilizing the pre-pay and add freight method, the estimated shipping cost must be considered in the bid evaluation process and entered as a separate line on the purchase order. The freight bill must accompany the invoice when submitted for payment. One of the two methods of shipment must be used.
21. All competitive purchases will require a signed confirmation of the vendor's bid, either on TRICOR's bid form or the vendor's letterhead, according to the types of purchases identified above.
22. A minimum of two brands and models, or equivalents, will be sought for all materials, products, and equipment which meet minimum specifications. These brands and models are to be identified on the PR or solicitation request.
23. Prices quoted on bids shall be good for a minimum of thirty (30) days, unless a commodity is being purchased where prices are known to fluctuate. Bids can include an adder plus or minus of the index rate for a commodity item to cover fixed overhead

costs. Should the price of the commodity fluctuate, bids will be taken as needed.

24. Employees shall not engage in invoice splitting. All Procurement Requests must be approved by the appropriate approval authority. When the purchase of items is foreseen to be repetitive, the purchasing staff shall seek to procure these items with a TRICOR Term Contract (see Section J, "Term Contracts and Renewals").
25. All informal and formal bids to outside vendors shall be solicited by the designated authorized Purchasing Agent. The individual initiating the purchase request will complete a TRICOR PR and forward it to the appropriate Purchasing Agent. The authorized Purchasing Agent will review all PRs for completeness and required approval authorization. PRs not properly completed or approved will be returned to the initiator for corrections prior to continuing the purchasing process. Minimum requirements to initiate a PR are as follows:
 - a. Complete a PR in its entirety, including suggested vendors (if any), the specification requirements, special handling, required delivery date, quantity, Unit of Measure (UOM), cost center, and any other unique requirements to expedite the purchasing process.
 - a. Provide detailed documentation, justification, and appropriate approval for the purchase.
 - c. Forward all approved procurement requests to the authorized Purchasing Agent.
 - d. All PRs or MRP orders must meet approval authority level referenced in Section E, "Purchasing Approvals".
26. Responsibilities of the purchase initiator are as follows:
 - a. Define a need for the product, equipment, or service.
 - b. Develop the critical features for the product, equipment, or service required.
 - c. Specify preferred unit of measures, cost center.
 - d. Identify the minimum specifications to ensure a competitive bidding process can be initiated.

- e. When possible, identify preferred or suggested vendors on a listing with name, address, telephone number, fax number, and contact names.
- f. Attach any critical or special information pertaining to the purchase to the PR.
- g. When applicable, submit requests for equipment purchases to the Engineering and Quality Assurance Manager for review prior to bidding and awarding a Purchase Order.
- h. Attach all general, sole source, or proprietary purchase justifications, blueprints, drawings, sketches, specifications, and detailed vendor requirements or work statement.
- i. Request a Sole Source letter, if applicable, from the vendor/supplier on their letterhead for inclusion with the PR.
- j. Obtain all appropriate approvals and forward completed PR and all supporting documentation to the appropriate purchasing agent.

27. Responsibilities of the Purchasing Agent are as follows:

- a. Receive completed PRs, assign a PR number, review supporting documentation, and consult with the TRICOR operations staff, if applicable, to determine whether requested purchase items can be produced by a TRICOR operation before initiating a Solicitation or Purchase Order. Submit the Supplier Proforma to supplier for raw material suppliers supporting a production facility and review upon receipt.
- b. Process all PR's requiring a TRICOR solicitation format.
- c. Tabulate all returned solicitations and prepare appropriate recommendations prior to awarding a Purchase Order or contract. Communicate with the purchase initiator as required.
- d. Communicate with the initiating party, as required, to ensure goods, services, or equipment are purchased, by the required date needed.
- e. Send completed Purchase Orders to the vendors, initiator of the PR, and accounts payable.

28. A PR is required to purchase from the Department of General Services, Surplus Property Division. The appropriate approvals shall be obtained as referenced in Section E, "Purchasing Approvals".
 29. Purchase Orders may be awarded by one of two evaluation methods.
 - a. When cost is the primary factor, the Purchase Order will be awarded to the lowest cost, responsive and responsible vendor meeting specifications. The specifications will include delivery terms. If none of the bidders conform to all specifications, TRICOR reserves the right to negotiate further with the bidders. Documentation of negotiations will be maintained in solicitation files.
 - b. If cost is not the primary factor to consider, TRICOR will define the relative weighted evaluation factors in the solicitation. Weighted values will be defined in the solicitation or Request for Proposal (RFP) process. Factors which will be considered include, but are not limited to price, time to, delivery, warranty, and qualifications and experience of the proposed vendor. The award will be made to the best evaluated proposal based on the criteria set forth in the solicitation. When this method is utilized, justification will be provided for the chosen vendor. Cost will be a minimum of 40% of the criteria.
 30. After all quotations have been received and examined for completeness; a summary sheet will be prepared identifying all pertinent information and discrepancies. Determination of the successful bidder, and awarding of the Purchase Order, will be made only after all aspects stated in the bid have been considered. A statement will be included to justify the award of the purchase order or contract.
 31. TRICOR will use State of Tennessee statewide contracts where applicable, but reserves the right not to buy from the contracts and instead using the competitive bidding process. TRICOR shall document the reason for not utilizing a statewide contract.
- f. Cancellation/Amendment to the Invitation to Bid. The Invitation to Bid may be canceled or amended any time prior to bid opening by the issuing agency with a notice to all bidders. The procurement cancellation shall be approved by the Buyer Planner Manager, or designee.
- g. Rejection of All Bids. Action to reject all bids shall be taken only for unreasonably high prices, error in the Invitation to Bid, cessation of need,

unavailability of funds, or failure to secure adequate competition. Any rejection of all bids shall be approved by the Buyer Planner Manager, or designee.

C. AWARD POLICY

Procedure

The purchases from bids and solicitations will follow this award policy.

Process

1. The Purchasing Department reserves the right to reject any or all bids that contain prices for individual items that are inconsistent or unrealistic when compared to other prices in the same or other bids, if such action would be in the best interest of TRICOR. This rejection shall be approved by the Buyer Planner Manager, or designee.

Action to reject all bids shall be taken only for unreasonably high prices, error in the Invitation to Bid, cessation of need, unavailability of funds, failure to secure adequate competition.

2. If a bidder fails to state the time within which a bid may be accepted, TRICOR shall have ninety (90) days to accept.
3. TRICOR may inspect the facilities of any bidder or may require additional information regarding a bidder's ability to perform the proposed contract. Bidders may be requested to complete the TRICOR Pro-forma as part of the qualification process. Bids may be bypassed for lack of apparent ability to perform the proposed contract. TRICOR shall document the reason for which a bid is bypassed. A bidder must, upon request of TRICOR, furnish satisfactory evidence of the ability to furnish products or services in accordance with the terms, conditions, and specifications. Bid bonds, performance bonds and/or other security may be required for any contract. Any such requirement must be set forth in the Invitation to Bid.
4. Each contract shall be awarded and let by TRICOR with reasonable promptness. The solicitation coordinator shall notify the selected bidder and non-selected bidders of the intent to award by providing all bidders with a copy of the intent to award sent to the awarded bidder.

Where more than one item is specified in the Invitation to Bid, TRICOR reserves the right to determine the low bidder(s) either on the basis of each individual item, a group of items, or total of all items, unless otherwise provided in the Invitation to Bid.

5. Technical offers and bids shall be evaluated based on the requirements set forth in the Invitation to Bid. Evaluation factors may include criteria to

determine acceptability of the good or service. Such criteria may include, but is not limited to, inspection, testing, quality, workmanship, delivery and suitability for a particular purpose. The criteria that will affect the bid price, and be considered in evaluation for award, shall be objectively measurable (quantifiable). The Invitation to Bid shall set forth the evaluation criteria to be used. No criteria or factors may be used in the bid evaluation that are not set forth in the Invitation to Bid [T.C.A. § 12-3-502(e)].

6. Alternate bids may be accepted, unless specifically excluded from the solicitation, if the alternate bid meets specifications and submitted on TRICOR provided pricing documents prior to the bid closing deadline.
7. Each Invitation to Bid shall be opened at a date and time after the bid process closes. The solicitation coordinator shall notify the selected bidder and non-selected bidders of the intent to award by providing all bidders with a copy of the intent to award sent to the awarded bidder.
8. A tie bid exists when two or more bidders offer products or services that meet all specifications, terms and conditions at identical prices, including cash discount offered for prompt payment. In such case, a tie bid will be broken by the following methods, in descending order:
 1. "Tennessee Bidder" means a business [T.C.A. § 12-3-1113(c) (2)(C)]:
 - i. incorporated in this state;
 - ii. that has its principal place of business in this state; or
 - iii. that has an established physical presence in this state.
 2. Small business
 3. Award item (s) to bidder who was low bidder on other items being bid per the same requisition;
 4. Best delivery;
 5. By lot or coin toss.
9. Bid prices may not be amended or changed after the bid opening.
10. To be considered, foreign made goods must meet specifications and must be in stock in the continental United States and available for immediate shipment at the time bids are submitted. If foreign made machines or mechanical equipment are offered, such offer must be supported by evidence acceptable to TRICOR that adequate service locations, service personnel, and repair parts are available to TRICOR from stock in the continental United States.
11. The solicitation coordinator should have a complete procurement file available to the public before the notice of intent to award is sent out,

which begins the open file period. Bidders will have seven days from the time they knew or should have known (they are deemed to "know" when the intent to award notice is sent) to protest the award.

12. The solicitation coordinator and evaluation team SHALL NOT reveal information regarding the evaluation process or costs to anyone (including other State employees, bidders, non-State entities) until the intent to award notice is issued.
13. Once the open file period has passed and no protests have been received, the solicitation coordinator may begin the award process in Edison.
14. The delivery of a TRICOR Contract Award requires signatures of both parties to be fully executed.

TRICOR personnel are not authorized to sign standard contract forms used by vendors, only the CEO for TRICOR is authorized to sign contract forms.

D. TERMS

Procedure

The purchases from bids and solicitations will follow these terms and conditions.

Process

1. Standard terms and conditions that apply to all Invitations to Bid are to be added to the event by the purchasing agent to become part of the bid document. These are normally referred to as the "boiler plate" and require the approval of Buyer Planner Manager, or designee for any changes, after General Counsel's review.
2. Special terms and conditions that apply to term contracts and one time purchases are to be added to the event by the purchasing agent in accordance with the specific requirements of the event to become part of the bid document. These terms may be amended as required with the approval of the Buyer Planner Manager, or designee.
3. Permanent changes to special terms and conditions shall require General Counsel's review.
4. Any request for a lease with an option to purchase at the end of the term of such lease should include documentation as to why this method is preferred in lieu of an initial open market purchase. These factors will be utilized in the analysis by Purchasing in determining the best method of purchase. If the lease purchase method is applied, the Invitation to Bid should include a cost for a buy-out at the end of the term of the lease.

Pursuant to Tenn. Code Ann. § 12-3-309, all persons and entities entering into a contract with the State must first attest in writing that such person or entity will not knowingly utilize the services of any subcontractor will will utilize the services of illegal immigrants in the performance of the contract. All solicitations and awarded contracts shall require this signed attestation.

E. PURCHASING APPROVALS

Procedure

Each employee has the responsibility of obtaining maximum value for every dollar of funds expended. The Purchasing Department is responsible for ensuring that TRICOR obtains maximum value for all expenditures. It is the responsibility of the Purchasing Agents to ascertain that all elements of evaluation, negotiations, and recommendations pertaining to a proposed purchase are completed for review and approval by the approving authority.

Process

1. A properly completed Procurement Request or MRP order with approval at the appropriate level is required for all purchases.

A. PURCHASE ORDER SIGNATURE APPROVALS

- a. The Purchasing Agent will be responsible for reviewing **“contract” MRP** purchase orders generated from TIMS. The signature approval(s) required for MRP “contract” purchase orders are:

DOLLAR VALUE	APPROVAL REQUIRED (Approvals are cumulative)
Purchases up to \$50,000	Authorized Purchasing Agent
Purchases up to \$100,000	Buyer Planner Manager
Purchases up to \$200,000	Chief Operations Officer and Chief Financial Officer
Purchases in excess of \$200,000	Chief Executive Officer

- b. All **MRP “non-contract” purchase orders and production procurement requests** (whether for one time purchases or contracts) will require the following signature approval(s):

DOLLAR VALUE	APPROVAL REQUIRED (Approvals are cumulative)
Purchases up to \$5,000	Authorized Purchasing Agent
Purchases in excess of \$5,000	Buyer Planner Manager
Purchases in excess of \$25,000	Chief Operations Officer and Chief Financial

Purchases in excess of \$75,000	Chief Executive Officer
Purchases of any single payment in excess of \$100,000	TRICOR Board of Directors
Emergency purchases	Chief Executive Officer; Board Treasurer will be notified promptly.

- c. Maintenance, repair, operating (**Expense Orders**) Contract and Non Contract purchase orders:

DOLLAR VALUE	APPROVAL REQUIRED (Approvals are cumulative)
Purchases up to \$5,000	Department Manager and Authorized Purchasing Agent
Purchases in excess of \$5,000	Buyer Planner Manager, Chief Operating Officer or Chief Financial Officer
Purchases in excess of \$75,000	Chief Executive Officer
Purchases of any single payment in excess of \$100,000	TRICOR Board of Directors
Emergency purchases	Chief Executive Officer; Board Treasurer will be notified promptly.
Capital Equipment	See Section on Capital Equipment Purchases

- d. All contracts must be signed by the Chief Executive Officer. In the event of an emergency or in the extended absence of the Chief Executive Officer, a designee will have signature authorization as noted on a Signature Authorization Form. (Note: See Section B.2.d.)

2. A Signature Authorization Form (see Attachment B) must be submitted to the Chief Financial Officer and Buyer Planner Manager, which identifies each person authorized to have signature approval authority.

Approval level does not imply authority level to purchase equipment, products, raw materials, supplies, or services. This means that approval must be granted at the appropriate management level for purchases. The approval process documents compliance with all State of Tennessee and TRICOR purchasing policies and procedures.

3. The last page of typed Purchase Orders and revision notices which reflects the dollar value of the Purchase Order must be signed by the Purchasing Agent.
4. It is an acceptable business practice for some commodities, such as printing and fabric, to have a 10% quantity variance. In these instances, overages or shortages are acceptable, within the variance, and do not require a purchase order change. The actual quantity received should be indicated on all receiving documents for inventory and accounting

purposes. Any shipments in excess of the allowable variance shall be reported to the initiating Purchasing Agent for appropriate action.

5. TRICOR employees will maintain appropriate ethical standards and avoid conflicts of interest in accordance with TRICOR Policy 211, Conflicts of Interest and the Acceptance of Gifts and Gratuities

F. PURCHASE WITH P-CARD

Procedure

P-Cards are the State's payment cards and are used to pay for certain purchased items (MCC codes) with specific daily and transactional limits. The cards are used when an employee needs to make an immediate purchase on behalf of TRICOR. The purchases are typically a "Small Value Purchase", which is currently \$5,000 or less. This process is operated through the Edison System. Adherence including training, processing, reconciliation, and approvals are done in Edison.

Process

1. All purchases submitted to Purchasing for processing with a P-Card require a PR with all appropriate signature approvals.
2. P-Cards cannot be used for raw material purchases and must be used in accordance with guidelines in State P-Card manual.

G. EQUIPMENT PURCHASES

Procedure

All equipment needs shall be addressed in the formal annual budget process to ascertain the availability of funds for the proposed expenditure. Priorities will be established and justification guidelines will be provided during the budgeting process. Equipment requests not included in the budget will be considered contingent upon the status of revenue collections and/or on an emergency basis.

Process

1. Equipment requests will initially be submitted on a completed Procurement Request. The purchase request for equipment that has not been approved during the budgeting process should be accompanied with appropriate justification. Justification shall state whether the purchase is replacing existing equipment or how it will either create new revenues or reduce costs by gained efficiencies. Any known suppliers of the equipment shall be identified. A minimum of three suppliers is preferred. The Procurement Request must also include equipment specifications.

2. Equipment specifications will be submitted on a product comparison chart. Specifications shall be functional or performance specifications, whenever possible, must be clearly stated, and easily understood. Specifications must be open and competitive with two or more models, identified by manufacturer or brand, which will meet or exceed minimum performance requirements. The use of brand name alone will not be permitted as a substitute for specifications. When specifications are not available and the brand name is used, the words or equal \cong , shall be included.
3. All equipment requests, whether for new or used/rebuilt items, must be reviewed and approved by the appropriate general manager to ensure appropriate utilities (electric, air, gas, or water) are available for the equipment (per Policy 805, Acceptance of New, Used, Rebuilt and Repaired Machinery) prior to Director's approval, to ensure critical specifications and Federal OSHA compliance requirements are met before solicitation is sent to vendors.
4. All equipment PR's will meet approval levels (Section E.) based upon the estimated cost, prior to being sent to the appropriate Purchasing Agent.
5. The PR must initially be approved at all appropriate levels and then forwarded to the Chief Financial Officer to ensure budget availability. After approved, the PR will then be forwarded to the Purchasing Agent designated to make equipment purchases by the appointing authority.
6. All equipment offered must be new unless the Invitation to Bid specifically permits offer of used equipment. Reconditioned items are considered used.
7. Used equipment may be bid if determined to be more economically feasible, while still obtaining quality standards. This can be accomplished by comparing and documenting, in the solicitation file, the cost of used equipment versus the cost of new equipment. Supporting documentation will be provided with the procurement request and maintained in the solicitation file. The willingness to accept used equipment must be identified to all potential bidders. The condition of used equipment will be verified before purchase and demonstrations may be required. Used items are not acceptable if serial numbers or other manufacturer's identifying labels/markings have been removed, defaced, or altered in any way. The value of used equipment will be determined in conjunction with the Department of General Services, Surplus Property Division.
8. TRICOR may request bids for new equipment by using a trade-in of used existing equipment. In such cases, two price quotations will be requested; one with a trade-in and one without a trade-in, for the desired equipment. TRICOR reserves the right to award the bid with or without a trade-in.

9. All equipment purchases exceeding \$5,000 or classified as “sensitive items” will be entered into the Edison system by the property manager in Finance Department for inclusion in the inventory system and establishing accountability. Freight and installation charges shall be included in the cost of all equipment.
10. Any major maintenance, renovations, or capital project expenditures will be included in the State of Tennessee Capital Projects Budget and sent to the State Building Commission for approval.

H. PURCHASE ORDER PREPARATION, PROCESSING, AND CONTROL

Procedure

Purchase Orders authorizing vendors to ship and invoice goods or services will be generated using TIMS authorizations.

Process

1. When a Purchase Order/Contract is issued as an acceptance of the vendor’s offer, a contractual relationship immediately arises. A Purchase Order constitutes the final and entire agreement between the vendor and TRICOR.
2. All purchase orders will be issued in TIMS.
3. Copies of signed Purchase Orders will be distributed by the Purchasing Agent as follows:
 - a. One copy to the Purchasing Agent’s bid documentation file maintained at the central purchasing office.
 - b. One copy to TRICOR Accounts Payable,
 - c. One copy to the vendor, and
 - d. One copy to the requestor or receiver of the purchased items.
4. A record of Purchase Orders will be maintained in TIMS for audit purposes, in addition to supporting documentation of the purchase being maintained within the Purchasing Agent’s file.
5. The Purchasing Department will keep records and documentation of the circumstances regarding any voided or destroyed Purchase Orders. All Purchase Order numbers must be accounted for in TIMS.

I. PURCHASING FROM SMALL, WOMAN-OWNED, TENNESSEE SERVICE-DISABLED VETERAN OWNED, AND MINORITY-OWNED BUSINESSES

Procedure

TRICOR shall give preference to small businesses, woman-owned businesses, Tennessee service-disabled veteran owned businesses, and minority-owned businesses when awarding contracts or agreements, and purchasing goods and services provided the terms, price, conditions, and quality associated with such businesses' proposals are equal to those from other businesses.

Process

1. Soliciting Bids: TRICOR staff will actively solicit bids from small businesses, woman-owned businesses, Tennessee service-disabled veteran owned businesses and minority-owned businesses whenever possible to acquire a fair proportion of purchases from these entities.
 - a. The Governor's Office of Diversity Business Enterprise has compiled a comprehensive directory of minority owned, woman-owned and small businesses and the directory of active and certified business will be used in locating potential sources for various product and services. The list is located on the world-wide-web at: www.tn.gov/diversity or intranet site at www.intranet@state.tn.us.
 - b. The Buyer Planner Manager shall report to the Governor's Office of Diversity Business Enterprise, as requested, forthcoming purchases and contract opportunities and the level of participation by minority-owned, woman-owned, Tennessee service-disabled veteran owned, and small businesses.
2. Annual Report: The Buyer Planner Manager will report annually, on or before November 30, to the Chief Financial Officer and the Chief Executive Officer concerning the awarding of purchases to small, minority, Tennessee service-disabled veteran owned, and woman-owned businesses and the total value of awards made during the preceding fiscal year. The annual report will include the following:
 - a. The number contract awards that included:
 1. Small businesses solicited,
 2. Minority-owned businesses solicited,
 3. Tennessee service-disabled veteran owned businesses solicited,
 4. Woman-owned businesses solicited,
 5. Bids received from small businesses,
 6. Bids received from minority-owned businesses,

7. Bids received from Tennessee service-disabled veteran owned businesses, and
 8. Bids received from woman-owned businesses.
- b. The amount of contract purchases awarded to small businesses, minority-owned businesses, Tennessee service-disabled veteran owned, and woman-owned businesses.
 - c. The following information shall be included for each African-American, Hispanic, Asian-American, and Native-American owned businesses:
 1. The number of businesses solicited within each category,
 2. The number of bids received from each category, and
 3. The total number and dollar amount of all purchases awarded within each category.
 - d. The total number and dollar amount of all purchases by TRICOR during the reporting period.

J. TERM CONTRACTS AND RENEWALS

Procedure

TRICOR will establish agency contracts, whenever possible, to obtain competitive prices. Contract renewals shall be executed prior to the expiration date of the existing contract.

Process

Contracts will be established for all goods or services that account for 80% of the annual dollar spend.

1. Types of contracts to be initiated are a Term Contract or a Multi-Year Contract.
 - a. Term contracts will be used to establish a vendor for specific products, materials, equipment, and services at a specified price, or discount percentage of catalog list price, from a supplier. These contracts normally do not exceed twelve (12) months. The estimated quantity does not obligate TRICOR to meet or exceed these solicitation requirements. These quantities may vary based upon time, historical usage, or market requirements.
 - b. A Multi-Year Contract includes an option to renew in twelve (12) month increments, after completion of the first year. Contracts will not exceed sixty (60) months (five (5) years). The intent for renewal options will be identified in the bid invitation. Prior to the expiration of the contract renewal, the Buyer Planner Manager, or

designee will review, evaluate, and document contract compliance, complaints, or irregularities and determine whether to renew or proceed with cancellation of the contract.

2. Any TRICOR operation requiring a contract will complete a "Request for Contract for Goods or Service" form (see Attachment E) and forward it to the Buyer Planner Manager.
 - a. The Requisition for Contract is submitted to the Buyer Planner Manager.

This request must include the following:

 1. Specific type of commodity or service requested;
 2. Term of the contract;
 3. An estimate of the amount to be spent for the entire length of the contract;
 4. Estimated quantity of items to be purchased;
 5. Detailed open and competitive specifications for the product or service to be purchased.
 - b. Justification is required as to why such a long-term contract request is advantageous or necessary. Some examples include:
 1. Repetitive commodity or service with stable pricing market;
 2. Services required that are dependent upon a continual high level of performance, or
 3. Any other reason approved by Purchasing.
 4. Guidelines for Supplier Classification when determining what type of contract should exist for the vendor. (Reference Attachment D)
3. Economic Order Quantity (EOQ), storage costs, early payment discounts, and alternative buying sources shall be considered during the contract solicitation process.
4. Solicitations for contracts will require completion and approval of all information identified on the Request for Contract or Service form.
5. TRICOR's intention is to competitively bid all contracts. The number of bid solicitations distributed will vary depending on the availability of suppliers.
6. When bidding a new contract, an extension of up to one hundred eighty (180) days may be granted to an existing contract, if the existing contract contains the one hundred eighty (180) day extension clause. Contract extensions must be approved by the Buyer Planner Manager.

7. A mechanism for tracking contracts will be maintained to include the following:
 - a. Product Number (if applicable),
 - b. Description of items purchased,
 - c. Vendor Name,
 - d. Contract Number,
 - e. Purchasing Volume,
 - f. Contract amount, dates, and notes,
 - g. Small businesses,
 - h. Minority-owned businesses,
 - i. African American owned businesses,
 - ii. Hispanic American owned businesses,
 - iii. Asian American owned businesses,
 - iv. Native-American owned businesses.
 - i. Woman-owned businesses,
 - j. Tennessee service-disabled owned businesses,

The Excel database will be updated daily as contract changes and/or new developments occur.

8. The Purchasing Department Section shall initiate the new contract ninety (90) days prior to the current contract expiration, as follows:
 - a. 0 to 15 Days - Gather information and prepare solicitation to bid. (Specifications, Quantities, etc.)
 - b. 15 to 30 Days - Mail bid solicitation to potential vendors and award contract to successful vendor.
 - c. 30 to 60 Days - Re-bid if necessary or obtain approval signatures.
 - d. 60 to 90 Days - Obtain approval signatures.

K. SOLE SOURCE PURCHASING

Procedure

Sole source purchases will be approved when only one particular vendor can supply the purchase.

Process

1. Sole Source Purchases must meet one or more of the following criteria:
 - a. The vendor's product possesses exclusive and/or predominant capabilities or contains a patented feature.

- b. The product or service is unique and easily established as one of a kind.
- c. The product is only available from one source and not merchandised through wholesalers, jobbers, or retailers.
- d. Items are interchangeable or compatible with existing items.
- e. Whether the program requirements can be modified so that competitive products or services may be used.

The individual initiating the purchase must provide a written justification for the sole source which includes, but is not limited to, appropriate and applicable criteria identified in 1.a. through e., above.

- 2. Sole Source justification must accompany any sole source purchase request. The individual initiating the purchase must request a letter from the vendor stating that they are the sole supplier of the product or it is not sold through other distributors. Purchasing staff will document, within the purchasing file, all contacted vendors to verify and substantiate the sole source requirement. A written bid must be submitted and received by the Purchasing Section, which will be placed in the documentation file.
- 3. Monetary approval levels identified in Section E. "Purchasing Approvals" are required for all sole source purchases.
- 4. All Sole Source Purchases must be approved by the Buyer Planner Manager and documented in accordance with the requirements of this section. A Purchase Order/Contract will be issued once the bid is received, reviewed, and evaluated, by the Purchasing Division.

L. PROPRIETARY PURCHASES

Procedure

Marketing of a proprietary product is generally controlled by franchisees which may include competitive sales at wholesale or retail levels. Any request for a proprietary purchase must be justified by the initiator and approved by the Buyer Planner Manager.

Process

- 1. Written justification, as indicated below, must accompany any proprietary purchase request.
 - a. Vendor possesses exclusive and/or predominant capabilities or contains patented feature.

- b. Product or service is unique and easily established as one of a kind.
 - c. Items must be interchangeable or compatible with existing items.
2. Written bids (faxed, mailed, or sealed) will be sent to suppliers capable of delivering proprietary products or services.

M. PURCHASE DOCUMENTATION FILE

Procedure

All purchasing transactions will be properly documented and maintained on file for a minimum of three (3) years and until audited. Documentation of purchasing transactions will be available for auditing review at any time.

Process

1. The authorized Purchasing Agent will establish a documentation file which contains the following information:
 - a. Copy of completed Procurement Request form TO-0053, and/or TIMS Requisition,
 - b. Copy of all bids and vendor responses,
 - c. Vendor bid tabulation spreadsheet indicating all pricing information,
 - d. Purchasing Agent's recommendation for award,
 - e. Approved Procurement Request and related supporting documentation,
 - f. Copy of the Purchase Order, and all Purchase Order Changes,
 - g. Reference number of active contract, if applicable, and
 - h. Copy of each Purchase Order released from active contracts.

N. PURCHASE ORDER CANCELLATION

Procedure

Suppliers will be given thirty (30) days notification, in writing, prior to cancellation of a Purchase Order. Purchase Orders may be canceled in one day for cause or non-performance.

Process

1. A TIM's cancellation will be initiated for any cancelled Purchase Order. The words "Cancellation Notice" shall appear conspicuously on the face of a copy of the cancelled Purchase Order.
2. The authorized Purchasing Agent will request a signed acknowledgment from the vendor of the cancellation notice.
3. Copies of the cancellation notice will be distributed as follows:
 - a. One to the vendor,
 - b. One to the purchasing file,
 - c. One to the applicable TRICOR receiver of the items indicated on the Purchase Order, and
 - f. One to Accounts Payable.

O. PURCHASE ORDER CLOSING AND PAYMENT

Procedure

Purchase Orders will be verified and all goods or services will be received prior to payment being made.

Process

1. Purchase Orders will remain in the pending file until the goods or services have been received. Upon notification of satisfactory performance of service or receipt of goods, the Purchase Order will be removed from pending status.
2. Upon receipt of a vendor invoice, the Accounts Payable Section will verify the receipt of goods delivered or services received. The Purchase Order defines price, terms of payment, and freight terms. The invoice must comply with these terms.
3. When making payment, the Accounts Payable Section must ensure that quantities on the invoice agree with the receiving register, extensions and totals are correct, cash discounts are taken, if earned, and that the proper voucher number, date, cost center, and object code are indicated.
4. Any discrepancies on the Purchase Order shall be referred to the authorized Purchasing Agent. The Buyer Planner Manager will resolve any differences and return to the Accounts Payable Section.

5. In accordance with the Prompt Payment Act of 1985, T.C.A §§ 12-4-701 *et seq.*, if no date for payment is agreed upon in the contract, payment will be made within 45 days after receipt of the invoice. Overdue payments may accrue 1½ percent interest per month beginning on the day after the payment is due.

P. REJECTED AND RETURNED MATERIAL

Procedure

All rejected materials will be returned to the vendor and appropriate documentation initiated to ensure proper credit is received and replacement, if required, is properly controlled.

Process

1. Rejected and returned materials will be processed as follows:
 - a. Obtain a returned goods number from the vendor.
 - b. Prepare shipping order and TIMS return to vendor (RTV) identifying all pertinent information, such as authorization number, part number, quantity, description of item, and details of appropriate solution.
 - c. If replacement materials are involved, all documentation will be attached to the Purchase Order and placed in an open order file. If replacement is not necessary, and the order is otherwise closed, it will be filed in the returned goods folder.
 - d. On orders where replacement parts are required, necessary documentation shall be sent to the receiving location.
 - e. A shipping order shall be sent to the shipping location for delivery of goods.
 - f. When documentation is received indicating the shipment date, file information in folder, retrieve accounting copy of the shipping order and RTV, and send to the Accounts Payable Section.
 - g. When the accounting function is completed, documentation will be forwarded to the Purchasing Section verifying that entries have been made into the accounts payable system.
 - h. Any additional expenses to TRICOR, generated by rejected and returned materials, shall be charged to the vendor.

- i. All documents pertaining to the transaction will be maintained in the Purchase Order file.

Q. PURCHASE ORDER OVER SHIPMENTS AND UNDER SHIPMENTS

Procedure

Shipments which are more than 10% over or under the original Purchase Order will not be accepted. Any shipments in excess of the allowable variance shall be reported to the authorized Purchasing Agent for appropriate action. Under shipments are to be reported to the Purchasing Agent for review and disposition of the Purchase Order. Partial shipments should be discouraged, and only requested for urgent material needs.

Process

1. Whenever possible, purchased materials are to be shipped in the exact quantity ordered. Possible exceptions will be in small value items or specially manufactured items. Standard industry tolerances must be taken into consideration.
2. When it is critical to our requirements that the entire quantity ordered be received, the Procurement Request and Purchase Order shall be marked "DO NOT UNDER SHIP". These orders may be subject to an over shipment.
3. It is acceptable business practice for certain commodities, such as printing and fabric, to have a 10% quantity variance. In these instances overages or shortages are acceptable, within the variance, and do not require a purchase order change. The actual quantity received should be indicated on all receiving documents for inventory and accountability purposes. Any shipments in excess of the allowable variance shall be reported to the authorized Purchasing Agent for appropriate action. A Purchase Order Change will be issued, if accepted. The authorized Purchasing Agent will contact the vendor for a return authorization for any overage not accepted, which are being returned to vendor at the vendor's expense.
4. Payment for a completed order, in regard to the 10% tolerance, will be the unit cost multiplied by the actual number of units received.
5. When the Purchasing Agent, General Manager, Farm Manager, or Division Director determines that a shipment is rejected, the merchandise will be returned at the vendor's expense. Reference Policy 709 Material Receipts, for Return To Vendor.
6. If a supplier continuously over ships materials, the Buyer Planner Manager will be notified.

7. The Buyer Planner Manager will be the final authority on whether to accept or reject any over shipment or under shipment.

R. FREIGHT

Procedure

In accordance with the overall objectives of securing the necessary materials and services required at the lowest cost, continued efforts must be made to ensure that the most desirable means of transporting goods from vendors to TRICOR locations are used.

Process

1. The most efficient and economical transportation means available will be used. Transportation costs can be held to a minimum by implementing the following.
 - a. Use the most efficient and effective method of transportation.
 - b. Use the most advantageous routing for the specific purchase.
 - c. Use suppliers near the destination point whenever possible.
 - d. Ensure that shipping instructions are followed consistently by suppliers and carriers.
 - e. Develop preferred carriers, after negotiating for maximum discounts.
 - f. TRICOR's preference is F.O.B. destination.
 - g. Release materials in the most economical quantities considering total cost, including transportation.

S. VENDOR COMPLAINTS

Procedure

Every effort will be made to resolve problematic vendor issues as soon as they arise.

Process

1. Items with unacceptable visible defects shall be refused, returned, and reported as returned, immediately, with an explanation for the return. Obscure damages will be reported immediately upon detection. The performance status of the receipt should be recorded in TIMS under the Vendor Performance section for the header and also for the line item of

the receiving process. The receiver will make every reasonable effort to resolve the problem.

2. When the problem cannot reasonably be resolved, a clear description of the situation will be sent to the Buyer Planner Manager. Buyer Planner Manager will file a written complaint with the vendor by utilizing the Supplier Corrective Action Request (SCAR) process.
3. Vendors are required to respond to a written complaint within 7 working days. If a reply is not received, the Buyer Planner Manager will contact the vendor and attempt to secure a definite commitment of action. Failure to reply may result in the vendor being removed from future bid opportunities.
4. Vendor complaints should be considered any time a vendor fails to comply with the Purchase Order and/or Contract. Examples of non-compliance include, but are not limited to:
 - a. Over shipments,
 - b. Under shipments,
 - c. Late shipments,
 - d. Failure to ship,
 - e. Damaged products,
 - f. Defective products,
 - g. Shipments not in conformance with specifications,
 - h. Unauthorized substitutions,
 - i. Billing errors,
 - j. Service deficiencies,
 - k. Failure to respond to complaints,
 - l. Unethical practices,
 - m. Misrepresentation of merchandise,
 - n. Conviction, plea of guilty, or no contest plea to crimes involving fraud or restraint on trade regarding public contracts.
5. The Buyer Planner Manager will decide if the complaint requires a vendor's removal from the bid list. Factors to consider are the seriousness of the problem, the vendor's history, and the number of complaints in relation to the number of Purchase Orders issued.
6. Protests subsequent to award shall be resolved by the TRICOR Chief Executive Officer through the Chief Financial Officer.

T. RESOLUTION OF VENDOR PROTEST

Procedure

All vendor protests will be resolved by the TRICOR Chief Executive Officer through the Chief Financial Officer.

Process

1. Prior to the commencement of court action, any actual or prospective bidder who claims to have been harmed in connection with a bid, the bid process, or a pending contract award may protest to the Chief Executive Officer of TRICOR. The protest shall be submitted, in writing, within 7 days after the claimant knew or should have known of the facts giving rise to the protest.
2. In the case of a pending award, bidders who have protested may submit a written petition for stay of award to the Chief Executive Officer. The stay becomes effective upon receipt by TRICOR. TRICOR shall not proceed further with the bid process until the protest has been resolved, unless the TRICOR Board of Directors makes a written determination that continuing the bid process or awarding the contract, without delay, is necessary to protect the substantial interests of the organization.
3. Upon receipt of the protest, the Chief Executive Officer has 10 days to either:
 - a. Reject the protest,
 - b. Accept the protest and meet the vendor's terms,
 - c. Request additional information, or
 - d. Request the vendor present additional information, personally, to the Chief Executive Officer.

Any of the above decisions will be documented in writing. The vendor shall have 7 days to respond to the request, upon receipt.

4. If the protest is not resolved by mutual agreement, the protester may request that the matter be considered by the TRICOR Board of Directors. This request must be received, in writing, within 10 days from the Chief Executive Officer's final determination.
5. Any complaints of non-compliance of the bid, bid process, or contract award will become a part of the solicitation file.
6. Any vendor protests or request for stay will proceed unless the protesting vendor, pursuant to Tennessee Code Annotated, Section 12-3- 514,(c) and (d) as amended, posts a protest bond payable to TRICOR at the time of filing the notice of protest or written petition for stay of award is submitted to the Chief Executive Officer. The protest bond shall be in the amount of five percent (5%) of the lowest cost proposal evaluated or, if a protest is filed prior to the opening of cost proposals, the bond payable shall be five percent (5%) of the estimated maximum liability provided in the procurement document. The protest bond shall be in form and substance acceptable to TRICOR and shall be immediately payable to TRICOR conditioned upon a decision by the TRICOR Board of Directors that :

(1) The protest has been brought or pursued in bad faith; or

(2) The protest does not state on its face a valid basis for protest.

The protest bond shall be payable to TRICOR for any other reason approved by the TRICOR Board of Directors. TRICOR shall hold the protest bond for at least eleven (11) calendar days after the date of the final determination by the Chief Executive Officer. If the protesting vendor appeals the Chief Executive Officer's determination to the TRICOR Board of Directors, the Chief Executive Officer shall hold the protest bond until instructed by the TRICOR Board of Directors to either keep the bond or return it to the protesting vendor.

U. PURCHASE ORDER EXEMPTIONS

Procedure

Some purchases will not require a purchasing document to accompany payment requests; some specified purchases and services require a contract to be established. TRICOR is not required to submit a purchase order for certain purchases as listed below unless otherwise noted on term contracts.

Process

1. Telephone billings.
2. Books (TRICOR funds should never be used to purchase political publications of any sort).
3. Newspaper, radio, internet, or television advertisements.
4. Freight charges not incurred in connection with the purchase of supplies and equipment.
5. Postage charges, including the purchase of metered postage.
6. Charges on airline and gasoline credit cards.
7. Bonding fees or Notary Public fees.
8. Building permits.
9. Deed registration fees.
10. Court fees.
11. Utility billings, connection fees and landfill charges.
12. Prescriptions for individuals for emergency treatment for clients or wards of the State.
13. Title fees, title insurance or title search.
14. Tuition, fees and supplies for training of individuals (Approved by the Department of Human Resources for State employees).
15. Occasional charges for rooms for meeting and attendant expenses.
16. Expenses in connection with meetings, such as coffee and doughnuts.

17. Rental of vehicles while on approved travel.
18. Chemical and pesticide samples for mandated Federal and State testing by Department of Agriculture. Individual purchases not to exceed \$200.

V. PRIOR APPROVAL REQUIRED

Procedure

Some purchases do not require purchase orders but which should be made by contract or authorization approved by Chief Executive Officer and or Chief Financial Officer:

Process

1. Rental or lease of property;
2. Purchase of artifacts for historical or commemorative purposes;
3. Tuition, fees and supplies for training of individuals.
4. Occasional charges for rooms for meetings, and attendant expenses in excess of \$200 per day for a maximum of five (5) days would be required. The \$200 per day maximum would be totally inclusive of all charges for the day;
5. Convention fees/Registration fees in excess of \$100 per individual for a maximum of ten (10) individuals;
6. Association entry fees.
7. Organization membership dues and subscriptions to newspapers, periodicals, newsletters, or pamphlets;
8. An employee's moving expenses.
9. Rental of passenger vehicles;
10. Purchase of awards for TRICOR employees;
11. Purchase of awards for private citizens;
12. Honoraria and attendant expenses or
13. Insurance policies or an appropriate committee as required by law.



STATE OF TENNESSEE

Line on Procurement Request By Item Number

1. Initiator's Name
2. Today's Date
3. Special Handling
4. Required Delivery Date
5. Quantity
6. Unit of Measure (Ea, Gal, Pcs, Tons, etc.).
7. A complete description of what the plant wants and needs
8. Price per Unit of Measure
9. Total Price
10. Cost Center to be Charged
11. Object Code for Product (4 Digit GL Budget Code)
12. FY 14 – Budget Balance (after this expenditure)
13. Vendor's Name
14. Vendor's Edison/TIMS I.D. Number
15. Vendor's Contact Name
16. Vendor's Address
17. Vendor's Telephone Number
18. Vendor's Fax Number
19. PR Number (TRICOR's Tracking Number)
20. Purchase Order Number (if known or assigned by TRICOR purchasing)
21. Contract Number
22. Bid Taken By
23. Bid Close Date

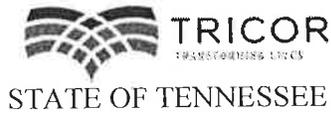


Attachment A



STATE OF TENNESSEE

24. **Freight Charges**
25. **Total Price Column**
26. **Initiator's Signature & Date (Requested By)**
27. **Manager Approval & Date**
28. **Departmental Director/Chief Approval & Date**
29. **Buyer / Planner Signature & Date**
30. **Comments**
31. **Buyer Planner Manager Signature & Date**
32. **Chief Financial Officer Signature & Date**
33. **Chief Executive Officer Signature & Date**



TRICOR Signature Authorization

The following signatures are accepted on TRICOR purchasing transactions for the person with approval authority as indicated on the first line. Each employee with signature authority will sign the name of the person with approval authority followed by his/her initials. Advise the Buyer Planner Manager of any changes by submitting a new approved signature authorization form.

Name and Title	Manager's name signed by Employee authorized employee with your initials
Person with Approval Authority	Signature
Employee with Signature Authority	Sign name of person on first line and your initials
Employee with Signature Authority	Sign name of person on first line and your initials
Employee with Signature Authority	Sign name of person on first line and your initials
Employee with Signature Authority	Sign name of person on first line and your initials
Employee with Signature Authority	Sign name of person on first line and your initials

Approval:

Chief Executive Officer

Date

Chief Financial Officer

Date



TRICOR
TRANSFORMING LIVES

Policies and Procedures

Policy No.:	211
Effective Date:	February 1, 2013
Expiration Date:	February 1, 2016
Supersedes:	211 (2/15/10)
Approved:	<i>Patricia Walker</i>
Page:	1 of 7

SUBJECT: Conflicts of Interest and the Acceptance of Gifts and Gratuities

- I. AUTHORITY: TCA 41-22-403, TCA 41-22-406, TCA 41-22-407, TCA 41-22-408, TCA 41-22-414, TCA 8-50-506, TCA 12-2-208, TCA 12-2-412, TCA 12-3-106, TCA 12-4-101, TCA 12-4-103, TCA 3-6-114, TCA 41-22-116 (f), and Executive Order #20 issued on August 31, 2012.
- II. PURPOSE: To establish standards for avoidance of conflicts of interest for employees of the Tennessee Rehabilitative Initiative in Correction (TRICOR).
- III. APPLICATION: To all employees of TRICOR.
- IV. DEFINITIONS: None.
- V. POLICY: TRICOR employees shall avoid direct conflicts of interest or conflicts of interest prohibited by statute, the appearance of impropriety, and shall disclose to the Chief Executive Officer (CEO) or to the Chairman of the TRICOR Board, if such disclosure is required by the CEO, any issues that may represent an indirect conflict of interest with TRICOR.
- VI. PROCEDURES:
 - A. Each employee shall avoid any action, whether or not specifically prohibited by statute, regulation, Executive Order, or TRICOR policy which might result in or create the appearance of:
 - 1. Using public office for private gain
 - 2. Giving preferential treatment to any person
 - 3. Impeding government efficiency or economy
 - 4. Losing complete independence or impartiality
 - 5. Making a government decision outside of official channels
 - 6. Affecting adversely the confidence of the public in the integrity of the government.

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SUBJECT: Conflicts of Interest and the Acceptance of Gifts and Gratuities			

B. Direct Conflict of Interest:

1. An employee shall not, directly or indirectly, accept gifts or favors from any offender or an offender's/probationer's/parolee's family or agent.
2. An employee shall not, directly or indirectly, give gifts or favors to any offender or an offender's/probationer's/parolee's family or agent.
3. An employee shall not own a controlling interest in, or engage in, a financial transaction for personal gain with an entity administered by or doing business with TRICOR.
 - a. No employee shall enter into or derive any benefit, directly or indirectly, from any contractual arrangement with the State or any of its agencies. In recognition of the fact that many husbands and wives have separate careers, the normal employment compensation of a spouse whose regular, ongoing employer or business has a contractual arrangement with the State shall not be considered a "benefit" to the employee, provided the contract with the State was procured without any participation, assistance or influence by the employee.
 - b. No employee shall have a direct or indirect financial interest that conflicts substantially, or appears to conflict substantially, with his or her government duties or responsibilities. "Indirect financial interest" in this case includes a substantial interest on the part of a parent, spouse, or minor child of the employee. This subsection shall not apply to interests that have been placed into a "blind trust" arrangement pursuant to which the employee does not have knowledge of the retention or disposition of such interests. This subsection also shall not apply to ownership of publicly traded stocks or bonds where such ownership constitutes less than two percent (2%) of the total outstanding amount of the stocks or bonds of the issuing entity. If, at the time the employee begins employment with the organization or at any subsequent time during TRICOR employment, the employee possesses such direct or indirect financial interests prohibited by subsections (a) or (b), the employee shall divulge such interest within a reasonable time.
4. An employee shall not receive any supplements to their TRICOR salary from any private source as compensation for the employee's services to TRICOR.
5. An employee shall not solicit or accept, directly or indirectly, on behalf of himself or herself or any member of the employee's household, any gift, gratuity, favor, entertainment, service, food, lodging, transportation, loan, loan guarantee, unusual discount, or any other item of monetary value (excluding customary social and business courtesies, e.g. meals, samples) from a person or any entity whom the employee knows or has reason to believe is seeking to

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SUBJECT: Conflicts of Interest and the Acceptance of Gifts and Gratuities			

obtain, or currently has, a contractual or other business or financial relation with TRICOR, is conducting activities being regulated or administered by TRICOR, or has interests that may be substantially affected by the performance or non-performance of the employee's official duties. The prohibition on accepting gifts in this subsection does not apply to:

- a. A gift given by a member of the employee's immediate family or by an individual if the gift is given for a non-business purpose and is motivated by a close personal friendship and not by the position of the employee. In determining whether a gift falls within this subsection, the factors contained in TCA, 3-6-114(b)(3)(A) and (B) shall apply.
- b. Informational materials in the form of books, articles, periodicals, other written materials, audiotapes, videotapes or other forms of communication.
- c. Sample merchandise, promotional items, and appreciation tokens, if they are routinely given to customers, suppliers or potential customers or suppliers in the ordinary course of business.
- d. Unsolicited tokens or awards of appreciation, honorary degrees, or bona fide awards in recognition of public service in the form of a plaque, trophy, desk item, wall memento and similar items; provided, that any such item shall not be in a form which can be readily converted to cash.
- e. Food, refreshments, foodstuffs, entertainment or beverages provided as part of a meal or other event, if the value of such items does not exceed \$50.00 per occasion; provided further, that the value of a gift made pursuant to this subsection may not be reduced below the monetary limit by dividing the cost of the gift among two or more persons or entities identified in (5) above.
- f. There may be circumstances where refusal or reimbursement of a gift (such as a lunch or dinner) may be awkward and contrary to the larger interests of the State. In such circumstances, the employee is to use his or her best judgment, and disclose the gift, including a description, estimated value, the person or entity providing the gift, and any explanation necessary within 14 days to the Commissioner of Finance and Administration on the appropriate Department of F & A form. In addition, an Unusual Occurrence Report, TO-0008, shall be completed in accordance with TRICOR Policy 110, Reporting Unusual Occurrences.
- g. Food, refreshments, meals, foodstuffs, entertainment, beverages or intrastate travel expenses that are provided in connection with an event where the employee is a speaker or part of a panel discussion at a

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scheduled meeting of an established or recognized membership organization which has regular meetings.

h. Loans from established financial institutions made in the ordinary course of business on usual and customary terms, so long as there are no guarantees or collateral provided by any person described in (5) above.

i. TRICOR employees and all other state employees may purchase from TRICOR during its semiannual public warehouse clearance sale.

6. No employee or immediate family member of an employee shall knowingly engage in financial transactions with offenders or their immediate families.

7. No employee shall, directly or indirectly, use, disclose or allow the use of official information which was obtained through or in connection with his or her government employment and which has not been made available to the general public for the purpose of furthering the private interest or personal profit of any person, including the employee.

8. No employee shall, directly or indirectly, engage in a financial transaction as a result of, or primarily relying upon, information obtained through his or her government employment.

9. No employee shall make use of the facilities, equipment, personnel, or supplies of the State or any of its agencies for private use or gain except to the extent that the use is incidental or inconsequential or is de minimis or is lawfully available to the general public.

C. Indirect Conflict of Interest:

1. An employee shall not serve on the governing board of any nonprofit agency which seeks to influence decisions of TRICOR, unless such interest has been disclosed to and approved by the CEO.

2. An employee shall not accept or maintain outside employment with a business which receives funds from, or is regulated in any manner by, TRICOR.

3. An employee shall not serve on the board of directors or advisory board, or act as an unpaid consultant to a non-state agency which is regulated in any manner by TRICOR, unless such interest has been disclosed to and approved by the CEO.

D. Effect of Conflict of Interest:

1. An employee who has a direct conflict of interest must immediately eliminate

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the conflict and make a full disclosure to the CEO. The CEO who has a direct conflict of interest is required to provide full disclosure to the Chairman of the TRICOR Board. [An employee with a direct conflict of interest is subject to disciplinary action in accordance with Tennessee Department of Human Resources (DOHR) rules and regulations.]

2. An employee who has an indirect conflict of interest must disclose such conflict in writing to the CEO through the employee's immediate supervisor in order to participate in such activity. The CEO who has an indirect conflict of interest must fully disclose such conflict in writing to the Chairman of the TRICOR Board. The disclosure must contain all pertinent information concerning the entity or activity which is regulated or does business with TRICOR and the nature of the activity the employee will be performing, compensation, if any, and the extent of involvement, including but not limited to the time the activities are performed. An employee who fails to make proper disclosure is subject to disciplinary action in accordance with DOHR rules and regulations.
3. Any employee or person whose duties are to regulate, inspect, audit, or procure goods or services or to administer tax laws is required to disclose such employee or a member of the employee's immediate family's financial interests which would constitute a conflict of interest or a potential conflict of interest under state law, DOHR policy, or TRICOR policy. Disclosure is also required for individuals who have the authority over these persons or these functions.
4. An employee who has an appearance of a conflict of interest must eliminate any action which gives rise to the appearance. An employee who fails to eliminate the appearance of a conflict of interest is subject to disciplinary action in accordance with DOHR rules and regulations.
5. An employee who violates a statutory conflict of interest is subject to all sanctions provided by law, and may also be subject to disciplinary action in accordance with DOHR rules and regulations.

E. Conduct Prohibited by Tennessee Statutes:

1. State Officials or Employees Cannot Buy Confiscated Property - TCA 12-2-208: It shall be unlawful for any TRICOR employee or his or her agent to buy, or offer to buy, any of the property to be sold hereunder. Any such person violating or attempting to violate the provisions of this section shall be dismissed and discharged from his or her respective job or position, and shall forfeit any pay or compensation which might be due him or her, and, in addition thereto, any such sale is hereby expressly declared null and void, and such person shall, in addition, forfeit all right and title in the property. In addition thereto, a violation of this section is a Class C misdemeanor.

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2. State Officials May Purchase Surplus Property Only at Public Auction - TCA 12-2-412(a): It shall be unlawful for any TRICOR employee to purchase from the state except by bid at public auction any surplus property during the tenure of his office or employment, or for six months thereafter.
3. State Officials or Employees Cannot Accept Gifts - TCA 12-3-106: No employee of TRICOR shall accept or receive, directly or indirectly, from any person, firm or corporation to whom any contract for the purchase of materials, supplies, or equipment for the state of Tennessee may be awarded, by rebate, gifts, or otherwise, any money or anything of value whatsoever, or any promise, obligation, or contract for future rewards or compensation.
4. State Officials or Employees Cannot Be Directly Interested in State Contracts - TCA 12-4-101(a) (1). It shall not be lawful for any TRICOR employee whose duty it is to vote for, let out, overlook, or in any manner to superintend any work or any contract in which any municipal corporation, county, state, development districts, utility districts, human resource agencies, and other political subdivisions created by statute shall or may be interested, to be directly interested in any such contract. "Directly interested" means any contract with the official himself or with any business in which the official is the sole proprietor, a partner, or the person having the controlling interest. "Controlling interest" includes the individual with the ownership or control of the largest number of outstanding shares owned by any single individual corporation. The provisions of this subdivision shall not be construed to prohibit any officer, committeeman, director, or any person from voting on the budget, appropriation resolution, or tax rate resolution, or amendments thereto, unless the vote is on a specific amendment to the budget or a specific appropriation or resolution in which such person is directly interested.
5. State Officials or Employees Cannot Be Indirectly Interested in State Contracts -TCA 12-4-101(b): It shall not be lawful for any TRICOR employee whose duty it is to vote for, let out, overlook, or in any manner to superintend any work or any contract in which any municipal corporation, county, state, development districts, utility districts, human resources agencies, and other political subdivisions created by statute shall or may be interested, to be indirectly interested in any such contract unless the officer publicly acknowledges his interest. "Indirectly interested" means any contract in which the officer is interested but not directly so but includes contracts where the officer is directly interested but is the sole supplier of goods or services in a municipality or county.
6. State Officials or Employees Cannot Sell to the State - TCA 12-4-103: It is unlawful for any TRICOR employee to bid on, or sell, or offer for sale, any merchandise, equipment, or material, or similar commodity, to the State of Tennessee during the tenure of his office or employment, or for six months thereafter, or to have any interest in the selling of the same to the state.

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7. Lobbyist Gifts Prohibited - TCA 3-6-114 (a) (2): A candidate for public office, a legislative branch, or an official in the executive branch, or immediate family of such candidate or official may not solicit or accept directly or indirectly a gift from a lobbyist or an employer of a lobbyist.

F. Construction of Policy:

1. This policy shall be interpreted so as to ensure that the interest of the public is protected by preventing employees from unfairly benefiting from public employment and to further ensure that the public trust in the conduct of TRICOR employees is maintained as beyond reproach.
2. The conduct prohibited in this policy is not exhaustive and shall not be construed as including all conduct which may violate this policy.

VII. ACA STANDARDS: 2-CI-6A-1, 2CI-6C-3, 2-CI-6D-4, 4-4456.

VIII. EXPIRATION DATE: February 1, 2016

GUIDELINES FOR SUPPLIER CLASSIFICATION				
	Criteria	Conditional & Approved	Preferred / Key	Supplier Partner
		BID TO ONE YEAR CONTRACT	CONSIDER 2 - 3YEAR CONTRACT	5 YEAR CONTRACT
Relationship Foundation	Philosophies/Objectives	General information only is known	Similar commitment to continuous improvements and team work	Similar, specific
	Industry Leader	Not required	Not required	Yes
	World-wide focus (Best in class)	Not required	Discussion stage	Working toward best in class
	Importance to TRICOR	Can resource	May be difficult to resource	Very difficult to resource
	Annual volume	Low	Purchases concentrated with these suppliers	As high as possible
	Pre-requisites	TRICOR Proforma & Financial stability - willingness to do business	TRICOR Proforma & Demonstrated performance - as "approved"	TRICOR Proforma & Demonstrated performance - as "Preferred/Key"
	Written agreement	No on bids, yes on year contract	No on bids, yes on year contract	Yes
Execution Quality	Performance rating	Defined by unit	Defined by unit	Defined by unit
	Procedures	Not mature	Being developed (certifiable) qualified	Certified, certifiable or qualified
	Quality audit (ISO or other certified QMS)	Quality audit- none to compliant not certified to a QMS	Quality audit-QMS rating higher than "approved"	Quality audit-QMS rating higher than "preferred"
Cost	Cost history	Average for commodity	Better than average for the commodity. Less than producer price index for this commodity may use cost/price analysis	Meets target cost. Cost is less than PPI. Use cost/price analysis
	Specific cost reduction programs	Nothing specific	Yes	Yes-willing to share cost information
Communication / Delivery	Routine communication	Normal communication	Little routine required-timely communication of process change and quality information	Little routine required-timely communication of process change and quality information
	Other lead time	Industry average	Specific reductions made	5 weeks or less (average)
	Delivery performance	Defined by unit	Defined by unit	Defined by unit
Material Flow	EDI	No activity	Willing to discuss or implemented	Implemented
	Point of use delivery	Willing to discuss	Being implemented	Implemented
Support	Responsiveness	Average	Better than average.	Excellent
	New ideas, technology	General comments	Specific examples	Specific Programs in place
	Project team representation	No	Willingness to participate on project team	Yes, on project teams
	Management meetings	No	Rep-quarterly to semi annual	Rep, Sales Mgr.-quarterly
			Bi-annual purchasing management meetings	Annual general management meeting
Result	Performance reviews	Optional	Required	Required
	Placement of additional business	Limited potential	Preferred (quote others by exception, if outside contract definition)	Only supplier (Contract in place)
	Recognition	None	Preferred / Key Supplier Certificate	Partner Supplier Award



Contract for the product or service: Describe the product or service requested.

Contract Period: mo./yr. to mo./yr.:

Recommended Vendors: Identify the vendors who should receive a copy of the "Invitation to Bid."

Two Preferred Brands/Models or Equivalent:
A. Include a list of two brands and models that are acceptable.

Specifications: Complete a detailed description of physical characteristics, unit-of-measure, desired performance, industrial standards, manufacturing standards, grade standards, etc. Attach additional information as necessary, or attach a Statement Of Work (SOW.)

Engineering Drawing Attached: (For Custom Built Equipment Only) Include detailed drawing of dimensions, tolerances, finishes, material composition, and other related information.

YES: _____
 NO: _____
 DRAWING ISSUE NO: _____

Estimate Annual Dollar Value:

Estimate Annual Usage:

Delivery Location(s):



Special Delivery Instructions:

Contact Person at Delivery Location:

Person Preparing this Request:

Cost Center

Quality Test Requirements:

Sample Product/Material Required:

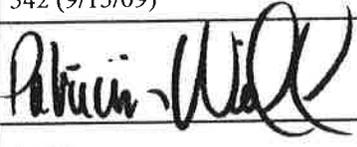
YES: _____ NO: _____

Detail of Sample Size Specified:
(i.e. feet, sq. ft. yards, sq. yards, lbs.,
tons, qts, gal)

Special Instructions:

Remarks:

Approval:

 <p>TRICOR TRANSFORMING LIVES</p> <p>Policies and Procedures</p>	Policy No.:	542
	Effective Date:	September 15, 2012
	Expiration Date:	September 15, 2015
	Supersedes:	542 (9/15/09)
	Approved:	
	Page:	1 of 3
SUBJECT: Purchase of Breeding Stock		

- I. AUTHORITY: TCA §41-22-101, TCA §41-22-403, TCA §41-22-406, TCA §12-3-101 thru 12-3-208.
- II. PURPOSE: To establish the procedure for the selection of breeding stock.
- III. APPLICATION: TRICOR Farm Managers and Supervisors.
- IV. DEFINITIONS:
 - A. Artificial Insemination: Spermatozoa gathered from bulls to be deposited in the female uterus by artificial rather than natural means.
 - B. Bovine Virus Diarrhea (BVD): Viral infection of the digestive and/or respiratory systems.
 - C. Breeding Soundness Evaluation: An examination by veterinarian to test for breeding ability.
 - D. Breeding Stock: Animals used for reproductive purposes.
 - E. Brucellosis: Chronic infectious disease which causes abortion. It is transmitted from the reproductive tract through the digestive tract and results from contaminated food and water.
 - F. Calving Ease Rating: Data compiled from past calves of a particular sire regarding complications experienced during calving.
 - G. Certified Bangs and T.B. Free: A status reached by meeting the requirements established by the U.S. Department of Agriculture (USDA) and maintained by annual blood testing.
 - H. Closed Herd Program: A practice of using only females from within the existing program for breeding.
 - I. E-Coli: A bacterial infection causing scours (diarrhea).
 - J. Heifer: A female bovine that has not yet had a calf.

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SUBJECT: Purchase of Breeding Stock			

- K. Heritable Traits: Factors of physical make-up that can be inherited or passed on to future generations.
- L. Inbreeding: The mating of two animals with the same bloodlines within three generations.
- M. Infectious Bovine Rhinotracheitis (IBR): A viral infection complicated by bacterial invaders.
- N. Leptospirosis: An acute generalized infection of the urinary and reproductive tract.
- O. Performance Tested: A test conducted by the University of Tennessee rating feed efficiency, average daily weight gain and other heritage traits.
- P. Pseudorabies: A viral infection responsible for stillbirths, mummified fetuses and abortion in pregnant sows or swine of all ages.
- Q. Quarantine Period: Isolation of animals for thirty (30) days to control the spread of disease.
- R. Sire: The father of an animal.
- S. Transmitted Gastroenteritis (TGE): A viral disease, fatal to young pigs, characterized by inflammation of the stomach and intestine.
- T. Vibriosis: A bovine venereal disease caused by vibrio fetus. It is highly contagious and spreads readily during breeding.
- V. POLICY: TRICOR agricultural operations will establish criteria for the evaluation and selection of quality breeding stock.
- VI. PROCEDURES:
- A. Criteria for determining the selection of breeding stock for purchase shall include all factors which influence maintenance and improvement of existing herd health.
- B. Selection is to be made from performance tested stock when available and budget constraints permit.
- C. Cattle Operation:
1. Selection of bulls for natural or artificial insemination:

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SUBJECT: Purchase of Breeding Stock			

- a. Bull bloodlines will be compared to existing bloodlines to prevent any inbreeding.
 - b. The bull's physical conformation should be considered in the selection process.
 - c. Calving ease rating should be a major consideration.
 - d. Other heritable traits of the bull should be considered.
 - e. A breeding soundness evaluation will be performed by a veterinarian before final purchase.
 - f. Bull selections shall meet the demands of all TRICOR livestock programs to ensure maximum production with minimal cost.
 - g. Bull selections shall be made to ensure all offspring are similar in color, size, and weight.
2. Heifer Selection:
- a. Heifers will be evaluated for suitable breed conformation.
 - b. Heifers will be certified disease free from certified bangs and T.B. disease free stock, and shall also be free of other diseases including, but not limited to, IBR, BVD, Leptospirosis, Vibriosis, Brucellosis, Pseudorabies, TGE, and E-Coli.
- D. Closed herd program procedures shall be used for dairy cattle whenever possible.
 - E. Cattle will be subject to quarantine periods for the control of disease as directed by the Tennessee Department of Agriculture and the University of Tennessee School of Veterinary Medicine.
 - F. Selection and purchase of breeding stock will be coordinated and approved through the Chief Operations Officer and Chief Financial Officer.
 - G. The Chief Operations Officer/designee is the only individual eligible to bid on breeding stock sold through livestock auctions.
- VII. ACA STANDARDS: 2-CI-6A-1, 4-4456.

LIMITATION OF LIABILITY REPORT

**Approved Limitation of Liability Requests
for the Time Period April 16, 2012 to March 1, 2014**

TRACKING	CALENDAR YEAR	ID	LOGGED	STATUS	STATUS DATE	SERVICE	CONTRACTING AGENCY	BASIS FOR REQUEST	NOTES	COT APPROVAL OF CONTRACT IN EDISON
30901-19412	12	1066	4/16/2012	APPROVED	4/16/2012	RECORDKEEPING SOFTWARE SYSTEMS TO ADMINISTER 529 COLLEGE SAVINGS	TREASURY DEPARTMENT	ONLY VIABLE CONTRACTOR - CONDITION OF DOING BUSINESS	APPROVED BY SHAY OLIPHANT	YES - EDISON #32580
31865-00345	12	1182	5/18/2012	APPROVED	5/23/2012	ELIGIBILITY DETERMINATION SYSTEM INTEGRATOR	FINANCE AND ADMINISTRATION TENN CARE	1x - VIEWED AS IMPEDIMENT TO COMPETITION	APPROVED BY PAUL KRIVACKA	YES - EDISON #24708
34513-09013	12	1382	8/1/2012	APPROVED	8/3/2012	CHILD SUPPORT ENFORCEMENT - 6TH DISTRICT	DEPARTMENT OF HUMAN SERVICES	1x - VIEWED AS IMPEDIMENT TO COMPETITION	APPROVED BY TONI STUART	YES - EDISON #34642
30701-00051	12	1591	10/30/2012	APPROVED	10/30/2012	SOFTWARE SUPPORT AND MAINTENANCE FOR THE IMPACT SYSTEM	COMPTROLLER OF THE TREASURY	ANNUAL LIABILITY EQUAL TO 2x - SAME PROTECTION AS A 1 YR CONTRACT BUT MULTI-YEAR	30701-00051-LLR01 APPROVED BY PAUL KRIVACKA	YES - EDISON #32685
34513-01113	12	1613	11/9/2012	APPROVED	11/14/2012	CHILD SUPPORT ENFORCEMENT 20TH JUDICIAL DISTRICT	DEPARTMENT OF HUMAN SERVICES	1x - VIEWED AS IMPEDIMENT TO COMPETITION	APPROVED BY PAUL KRIVACKA	YES - EDISON #35711
34513-32713	13	2288	6/20/2013	APPROVED	6/21/2013	PROVISION OF CHILD SUPPORT STATE DISBURSEMENT UNIT SERVICES	DEPARTMENT OF HUMAN SERVICES	1x - VIEWED AS IMPEDIMENT TO COMPETITION	ASSOCIATED WITH RFP 34513-32014 - APPROVED BY TONI STUART	YES - EDISON #40543
30901-20813	13	2349	7/9/2013	APPROVED	7/23/2013	COMPUTER SOFTWARE MAINTENANCE SERVICES FOR THE AUTOMATED CLEARING HOUSE (ACH) TRANSACTION PROCESSING SOFTWARE APPLICATION LICENSED TO THE STATE BY THE CONTRACTOR	TREASURY DEPARTMENT	CONTRACTOR IS ONLY ENTITY THAT CAN PROVIDE SERVICE - ADDED LANGUAGE LIMITING CONTRACTOR'S LIABILITY FROM CONSEQUENTIAL, PUNITIVE DAMAGES	APPROVED BY PAUL KRIVACKA	YES - EDISON #38417
SWC 440	13	2975	12/12/2013	APPROVED	12/20/2013	MEDICAL SUPPLIES AND OTHER NON-PHARMACY PRODUCTS FOR STATEWIDE USE	CENTRAL PROCUREMENT OFFICE	MINNESOTA MULTI-STATE COOPERATIVE ALLIANCE FOR PHARMACY (MIMCAP) CONTRACT TERM	APPROVED BY TONI STUART	YES - EDISON #40121