



**AGENDA**  
**ADVISORY COUNCIL ON STATE PROCUREMENT MEETING #033**  
**TUESDAY, MAY 30, 2017 – 1:30 P.M.**  
**TN TOWER – 3<sup>rd</sup> FLOOR, NASHVILLE ROOM**

| <b>AGENDA ITEM</b>  | <b>PAGE #</b> |
|---|---------------|
| I. Call to Order  | --            |
| II. Introduction of new Advisory Council Members:<br>- Summer Carr<br>- Sean Newman   | --            |
| III. Approve Minutes from April 4, 2017 Meeting .....<br>(see attached documentation)   | <b>3</b>      |
| IV. New Business<br><br>Proposed revisions to the following Central Procurement Office documents<br>(see attached documentation): |               |
| (1) Limitation of Liability Request.....  | <b>16</b>     |
| (2) Rule Exception Request for the Delegated Authority (“DA”) or Delegated Grant<br>Authority (“DG”) Templates.....               | <b>22</b>     |
| (3) Governmental Grant (“GG”) and Grant Contract (“GR”) Templates – option: Work<br>Products (TDOT only).....                     | <b>28</b>     |
| (4) FA Template and Edison Configurator - Statewide Contract Optional Term- NEW .....   | <b>33</b>     |
| (5) FA Template and Edison Configurator - Major Procurement Contract Sales and Use<br>Tax – NEW .....                             | <b>35</b>     |
| (6) Request for Proposals (“RFP”) Template –option: RFP Redlines – NEW.....   | <b>37</b>     |
| (7) Request for Proposals (“RFP”) Template – option: Digital Submittal of Responses –<br>NEW .....                                | <b>39</b>     |
| (8) Central Procurement Office Policy Number 2013-002, <i>Procurement Methods</i> .....   | <b>42</b>     |
| (9) Request for Qualifications (RFQ) Template .....   | <b>44</b>     |
| (10) Central Procurement Office Policy Number 2015-010, <i>Statewide Purchasing Card<br/>Policy and Procedures</i> .....          | <b>146</b>    |
| (11) State Agency P-Card Procedures Model .....   | <b>185</b>    |
| (12) HR Pre-Approval Endorsement Request.....   | <b>217</b>    |
| V. Other Business   | --            |
| VI. Adjournment   | --            |

**MINUTES OF APRIL 4, 2017  
MEETING**



**MINUTES**  
**ADVISORY COUNCIL ON STATE PROCUREMENT MEETING #032**  
**TUESDAY, APRIL 4, 2017 – 2:00 P.M.**  
**TN TOWER – 3<sup>rd</sup> FLOOR – NASHVILLE ROOM**

**Members in Attendance:**

Mike Perry, Buddy Lea, Bryan Chriske (designated by Comptroller Wilson to attend in Jason Mumpower's absence), Rick Peppers

**Members Participating by Phone:**

Terry McKee, Chris Todd

**Others in Attendance:**

Paul Krivacka, Shannon Howell, Meryl McVicker, Stroud Vaughn, Jenny Young, Don Ivancic, Shelia Simpson, Richard VanNorman, Brian Hawkins, Charlotte McKinney, Brice Hobby (The Capitol Strategy Group)

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

**II. Minutes from the January 31, 2017 Meeting:** Mr. Perry asked if there were any corrections or additions to the minutes from the January 31, 2017 meeting. Seeing none, a motion was made by Bryan Chriske, Office of the Comptroller of the Treasury, to accept the minutes as presented. The motion was seconded by Buddy Lea, Assistant Commissioner, Department of Finance and Administration. All members voted in favor – none opposed.

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

(1) Revenue (RV) and No Cost (NC) Models

Mr. Krivacka summarized the following points with regard to Revenue (RV) and No Cost (NC) Models:

- This proposal extends the requirement to maintain documentation for audit from 3 to 5 years in the Revenue and No Cost Contract Models.
- This change will revise the requirement to align with other contract templates and enables records to be available if an audit is performed every 4-5 years, usually a sunset audit.

Mr. Lea asked if this proposal to move from 3 to 5 years was to be consistent with other CPO models. Mr. Krivacka responded that consistency was the reason and added that the FA template had a 5 year records retention requirement as well as the Edison configurator. This proposal will make the RV and NC models more symmetrical with other templates.

Mr. Perry asked if there were any questions or discussion regarding agenda item (1).

Seeing no further discussion, Mr. Lea, made a motion to recommend Revenue (RV) and No Cost (NC) Models, as presented to the Procurement Commission for approval. The motion was seconded by Mr. Chriske. All members voted in favor – none opposed.

## (2) Click-Wrap Agreement Approval Request

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

- The proposed revision adds additional instructions to provide guidance to procurement professionals when submittal of this click-wrap request is required.
- In particular, it will provide that procurement professionals should use this document to seek approval to enter into or renew a click-wrap agreement associated with a proposed purchase made under an Agency's local purchase authority. This Request will typically be utilized for licenses of software, internet-based services, or computer services.
- This proposal makes clear that approval is required for Renewals as well as new Click-Wrap Agreements, and adds a new section to be completed for Renewals Only – where the Procurement professionals can confirm that there has been no other change to the terms and conditions.

Mr. Lea asked what the current procedure was when renewal of a click-wrap agreement was desired and how this proposal would provide a remedy. Mr. Krivacka responded that in the absence of this proposal when renewal of an existing click-wrap agreement was desired it required a line-by-line review of the click-wrap agreement. If there were no changes to the underlying click-wrap agreement the CPO could avoid an unnecessary line-by-line review of the underlying click-wrap agreement.

Mr. Lea stated that this proposal would not only provide legal cover but increase efficiency of click-wrap renewals.

Mr. Perry asked if there was any additional discussion regarding agenda item (2). Seeing none, Mr. Lea made a motion to recommend the Click-Wrap Agreement Approval Request to the Procurement Commission for approval. The motion was seconded by Mr. Chriske. All members voted in favor – none opposed.

## (3) *Procurement Procedures Manual of the Central Procurement Office*, Section 5.1.1., Electronic Signatures and Approvals



Mr. Krivacka summarized the following points with regard to agenda item *Procurement Procedures Manual of the Central Procurement Office, Section 5.1.1., Electronic Signatures and Approvals*:

- The proposed change to the Manual adds dollar amounts to the corresponding Level 1, Level 2, and Level 3 approvers in Edison. This change will increase the approval thresholds for most agencies. By way of background, most executive branch agencies have the following threshold levels: Level 1 Approver – up to \$2,000; Level 2 Approver – up to \$10,000; and Level 3 Approver – everything over \$10,000.
- This proposal came out of the End-to-End project looking at ideas to decrease procurement cycle times by increasing approval thresholds at the agency level.
- This proposal was piloted by the Tennessee Department of Transportation (“TDOT”) and the Department of Health. It was verified that these agencies had the correct personnel at each level and as a result each agency enjoyed faster approval times. Other agencies have expressed interest in increasing their approval thresholds which should also have a corresponding reduction in procurement cycle times. Although Edison can make modifications on a per agency basis, the ongoing maintenance and the feasibility of supporting ad hoc changes to these thresholds is unsustainable. In order to more systematically sustain this change in Edison, a global change is being recommended.
- Additional implementation details include, if approved, an individual with appropriate authorization in each agency will need to complete the Edison security role forms. Agencies will need to include an implementation date where applicable. Also, for compliance purposes, there is a query available to check recently approved requisitions or contract release orders so if an individual is out of an approval role but wants to review on a regular basis they will be able to do that through query.

Mr. Perry stated that this proposal does several things. One is that the thresholds in Edison will align with the statutory small value delegated purchase authority threshold of \$10,000 and \$50,000 for the small value delegated purchase ceiling. The old \$2,000 threshold goes back many years to when \$2,000 was the small value delegated purchase threshold. This proposal also standardizes the process across the enterprise. Since the pilot, numerous agencies have adopted this process improvement and it has shown to be with no risk and has drastically improved their procurement cycle time. This also gives agencies an opportunity to clean up their various roles in Edison to make sure they have the right people in the right roles and to eliminate or add roles when job duties have changed. Mr. Perry restated that agencies that have adopted this proposal have experienced a significant decrease in their procurement cycle times.

Mr. Perry asked if there was any discussion in regard to agenda item (3). Mr. Lea commented that there is huge value in getting these thresholds in sync with policy and he appreciates the idea that the proof of concept was done in a thorough and methodical manner during the pilot and agencies still have the ability to run queries to locate any outliers. Mr. Lea gave kudos to the CPO for a job well done on this proposal.

Seeing no additional discussion, Mr. Chriske made a motion to recommend *Procurement Procedures Manual of the Central Procurement Office, Section 5.1.1., Electronic Signatures and Approvals* as presented to the Procurement Commission for approval. The motion was

seconded by Mr. Lea. All members voted in favor – none opposed.

(4) *Procurement Procedures Manual of the Central Procurement Office, Section 6.4.2.1., Description of Informal Purchase*

Mr. Krivacka stated that the Comptroller's Office had a question on this agenda item and that he would address the question after his presentation of the proposal.

Mr. Krivacka presented the following points with regard to *Procurement Procedures Manual of the Central Procurement Office, Section 6.4.2.1., Description of Informal Purchase*:

This proposed revision will add the following instruction as it relates to a Special Contract Request:

- A Special Contract Request is not required if the procurement professional undertakes reasonable efforts to obtain the requisite three (3) quotes and these efforts have been sufficiently documented to the procurement file.
- If a procurement professional has conducted market research and knows that the value of the contract will fall under a Local Purchase Authority and no prior approval is required (e.g., not a sole source or proprietary procurement) then just because fewer than 3 suppliers respond to a request for an informal quote does not mean that an agency must submit a SCR for approval. For example, if reservation space is needed for an event, in some cases hotels and venues will not submit a quote and they may only have prices that are available to the general public. If the procurement professional can determine the price that is available to the general public, that price would satisfy as a quote even though a quote was not submitted. This proposal does not alleviate the need for reasonable efforts to obtain three quotes but in reality there are some cases where vendors do not participate in the quote process.

Question from COT:

Q1.: What is considered sufficient documentation for the procurement file to show that an agency has undertaken reasonable efforts to obtain the requisite three (3) quotes?

A1.: Sufficient documentation would require written documentation prior to contract award that memorializes the pertinent details such as company contact information, quantity, payment terms, and date. The CPO has an informal purchases model that is also available on TEAM TN that could be used as a reference. A current website, catalogue, price list, or price available at retail to the general public may count as a quote. A "snap shot" or printing of the price with the date offered should be preserved for the file. If all documentation is memorialized in a memo, including supporting documentation, the CPO would deem that as sufficient to constitute a quote.

Mr. Perry added that the supporting documentation would be scanned and uploaded in Edison and would flow along with the purchase order.

Seeing no other discussion, Mr. Lea made a motion to recommend the *Procurement Procedures Manual of the Central Procurement Office, Section 6.4.2.1., Description of Informal Purchase* as presented to the Procurement Commission for approval. The motion was seconded by Mr. Chriske. All members voted in favor – none opposed.

(5) *Procurement Procedures Manual of the Central Procurement Office, Section 6.9. Meeting Expenses*

Mr. Krivacka presented the following points with regard to *Procurement Procedures Manual of the Central Procurement Office, Section 6.9. Meeting Expenses*:

- This section of the Procedures Manual was revised at the last Advisory Council meeting but after talking with agencies, it was decided that the language should be further clarified. This proposal will clarify and specifically spell out the requirements that must be met in order to avoid submitting a Special Contract Request ("SCR") for approval. This proposal provides that a SCR is required if the amount of meeting expenses exceeds the agency's Local Purchase Authority ("LPA").
- The proposal also adds that if an agency does not have legal counsel, the CPO legal counsel should be consulted.

Mr. Lea asked for confirmation that the proposal provides that an agency would not need a SCR unless the amount exceeded the agency LPA, \$50,000. Mr. Krivacka confirmed that Mr. Lea was correct.

Mr. Perry stated that an important part of the proposal provides that the procurement professional utilize their agency legal counsel or CPO's legal counsel. In most instances the terms and conditions that come from the hotel or venue would apply to the procurement and they would need to be reviewed and approved by an attorney.

Mr. Perry asked if there was any additional discussion regarding agenda item (5). Seeing none, Mr. Lea made a motion to recommend the *Procurement Procedures Manual of the Central Procurement Office, Section 6.9. Meeting Expenses*, as presented to the Procurement Commission for approval. The motion was seconded by Mr. Chriske. All members voted in favor – none opposed.

(6) FA Template –Transfer of Ownership of Custom Software Developed for the State

Mr. Krivacka stated that the Comptroller's Office had a question on this agenda item and that he would address the question after his presentation of the proposal.

Mr. Krivacka summarized the following points with regard to the FA Template –Transfer of Ownership of Custom Software Developed for the State:

- Since being included as an optional term in the FA Template, this term has been overused and misused. In many cases the software ownership provision agreement has been used when the State was only acquiring licensing rights. The intent of this proposal is to clarify when the term goes into a contract and when it does not.
- The proposal is to modify the heading and instructional text to add clarity by adding that: "This section should only be added in the event the State wishes to have complete ownership of customized software and perpetual rights to use and maintain any underlining associated pre-existing software. This section shall only be used with the permission of CPO."

Question from COT:

Q1.: When would use of this term be appropriate? In other words, when should it be used?

A1.: This contract term should only be added in the rare event that the State wishes to have complete ownership of customized software and perpetual rights to use and maintain any underlining software. Currently, procurement professionals are attempting to include this term in contracts where it is inappropriate (e.g., where the State is only acquiring a license). This change will provide additional instructions and make sure that it is only included with the permission of CPO. A recent example of this is when the State actually wanted customized software and ownership – software for Treasury for use with vehicles.

Mr. Lea commented that this proposal is an important fix and that sometimes procuring agencies included this language when it was unnecessary because they felt it was the safe thing to do. Including the language when it was not needed basically was a self-inflicted wound on the procurement front. Mr. Lea continued that adding the proposed instructions and requiring CPO permission is the right thing to do and will be appreciated by agencies.

Seeing no further discussion, Mr. Lea made a motion to recommend the FA Template –Transfer of Ownership of Custom Software Developed for the State as presented to the Procurement Commission for approval. Mr. Chriske seconded the motion. All members voted in favor – none opposed.

#### (7) FA Template – Intellectual Property Indemnity

Mr. Krivacka summarized the following points with regard to the FA Template – Intellectual Property Indemnity:

- This proposal will retitle the optional term “Intellectual Property” to “Intellectual Property Indemnity” to provide a more accurate heading.
- This proposal will also revise the instructional text to provide more direction to procurement professionals. The Intellectual Property Indemnity term shall be used for all contracts involving computers, software, or technology-related goods or services.

Mr. Krivacka added that the CPO will probably provide instructions to procurement professionals that any time an agency is seeking an STS endorsement this kind of provision should go into the contract and the CPO will provide additional guidance as needed.

Mr. Perry asked if there was any discussion on agenda item (7). Seeing none, Mr. Lea made a motion to recommend the FA Template – Intellectual Property Indemnity, as presented to the Procurement Commission for approval. Mr. Chriske seconded the motion. All members voted in favor – none opposed.

#### (8) FA Template – Limitation of Liability

Mr. Krivacka stated that the Comptroller’s Office had a question on this agenda item and that he would address the question after his presentation of the proposal.

Mr. Krivacka summarized the following points with regard to the FA Template – Limitation of Liability:

- This proposal adds a new optional contract term to the FA Template for CPO negotiated contracts where the Contractor has requested and the State has approved the modified language.
- The proposal provides a carve-out to limit the contractor's liability that mirrors the language in the FA Template's D.17. "Limitation of State's Liability." This modification is commonly requested by vendors in negotiations. The State has a limitation of liability and the contractor then asks for a reciprocal limitation of liability. In essence the limitation of liability applicable to the State provides that the contractor cannot claim indirect damages on the basis of State default on the contract.
- In effect, this proposal will provide that the State cannot collect indirect damages against the Contractor for default under the contract. These damages include lost revenues, lost profits, loss of business, decrease in the value of any securities or cash position, time, money, goodwill, or any indirect, special, incidental, punitive, exemplary or consequential damages of any nature, whether based on warranty, contract, statute, regulation, tort, or any other legal theory that may arise under this Contract or otherwise. This proposal will close the circle of liability for both parties. In essence it provides that each party is entitled to claim direct damages against the other but cannot claim any indirect damages.

Mr. Lea commented that this proposal sounds like it would be an improvement from the perspective of the vendor community. Mr. Krivacka responded that it is a vendor-friendly provision and it is an optional provision that the State would propose in the event that a Contractor raised the issue in negotiations.

Mr. Chriske asked for confirmation that this provision would only be used by the CPO and Mr. Krivacka confirmed that the provision would only be used by the CPO.

Questions from COT:

Q1.: What impact does the additional language being added to the Limitation of Contractor's Liability term have?

A1.: The Contractor would not be liable for lost revenues, lost profits, loss of business, decrease in value of any securities, etc. As a practical matter, if a court would be reluctant to allow these anyway, then the State is not giving up much. The State would have some difficulty showing loss of profits since it is a non-profit.

Q2.: When would CPO want to add this Limitation of Liability term?

A2.: This language would only be included as a result of contract negotiations. It is commonly requested since the State has a reciprocal carve-out in the "Limitation of State's Liability" contract term. Allowing this term as an option would reduce the number of Rule Exception Requests needed.

Mr. Perry commented that as far as excluding use, that issue would already be covered by the CPO Negotiation Policy which allows only the CPO to negotiate. Mr. Krivacka agreed and added



that since limitation of liability is only offered up during the negotiation process that would allow the provision to only be used by the CPO. Mr. Perry added that the COT would review and approve the final contract which would include the provision.

Mr. Lea added that it sounds like the State is getting the same level of review by CPO and COT without the extra burden of a Rule Exception Request ("RER") bogging down the system.

Mr. Perry asked if there was any additional discussion regarding agenda item (8). Seeing none, Mr. Lea made a motion to recommend the FA Template – Limitation of Liability as presented to the Procurement Commission for approval. Mr. Chriske seconded the motion. All members voted in favor – none opposed.

#### (9) FA Template – Insurance

Mr. Krivacka summarized the following points with regard to the FA Template – Insurance

- This proposal will make Commercial General Liability, Workers' Compensation, and Auto Insurance part of the Mandatory Terms and Conditions instead of an optional term and condition. This will help to ensure that these insurance provisions are included in every contract, which should be the default versus at the discretion of an individual who is usually not that familiar with the insurance industry.
- An approved RER will be required to remove the Commercial General Liability, Workers' Compensation, and Employer Liability insurance types. Although Automobile Insurance is included in the FA Template it may be removed without an RER based on the instructional text for that provision.
- Additional coverages are optional after consultation with the Risk Manager. There may be some situations such as when handling flammable liquids, combustible materials, or hazardous waste, and where additional insurance coverages may be needed as those are outside of the ordinary course of business.

Mr. Perry asked if there was any discussion regarding agenda item (9). Mr. Chriske stated that it was mentioned that an RER would be required to remove Commercial General Liability, Worker's Compensation, and Employer Liability insurance types. Mr. Chriske asked when it would be an appropriate time for an agency to submit an RER to remove those coverages. Mr. Chriske asked if when a vendor is simply providing a commodity item and never steps foot on State property might be a good time for the RER to be used and if there would be other times when an agency would want to submit the RER to remove those coverages. For example, Mr. Krivacka stated that if a contractor were to be exempt from the requirements of the Worker's Compensation law, that would probably be an appropriate time to do the RER to remove the coverages even though our standard insurance language provides that Worker's Compensation insurance is applicable if required by Tennessee law. Mr. Krivacka continued that another example would be a personal services contract with an individual. The Worker's Compensation clause could be removed because individuals performing services are exempt from the requirements of Worker's Compensation law. An example of when Automobile Insurance could be removed is a situation where an automobile would not be used in conjunction with providing the procured goods or services to the State. Mr. Chriske thanked Mr. Krivacka for providing the clarification.

Mr. Lea asked what was available to procuring agencies as far as instructions regarding these insurance provisions. Mr. Krivacka responded that these are mandatory instructions and agencies will be advised to submit a RER to remove the insurance coverages. Mr. Lea summarized that since the provisions are standard, there is no need for instructions to procuring agencies about inclusion of the provision, only instructions regarding the removal of them. Mr. Krivacka agreed and also added that the CPO Risk Manager is available to consult with any agency in the event there are questions regarding insurance or coverage amounts.

Mr. Chris Todd, Envirogreen, Inc., commented that the Worker's Compensation exemption is detailed in the agenda packet on page 50, item b) 2. Mr. Todd also added that speaking as a contractor he believes the proposed insurance language is reasonable and is not out of line with what his small business routinely has to provide in working with general contractors.

Seeing no other discussion, Mr. Chriske made a motion to recommend the FA Template – Insurance as presented to the Procurement Commission for approval. Mr. Lea seconded the motion. All members voted in favor – none opposed.

#### (10) Request for Proposals ("RFP") Template

Mr. Krivacka summarized the following points with regard to the Request for Proposals ("RFP") Template:

- In this proposal, the RFP Template has been updated to correct typographical errors, revise language to be more consistent with terminology and practices used by the CPO, and add the following reminder notes to procurement professionals in the instructional text:
  - In Section 5.2.3. for negotiations, which is only used by CPO, a note will provide: Negotiations shall not be utilized by a state agency unless such procurement is performed by the Central Procurement Office. (See Tenn. Code Ann. § 4-56-108(a)(8).
  - In Section 6.3. for professional services, a note will provide: A RFP is not the correct solicitation choice if the procurement is for certain categories of professional services (e.g., attorneys, financial advisors, or engineers). Please refer to the RFQ Template and see Tenn. Code Ann. § 12-3-103 and 12-4-107 for more information. State Building Commission ("SBC") approval may be required to approve the procurement of architectural or engineering services. Please contact STREAM for more information.

Mr. Perry added that in some cases there has been confusion as to whether a procurement would be under the CPO or SBC and this proposal will provide some important clarity as to whether to use one or the other. Mr. Krivacka added that there has also been some confusion when procuring contracts for services of health professionals, doctors, lawyers, accountants or actuarials. Under the statute, these types of contracts must be awarded based on competence and demonstrated ability – not cost. The CPO is trying to emphasize to procurement professionals that these types of services must be procured based on qualifications and not cost.

Mr. Perry asked if there was any discussion regarding agenda item (10). Seeing none, Mr. Lea

made a motion to recommend the Request for Proposals ("RFP") Template as presented to the Procurement Commission for approval. Mr. Chriske seconded the motion. All members voted in favor – none opposed.

(11) Central Procurement Office Policy No. 2015-010, *Statewide Purchasing Card Policy and Procedures*

Mr. Krivacka summarized the following points with regard to Central Procurement Office Policy No. 2015-010, *Statewide Purchasing Card Policy and Procedures*:

- The proposed revision is to Section 6.1., Lost or Stolen Cards, and will add that: "The State Agency P-Card Program Coordinator must report any theft, forgery, or credit card fraud to the Office of the Comptroller of the Treasury in accordance with Tenn. Code Ann. § 8-4-119 and to the Statewide P-Card Program Administration Team."
- This message has previously been communicated to agency p-card coordinators informally via email but this will put the reminder into Policy and puts P-Card stakeholders on notice that any theft, forgery, or fraud is required to be reported per statute.

Mr. Perry added that this proposal was a result of an observation noted in a recent Sunset Audit.

Mr. Perry asked if there was any discussion regarding agenda item (11). Seeing none, Mr. Chriske made a motion to recommend Central Procurement Office Policy No. 2015-010, *Statewide Purchasing Card Policy and Procedures* as presented to the Procurement Commission for approval. Mr. Lea seconded the motion. All members voted in favor – none opposed.

(12) GU-USGS Template

Mr. Krivacka summarized the following points with regard to the GU-USGS Template:

- At the last Advisory Council meeting it was suggested that this document be changed from a Model to a Template since it had already been reviewed by the U.S Geological Survey ("USGS") and State Audit.
- This proposal will make the document a Template which will then subject it to the Rule Exception procedure.

Mr. Lea asked if there were any limitations on who could use this Template. Mr. Krivacka responded that use of the Template was limited but he could not recall which agencies were allowed to use it. Mr. Lea stated that probably the Tennessee Department of Environment and Conservation ("TDEC") was allowed to use it and Mr. Chriske added that the Tennessee Wildlife Resources Agency ("TWRA") also has a contract with USGS.

Mr. Perry asked if there was any discussion regarding agenda item (12). Seeing none, Mr. Lea made a motion to recommend the GU-USGS Template as presented to the Procurement Commission for approval. Mr. Chriske seconded the motion. All members voted in favor – none opposed.



(13) Grant Contract (GG) and Governmental Grant (GR) Templates – D.23. Limitation of State’s Liability

Mr. Krivacka stated that the Comptroller’s Office had a question on this agenda item and that he would address the question after his presentation of the proposal.

Mr. Krivacka summarized the following points with regard to the Grant Contract (GG) and Governmental Grant (GR) Templates – D.23. Limitation of State’s Liability:

- This proposal will revise the “State Liability” clause included in the GG and GR Templates to more closely follow the language included in the FA template and will make clear that the State will not be liable to the Grantee for such things as loss of business, loss of grant funding, or other indirect damages.

Question from COT:

Q1.: What is the State gaining with the addition of this new language?

A1.: The State is providing clarity to grantees by specifically enumerating all of the ways in which the State will not be liable. It will make it very clear that the State will not be liable for any indirect damages as a result of, for example, loss of grant funding. This language will also bring the grant contracts into symmetry with other CPO contract documents.

Mr. Perry asked if there was any discussion regarding agenda item (13). Seeing none, Mr. Lea made a motion to recommend the Grant Contract (GG) and Governmental Grant (GR) Templates – D.23. Limitation of State’s Liability as presented to the Procurement Commission for approval. Mr. Chriske seconded the motion. All members voted in favor – none opposed.

(14) FA Template - Contractor Commitment to Diversity

Mr. Krivacka summarized the following points with regard to the FA Template - Contractor Commitment to Diversity:

- This proposal will revise the requested reporting requirement from quarterly to monthly. This requirement will allow the Governor’s Office of Diversity Business Enterprise to have more current data.

Mr. Chriske asked if the purpose of the proposal was simply to get more current data. Mr. Krivacka confirmed that getting more current data was the purpose of changing the requirement from quarterly to monthly. Mr. Chriske then stated that the E.# section was optional language and asked at what point this information would be added to a contract. Mr. Krivacka asked for a moment to review the document.

Mr. Perry added that through utilizing new software the Go-DBE team has created a dashboard or scorecard that is “real time” and allows an agency to view how they are performing in relation to their aspirational goals for spend in the various Go-DBE categories at any point in time. That makes it even more important to have the most current data possible. Mr. Perry continued that if the data shows that an agency appears to be struggling in meeting goals, the Go-DBE team can intervene and reach out to them to offer assistance.

Mr. Krivacka asked Mr. Chriske if that answered his question. Mr. Chriske stated he believed that if diversity data was submitted with a solicitation, then at that point this language would be added to a contract. Mr. Krivacka confirmed that Mr. Chriske was correct. Mr. Krivacka added that the language would, in all likelihood, still be in the pro forma when it was submitted but if there was no diversity language to submit because they did not respond in that way, in effect the answer would be they have nothing to report.

Mr. Perry asked if there was any additional discussion regarding agenda item (14). Seeing none, Mr. Lea made a motion to recommend the FA Template - Contractor Commitment to Diversity as presented to the Procurement Commission for approval. Mr. Chriske seconded the motion. All members voted in favor – none opposed

**IV. Other Business:** Mr. Perry asked if there was any other business to be brought before the Council and saw none.

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

# **LIMITATION OF LIABILITY REQUEST**

## **REDLINE VERSION**

## Limitation of Liability Request

In accordance with T.C.A. §12-3-701, approval of the Chief Procurement Officer and the Comptroller of the Treasury is required if the proposed limitation of contractor liability is an amount less than two (2) times the value of the contract; and, approval of the Chief Procurement Officer, Comptroller of the Treasury, and the Commissioner of Finance and Administration is required if the proposed limitation of contractor liability is in excess of two (2) times the value of the contract.

Route a completed request, as one file in PDF format, via e-mail attachment sent to: [Agsprs.Agsprs@tn.gov](mailto:Agsprs.Agsprs@tn.gov)

|   |   |  |
|---|---|--|
| <b>APPROVED</b>                           | <b>APPROVED</b>                             | <b>APPROVED</b>  |
| <b>CHIEF PROCUREMENT OFFICER<br/>DATE</b> | <b>COMPTROLLER OF THE TREASURY<br/>DATE</b> | <b>COMMISSIONER OF FINANCE &amp;<br/>ADMINISTRATION (only for &gt;2 times)</b> |

Formatted Table

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| <b>Request Tracking #</b>   |               |
| <b>1. Contracting Agency</b>  |               |
| <b>2. Solicitation or Contract #</b>  |               |
| <b>3. Requestor Contact Information – name, e-mail address &amp; telephone #</b>  |               |
| <b>4. Proposed Contract Period –with ALL options to extend exercised</b>  | <b>months</b> |
| <b>5. Anticipated Contract Maximum Liability, Estimated Liability or Maximum Revenue – with ALL options to extend exercised</b>   | <b>\$</b>     |
| <p><b>6. Approval of this request will permit a limitation of contractor liability by means of the following contract provision.</b></p> <p><del>ED.#. Limitation of Contractor's Liability. In accordance with Tenn. Code Ann. § 12-3-701, The parties agree that the Contractor's liability for all claims arising under this Contract shall be limited to an amount equal to ( ) times the [Maximum Liability, Estimated Liability, or Maximum Revenue] amount detailed in Section C.1. and as may be amended, PROVIDED THAT in no event shall this Section limit the liability of the Contractor for: (i) intellectual property or any Contractor indemnity obligations for infringement for third-party intellectual property rights; (ii) any claims covered by any specific provision in the Contract providing for liquidated damages; or (iii) any claims for intentional torts, criminal acts, fraudulent conduct, or acts or omissions that result in personal injuries or death.</del></p> <p><del>intentional torts, criminal acts, or fraudulent conduct.</del></p> |               |
| <b>7. Goods or Services Description – brief summary only– do NOT restate the proposed scope of service</b>  |               |
| <b>8. Potential Risks of Liability to the State Resulting from the Procurement</b>  |               |

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| <b>Request Tracking #</b>  |  |
| <b>9. Anticipated Impact of Proposed Limitation of Liability on the State</b>  |  |
| <b>10. Justification</b>   |  |
| <b>Signature of Agency head or authorized designee, title of signatory, and date</b> (the authorized designee may sign his or her own name if indicated on the Signature Certification and Authorization document) |  |

# **LIMITATION OF LIABILITY REQUEST**

## **CLEAN VERSION**

# Limitation of Liability Request

In accordance with T.C.A. §12-3-701, approval of the Chief Procurement Officer and the Comptroller of the Treasury is required if the proposed limitation of contractor liability is an amount less than two (2) times the value of the contract; and, approval of the Chief Procurement Officer, Comptroller of the Treasury, and the Commissioner of Finance and Administration is required if the proposed limitation of contractor liability is in excess of two (2) times the value of the contract.

Route a completed request, as one file in PDF format, via e-mail attachment sent to: [Agsprrs.Agsprsr@tn.gov](mailto:Agsprrs.Agsprsr@tn.gov)

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|---|---|--|
| <b>APPROVED</b>                           | <b>APPROVED</b>                             | <b>APPROVED</b>  |
| <b>CHIEF PROCUREMENT OFFICER<br/>DATE</b> | <b>COMPTROLLER OF THE TREASURY<br/>DATE</b> | <b>COMMISSIONER OF FINANCE &amp;<br/>ADMINISTRATION (only for &gt;2 times)</b> |

|  |               |
|--|---------------|
| <b>Request Tracking #</b>  |               |
| <b>1. Contracting Agency</b>   |               |
| <b>2. Solicitation or Contract #</b>   |               |
| <b>3. Requestor Contact Information – name, e-mail address &amp; telephone #</b>   |               |
| <b>4. Proposed Contract Period –with ALL options to extend exercised</b>   | <b>months</b> |
| <b>5. Anticipated Contract Maximum Liability, Estimated Liability or Maximum Revenue – with ALL options to extend exercised</b>  | <b>\$</b>     |
| <p><b>6. Approval of this request will permit a limitation of contractor liability by means of the following contract provision.</b></p> <p>D.#. <u>Limitation of Contractor's Liability.</u> In accordance with Tenn. Code Ann. § 12-3-701, the Contractor's liability for all claims arising under this Contract shall be limited to an amount equal to ( ) times the [Maximum Liability, Estimated Liability, or Maximum Revenue] amount detailed in Section C.1. and as may be amended, PROVIDED THAT in no event shall this Section limit the liability of the Contractor for: (i) intellectual property or any Contractor indemnity obligations for infringement for third-party intellectual property rights; (ii) any claims covered by any specific provision in the Contract providing for liquidated damages; or (iii) any claims for intentional torts, criminal acts, fraudulent conduct, or acts or omissions that result in personal injuries or death.</p> |               |
| <b>7. Goods or Services Description – brief summary only– do NOT restate the proposed scope of service</b>   |               |
| <b>8. Potential Risks of Liability to the State Resulting from the Procurement</b>   |               |

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| <b>Request Tracking #</b>  |  |
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| <b>9. Anticipated Impact of Proposed Limitation of Liability on the State</b>  |  |
|  |  |
| <b>10. Justification</b>   |  |
|  |  |
| <b>Signature of Agency head or authorized designee, title of signatory, and date</b> (the authorized designee may sign his or her own name if indicated on the Signature Certification and Authorization document) |  |
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**RULE EXCEPTION REQUEST FOR THE  
DELEGATED AUTHORITY (“DA”) OR  
DELEGATED GRANT AUTHORITY  
 (“DG”) TEMPLATES**

**REDLINE VERSION**

## Rule Exception Request for the DA or DG templates

Use this document to request changes to the Delegated Authority ("DA") Template or Delegated Grant Authority ("DG") Template or to request a delegation of authority that remains in force and effect for more than twelve (12) months. If requesting a delegation period in excess of twelve (12) months because of the term of a federal award, attach supporting documentation of the federal award, which may include a hyperlink to the federal award information. Complete section ten (10) below only if requesting a delegation period in excess of twelve (12) months and the delegation does NOT involve federal funds. Complete this document in conformity with Tenn. Comp. R. & Reg. 0690-03-01-.17 and send it in PDF format to: [Agsprs.Agsprs@tn.gov](mailto:Agsprs.Agsprs@tn.gov). In accordance with Tenn. Comp. R. & Reg. 0690-03-01-.04, all proposed changes to the DA or DG templates must be reviewed and approved by the Chief Procurement Officer and Comptroller of the Treasury.

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| <p><b>APPROVED</b></p><br><br><hr/> <p>CHIEF PROCUREMENT OFFICER</p> | <p><b>APPROVED</b></p><br><br><hr/> <p>COMPTROLLER OF THE TREASURY</p> |
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|--|----|
| <b>Agency request tracking #</b>   |    |
| <b>1. Procuring Agency</b>   |    |
| <b>2. Edison contract ID #:</b><br><u>                    This Delegation:</u><br><b>2. <u>                    Prior Delegation (if</u></b><br><u>                    applicable)</u>  |    |
| <b>3. Delegation's Effective Date</b>  |    |
| <b>4. Delegation's end date</b>  |    |
| <b>5. Delegation's Maximum Liability</b>   | \$ |
| <b>6. Maximum Liability for a single procurement/ grant</b>  | \$ |
| <b>7. Citation and explanation of the rule(s) for which the exception is requested</b>   |    |
| <b>8. Description of requested change(s) to the DA or DGA template</b>   |    |
| <b>9. Justification</b>  |    |
| <b>10. If requesting a delegation period in excess of twelve (12) months, respond to the following:</b> <ol style="list-style-type: none"> <li>a. Describe the funding source and how it impacts the delegation period;</li> <li>b. What are the benefits of a delegation period in excess of twelve (12) months; and</li> <li>c. What are the risks if this request is not approved?</li> </ol> |    |

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| <p>11. If requesting a delegation period in excess of twelve (12) months and the delegation does NOT involve federal funds, address the following:</p> <ul style="list-style-type: none"> <li>a. Provide a quarterly disbursement plan for the delegation period and attach it to this document; and</li> <li>b. Explain the internal controls and monitoring procedures that will be used to avoid exceeding or amending the Maximum Liability.</li> </ul> |  |
| <p><b>12. Requestor Contact Information</b><br/> <i>Please provide a point of contact for questions about this request...</i></p>   |  |
| <p>Signature of Agency head or designee and date</p>  |  |

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**RULE EXCEPTION REQUEST FOR THE  
DELEGATED AUTHORITY (“DA”) OR  
DELEGATED GRANT AUTHORITY  
 (“DG”) TEMPLATES**

**CLEAN VERSION**

## Rule Exception Request for the DA or DG templates

Use this document to request changes to the Delegated Authority ("DA") Template or Delegated Grant Authority ("DG") Template or to request a delegation of authority that remains in force and effect for more than twelve (12) months. If requesting a delegation period in excess of twelve (12) months because of the term of a federal award, attach supporting documentation of the federal award, which may include a hyperlink to the federal award information. Complete section ten (10) below only if requesting a delegation period in excess of twelve (12) months and the delegation does NOT involve federal funds. Complete this document in conformity with Tenn. Comp. R. & Reg. 0690-03-01-.17 and send it in PDF format to: [Agsprs.Agsprs@tn.gov](mailto:Agsprs.Agsprs@tn.gov). In accordance with Tenn. Comp. R. & Reg. 0690-03-01-.04, all proposed changes to the DA or DG templates must be reviewed and approved by the Chief Procurement Officer and Comptroller of the Treasury.

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| <p><b>APPROVED</b></p><br><br><hr/> <p>CHIEF PROCUREMENT OFFICER</p>   | <p><b>APPROVED</b></p><br><br><hr/> <p>COMPTROLLER OF THE TREASURY</p> |
| <b>Agency request tracking #</b>   |  |
| <b>1. Procuring Agency</b>   |  |
| <b>2. Edison contract ID #:<br/>This Delegation:<br/>Prior Delegation (if applicable)</b>  |  |
| <b>3. Delegation's Effective Date</b>  |  |
| <b>4. Delegation's end date</b>  |  |
| <b>5. Delegation's Maximum Liability</b>   | \$   |
| <b>6. Maximum Liability for a single procurement/<br/>grant</b>  | \$   |
| <b>7. Citation and explanation of the rule(s) for<br/>which the exception is requested</b>   |  |
| <b>8. Description of requested change(s) to the<br/>DA or DGA template</b>   |  |
| <b>9. Justification</b>  |  |
| <b>10. If requesting a delegation period in excess<br/>of twelve (12) months, respond to the<br/>following:</b>  |  |
| <ul style="list-style-type: none"> <li>a. Describe the funding source and how it impacts the delegation period;</li> <li>b. What are the benefits of a delegation period in excess of twelve (12) months; and</li> <li>c. What are the risks if this request is not approved?</li> </ul> |  |

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| <p><b>11. If requesting a delegation period in excess of twelve (12) months and the delegation does NOT involve federal funds, address the following:</b></p> <ul style="list-style-type: none"> <li>a. Provide a quarterly disbursement plan for the delegation period and attach it to this document; and</li> <li>b. Explain the internal controls and monitoring procedures that will be used to avoid exceeding or amending the Maximum Liability.</li> </ul> |  |
| <p><b>12. Requestor Contact Information</b><br/> <i>Please provide a point of contact for questions about this request.</i></p>  |  |
| <p><b>Signature of Agency head or designee and date</b></p>  |  |

**GOVERNMENTAL GRANT (“GG”) AND  
GRANT CONTRACT (“GR”) TEMPLATES  
– OPTION: WORK PRODUCTS  
(TDOT ONLY)**

**REDLINE VERSION**

**REQUEST: Revise the optional “Work Products” contract clause in the Governmental Grant (GG) and Grant Contract (GR) Templates as follows:**

**Tennessee Department of Transportation**

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

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

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

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

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

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

The State and the Grantee are subject to the provisions of 37 CFR Part 401 governing patents and inventions, and the standard patent rights clause at 37 CFR Part 401.14 is hereby incorporated into this Grant Contract by reference. ~~In addition, the Grantee will retain all rights~~



provided for the State in this clause, and the State will not, as part of the consideration for making the award and entering into this Grant Contract, obtain rights in the Grantee's subject inventions. The State and the Federal Highway Administration (FHWA) shall have a royalty-free, non-exclusive, and irrevocable right to unlimited use of any and all aforesaid material developed or created as a result of the work or services specified in this Grant Contract. The State's or FHWA's use may be for commercial or non-commercial purposes and shall be free from any and all claims for royalties or other compensation that might otherwise be asserted by the Grantee.

**GOVERNMENTAL GRANT (“GG”) AND  
GRANT CONTRACT (“GR”) TEMPLATES  
– OPTION: WORK PRODUCTS  
(TDOT ONLY)**

**CLEAN VERSION**

**REQUEST: Revise the optional "Work Products" contract clause in the Governmental Grant (GG) and Grant Contract (GR) Templates as follows:**

**Tennessee Department of Transportation**

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

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

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

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

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

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

The State and the Grantee are subject to the provisions of 37 CFR Part 401 governing patents and inventions, and the standard patent rights clause at 37 CFR Part 401.14 is hereby incorporated into this Grant Contract by reference. The State and the Federal Highway Administration (FHWA) shall have a royalty-free, non-exclusive, and irrevocable right to unlimited use of any and all aforesaid material developed or created as a result of the work or services specified in this Grant Contract. The State's or FHWA's use may be for commercial or non-commercial purposes and shall be free from any and all claims for royalties or other compensation that might otherwise be asserted by the Grantee.

**FA TEMPLATE AND EDISON  
CONFIGURATOR - STATEWIDE  
CONTRACT OPTIONAL TERM**

**NEW**

**Request:** Add the following to the Configurator and FA Templates as an optional term for use when establishing a Statewide Contract (“SWC”).

**FA Template:**

Statewide Contract. This Contract establishes a source or sources of supply for all Tennessee State Agencies. “Tennessee State Agency” refers to the various departments, institutions, boards, commissions, and agencies of the executive branch of government of the State of Tennessee with exceptions as addressed in Tenn. Comp. R. & Regs. 0690-03-01-.01. The Contractor shall provide all goods or services and deliverables as required by this Contract to all Tennessee State Agencies.

The Contractor shall make this Contract available to the following entities, who are authorized to and who may purchase off of this Statewide Contract (“Authorized Users”):

- a. all Tennessee State governmental entities (this includes the legislative branch; judicial branch; and, commissions and boards of the State outside of the executive branch of government);
- b. Tennessee local governmental agencies;
- c. members of the University of Tennessee or Tennessee Board of Regents systems;
- d. any private nonprofit institution of higher education chartered in Tennessee; and,
- e. any corporation which is exempted from taxation under 26 U.S.C. Section 501(c) (3), as amended, and which contracts with the Department of Mental Health and Substance Abuse to provide services to the public (Tenn. Code Ann. § 33-2-1001).

These Authorized Users may utilize this Contract by purchasing directly from the Contractor according to their own procurement policies and procedures. The State is not responsible or liable for the transactions between the Contractor and Authorized Users.

**FA TEMPLATE AND EDISON  
CONFIGURATOR - MAJOR  
PROCUREMENT CONTRACT SALES  
AND USE TAX**

**NEW**

**REQUEST: Add the following contract clause to the FA Template, to the Edison Configurator as a Mandatory Term and Condition, and to the FA Template instructions, considerations and options.**

**D.33.** Major Procurement Contract Sales and Use Tax. Pursuant to Tenn. Code Ann. § 4-39-102 and to the extent applicable, the Contractor and the Contractor's subcontractors shall remit sales and use taxes on the sales of goods or services that are made by the Contractor or the Contractor's subcontractors and that are subject to tax.

**FA template instructions, considerations, and options.**

**Major Procurement Contract Sales and Use Tax.**

Remove the "Major Procurement Contract Sales and Use" contract clause if the total contract value is under seventy-five thousand dollars (\$75,000.00).

**REQUEST FOR PROPOSALS (“RFP”)  
TEMPLATE –OPTION: RFP REDLINES**

**NEW**



**REQUEST:** Add the following to the Request for Proposals (RFP) Standard Template at the RFP Instructions, Considerations, and Options section.

**6.2. TECHNICAL RESPONSE & EVALUATION GUIDE ATTACHMENT – SECTION B  
General Qualifications & Experience**

**Option: RFP Redlines**

Inclusion of this provision requires prior review and approval by CPO Legal. Add the following section and number as appropriate.

|  |             |  |
|--|-------------|--|
|  | <b>B.#.</b> | The Respondents are permitted to submit, as part of their Response, a "redline" of RFP Attachment 6.6, <i>Pro Forma</i> Contract, that tracks the Respondents' request for alternative or supplemental contract language. The redline changes that are allowed by this provision shall not include any exceptions or changes that (1) contradict any applicable state or federal law; (2) a mandatory requirement identified in RFP Attachment 6.2.; or (3) alter any deadlines in the Schedule of Events. |
|--|-------------|--|

**REQUEST FOR PROPOSALS (“RFP”)  
TEMPLATE – OPTION: DIGITAL  
SUBMITTAL OF RESPONSES**

**NEW**

**REQUEST: Add language to the Request for Proposals (RFP) Template at the RFP Instructions, Considerations and Options section as follows:**

**Option: Digital Submittal of Responses.**

Delete section 3.1.2.4. and replace with the following if Responses should be submitted as digital documents.

3.1.2.4. A Respondent must submit the Cost Proposal to the State on a separate CD or USB flash drive from the Technical Response (as detailed in RFP Sections 3.2.3., *et. seq.*).

**Option: Digital (instead of Paper) Submittal of Responses.**

Delete and replace section 3.2. with the following if Responses should be submitted as digital documents. Please note that all electronic records must be maintained in accordance with the Secretary of State's Record Management Division's and the Department of Finance & Administration's Strategic Technology Solution's policies.

**3.2. Response Delivery**

3.2.1. A Respondent must ensure that both the Technical Response and Cost Proposal files meet all form and content requirements, including all required signatures, as detailed within this RFP.

3.2.2. A Respondent must submit their response as specified below.

3.2.2.1. Technical Response

The Technical Response document should be in the form of one (1) digital document in "PDF" format properly recorded on its own otherwise blank, standard CD-R recordable disc or USB flash drive and should be clearly identified as the:

**"RFP #NUMBER TECHNICAL RESPONSE ORIGINAL"**

and **WRITTEN NUMBER (NUMBER)** digital copies of the Technical Response each in the form of one (1) digital document in "PDF" format properly recorded on its own otherwise blank, standard CD-R recordable disc or USB flash drive clearly labeled:

**"RFP # NUMBER TECHNICAL RESPONSE COPY"**

The sealed customer references should be the only paper documents included in the document.

3.2.2.2. Cost Proposal:

The Cost Proposal should be in the form of one (1) digital document in "PDF" or "XLS" format properly recorded on a separate, otherwise blank, standard CD-R recordable disc or USB flash drive clearly labeled:

**“RFP #NUMBER COST PROPOSAL”**

An electronic or facsimile signature, as applicable, on the Cost Proposal is acceptable.

3.2.3. A Respondent must separate, seal, package, and label the documents and copies for delivery as follows:

3.2.3.1. The Technical Response and copies must be placed in a sealed package that is clearly labeled:

**“DO NOT OPEN... RFP # NUMBER TECHNICAL RESPONSE FROM [RESPONDENT LEGAL ENTITY NAME]”**

3.2.3.2. The Cost Proposal must be placed in a separate, sealed package that is clearly labeled:

**“DO NOT OPEN... RFP # NUMBER COST PROPOSAL FROM [RESPONDENT LEGAL ENTITY NAME]”**

3.2.3.3. The separately, sealed Technical Response and Cost Proposal components may be enclosed in a larger package for mailing or delivery, provided that the outermost package is clearly labeled:

**“RFP # NUMBER SEALED TECHNICAL RESPONSE & SEALED COST PROPOSAL FROM [RESPONDENT LEGAL ENTITY NAME]”**

3.2.3.4. Any Respondent wishing to submit a Response in a format other than digital may do so by contacting the Solicitation Coordinator.

3.2.4. A Respondent must ensure that the State receives a response no later than the Response Deadline time and date detailed in the RFP Section 2, Schedule of Events at the following address:

SOLICITATION COORDINATOR NAME  
STATE AGENCY NAME  
STREET ADDRESS  
OTHER APPROPRIATE INFORMATION IF ANY

**CENTRAL PROCUREMENT OFFICE**  
**POLICY NUMBER 2013-002,**  
***PROCUREMENT METHODS***

**REDLINE AND CLEAN VERSION**

**REQUEST: Revise Policy #2013-002 Procurement Methods at section 19.10 as follows:**

**Track Changes:**

**Policy Number 2013-002**

19.10. *Request for Qualifications ("RFQ").*

A "Request for Qualifications" or "RFQ" may only be utilized by the Central Procurement Office. A RFQ is a written solicitation, requiring written responses from potential respondents, containing a list of qualifications that must be met before a respondent may propose respond in response to a Request for Proposals or, through an approved Rule Exception Request, another approved procurement method such as a Competitive Negotiation. A written response from a vendor is the appropriate response to a Request for Qualifications. A RFQ, through an approved Rule Exception Request, may also be used to select professional services providers based on recognized competence and integrity in accordance with Tenn. Code Ann. § 12-3-103. In such instances, cost shall not be considered in evaluating respondents. A RFQ may be used to gather information from potential vendors-respondents regarding qualifications of providers of goods and services within the market place.

**Clean:**

19.10. *Request for Qualifications ("RFQ").*

A "Request for Qualifications" or "RFQ" may only be utilized by the Central Procurement Office. A RFQ is a written solicitation, requiring written responses from potential respondents, containing a list of qualifications that must be met before a respondent may respond to a Request for Proposals or, through an approved Rule Exception Request, another approved procurement method such as a Competitive Negotiation. A RFQ, through an approved Rule Exception Request, may also be used to select professional services providers based on recognized competence and integrity in accordance with Tenn. Code Ann. § 12-3-103. In such instances, cost shall not be considered in evaluating respondents. A RFQ may be used to gather information from potential respondents regarding qualifications of providers of goods and services within the market place.

**REQUEST FOR QUALIFICATIONS  
("RFQ") TEMPLATE**

**REDLINE VERSION**

## REQUEST FOR QUALIFICATIONS (RFQ) TEMPLATE

This template prescribes the format and content for a Request for Qualifications (RFQ). This template should only be utilized if the Central Procurement Office is the procuring entity. Documents of this type must adhere to this template with revisions only as instructions permit. Insignificant deviations from this template, while always subject to disapproval, will typically not require a specific rule exception unless an oversight examiner requires separate documentation in a particular instance. If a formal rule exception request is not required, oversight approval of the document will constitute any necessary rule exceptions that may be necessary.

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

### RFQ CONTENTS

Revisions of the standard, simplified RFQ Contents may not be approved. The following optional terms may be included as applicable:

#### 1. INTRODUCTION

##### 1.1. Statement of Procurement Purpose

Specify important, specific information relating to contract requirements, specifications of goods or performance in the scope of services and not in this RFQ section.

##### 1.1.1. RFQ Number

Assign an RFQ number consisting of:

- the 5-digit, contracting agency business unit code
- a unique, 5-digit, agency-assigned number such that each RFQ number will be different

Example: **RFQ # 31707-12345**

##### 1.1.2. State Communications

**Option: Additional Information.**

Add a second paragraph to this section as appropriate (e.g., add text detailing a specific URL where the State will convey official, written responses and communications related to this RFQ by Internet posting).

##### 1.1.3. Factual Data

**Option: Additional Data Disclaimer.**

Add the following as a second paragraph of this section as appropriate.

All statistical and fiscal information contained in this RFQ and its exhibits, including amendments and modifications thereto, are provided "as is", without warranty as to the accuracy or adequacy of the data or information so provided, and reflect the department's best understanding based on information or belief available to the department at the time of RFQ preparation. No inaccuracies in such data or information shall be a basis for delay in performance or a basis for legal recovery of damages, actual, consequential or punitive.

##### 1.2. Pre-Response Conference



**Option: No Pre-Response Conference.**

**1.5. Collaborative Value Development**

**Option: Collaborative Value Development.**

Add the following as appropriate. Note: CVDs should be reserved for more complex procurements.

**1.5. Collaborative Value Development**

After RFQ § 2, Schedule of Events, "State Notice of Qualified Respondents Released," each Qualified Respondent will be invited to attend a Collaborative Value Development (CVD) event. Each CVD event will be held at the time and date detailed in the RFQ Schedule of Events, RFQ § 2.

Add additional CVD event details, such as whether or not attendance at the CVD event is mandatory to participate in the Solicitation event; how the Competitive Range will be determined (e.g., all Respondents with a minimum score, the top three highest scored Respondents, etc.); the number of representatives who will be invited to attend from each Qualified Respondent; the goals and objectives of the CVD; and, any other information that would be helpful to a potential Respondent.

**2. RFQ SCHEDULE OF EVENTS**

**RFQ Schedule of Events (table)**

The date instructions in the Schedule of Events table indicate minimum days.

Allot more days for each event as practical and where flexibility is allowed by the model instructions (indicated by "≥" signs).

Revise the "time zone" as appropriate.

**Option: NO Pre-Response Conference Event.**

Delete the Pre-Response Conference Event 3 from the schedule (and re-number subsequent events accordingly) as appropriate.

**Option: Oral Presentation Event.**

Complete and insert the following rows, in order immediately after the RFQ Technical Response Deadline event, (and re-number subsequent events) as appropriate.

|   |                       |  |
|---|-----------------------|--|
| #. State Schedules respondent Oral Presentations (ONLY Respondents who pass Mandatory Requirements) |                       | ≥ 1 BUSINESS DAYS LATER                  |
| #. Respondent Oral Presentations  | 8:00 a.m. - 4:30 p.m. | PERIOD BEGINNING ≥ 5 BUSINESS DAYS LATER |

**Option: Collaborative Value Development (CVD)**

Add the following after RFQ § 2, Schedule of Events, "State Notice of Qualified Respondents Released" If the State will hold a CVD event and added the optional language in section 1.5. for CVDs.

|  |  |                        |
|--|--|------------------------|
| #. State schedules Collaborative Value Development event (ONLY for Qualified |  | ≥ 1 BUSINESS DAY LATER |
|--|--|------------------------|

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| Respondents)                             |  |  |
| #. Collaborative Value Development event |  | To be determined after consultation with Qualified Respondents |

**Option: Cost Proposals**

Add the following after RFQ § 2, Schedule of Events "State Notice of Qualified Respondents Released and Solicitation Files Opened for Public Inspection" if the State will solicit a Cost Proposal from Qualified Respondents.

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|  |           |  |
|--|-----------|--|
| #. RFQ Cost Proposal Deadline (ONLY for Qualified Respondents)   | 2:00 p.m. | > 7 CALENDAR DAYS LATER                            |
| #. State Evaluation Notice Released Notice of Intent to Award Released and RFQ Files Opened for Public Inspection                              |           | 1 - 3 BUSINESS DAYS LATER                          |
| #. Solicitation Files Opened for Public Inspection End of Open File Period   |           | 1 BUSINESS - 7 CALENDAR DAYS LATER                 |
| #. State sends contract to Contractor for signature  |           | 1 BUSINESS DAY LATER                               |
| #. Respondent Contract Signature Deadline  | 2:00 p.m. | ≥ 8 BUSINESS DAYS LATER                            |
| #. Contractor Signature Deadline Anticipated Contract Start Date (anticipated date for contract to be fully executed and vendor to begin work) | 2:00 p.m. | 1 - 5 BUSINESS DAYS LATER ≥ 20 BUSINESS DAYS LATER |

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**Option: Multiple Contract Award – Constant Compete**

Add the following after RFQ § 2, Schedule of Events "RFQ Technical Response Deadline" if the State intends to award contracts directly from this RFQ. This option may be utilized in "constant compete" contracts where cost will be considered on a per project basis.

|  |           |                           |
|--|-----------|---------------------------|
| #. RFQ Negotiations (if applicable)  |           | ≥ 3 BUSINESS DAYS LATER   |
| #. State Notice of Intent to Award Released and RFQ Files Opened for Public Inspection |           | 1 - 3 BUSINESS DAYS LATER |
| #. End of Open File Period   |           | 7 CALENDAR DAYS LATER     |
| #. State sends contract to Contractor for signature                                    |           | 1 BUSINESS DAY LATER      |
| #. Contractor Signature Deadline   | 2:00 p.m. | 1 - 5 BUSINESS DAYS LATER |

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**Option: Single Contract Award – Professional Services (Cost not evaluated)**

Add the following after RFQ § 2, Schedule of Events "RFQ Technical Response Deadline" if the State will award a single contract directly from this RFQ. This option may be utilized for certain categories of professional services (for example, attorneys, financial advisors, architects or engineers. Please see Tenn. Code Ann. § 12-3-103 and 12-4-107 for more information. State Building Commission (SBC) approval may be required to approve the procurement of architectural or engineering services. Please contact STREAM for more information.

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|  |           |                           |
|--|-----------|---------------------------|
| #. RFQ Negotiations (if applicable)  |           | ≥ 3 BUSINESS DAYS LATER   |
| #. State Notice of Intent to Award Released and RFQ Files Opened for Public Inspection |           | 1 - 3 BUSINESS DAYS LATER |
| #. End of Open File Period   |           | 7 CALENDAR DAYS LATER     |
| #. State sends contract to Contractor for signature                                    |           | 1 BUSINESS DAY LATER      |
| #. Contractor Signature Deadline   | 2:00 p.m. | 1 - 5 BUSINESS DAYS LATER |

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**Option: RFQ Competitive Negotiations**

Add the following after RFQ § 2, Schedule of Events "Cost Proposal DeadlineRFQ Technical Response Deadline" if a Special Contract Request for competitive negotiation has been approved. Please note that pursuant to Tenn. Code Ann. § 12-3-507, each use of competitive negotiation requires approval by the chief procurement officer and the comptroller of the treasury.

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|   |           |                           |
|---|-----------|---------------------------|
| #. RFQ <u>Competitive Negotiations</u>  |           | ≥ 3 BUSINESS DAYS LATER   |
| #. <u>State Notice of Intent to Award Released and RFQ Files Opened for Public Inspection</u> |           | 1 – 3 BUSINESS DAYS LATER |
| #. <u>End of Open File Period</u>   |           | 7 CALENDAR DAYS LATER     |
| #. <u>State sends contract to Contractor for signature</u>                                    |           | 1 BUSINESS DAY LATER      |
| #. <u>Contractor Signature Deadline</u>   | 2:00 p.m. | 1 – 5 BUSINESS DAYS LATER |

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**Option: Performance Bond Event.**

Complete and insert the following row immediately after the Contractor Contract Signature Deadline event as appropriate.

|                              |           |                        |
|------------------------------|-----------|------------------------|
| #. Performance Bond Deadline | 4:30 p.m. | ≥ 1 BUSINESS DAY LATER |
|------------------------------|-----------|------------------------|

**3. RESPONSE REQUIREMENTS**

**3.3. Response Format**

The RFQ should require that respondents submit enough Technical Response copy discs to allow one copy for each Evaluation Team member. Revise §3.3.2.1. accordingly.

**Option: Digital Submittal of Responses.**

Delete and replace RFQ § 3.3.2.1. Response Format with the following if Respondents should submit responses as a digital document. Please note that all electronic records must be maintained in accordance with the Secretary of State's Record Management Division's and the Department of Finance & Administration's Strategic Technology Solution's policies.

**3.3.2.1. Technical Response**

One (1) original Technical Response in the form of one (1) digital document in "PDF" format properly recorded on its own otherwise blank, standard CD-R recordable disc or USB flash drive clearly labeled:

**"RFQ #NUMBER TECHNICAL RESPONSE ORIGINAL"**

and WRITTEN NUMBER (NUMBER) copies of the Technical Response each in the form of one (1) digital document in "PDF" format properly recorded on its own otherwise blank, standard CD-R recordable disc or USB flash drive labeled:

**"RFQ #NUMBER TECHNICAL RESPONSE COPY"**

The sealed customer references will be the only paper documents.

**3.3.2.2. Cost Proposal: For Qualified Respondents only**

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One (1) Cost Proposal in the form of one (1) digital document in "PDF" or "XLS" format properly recorded on a separate, otherwise blank, standard CD-R recordable disc or USB flash drive clearly labeled:

**"RFQ #NUMBER COST PROPOSAL"**

An electronic or facsimile signature, as applicable, on the Cost Proposal is acceptable.

3.2.3. A Respondent must separate, seal, package, and label the documents and copies for delivery as follows:

3.2.3.1. The Technical Response and copies must be placed in a sealed package that is clearly labeled:

**"DO NOT OPEN... RFQ # NUMBER TECHNICAL RESPONSE FROM [RESPONDENT LEGAL ENTITY NAME]"**

3.2.3.2. The Cost Proposal must be placed in a separate, sealed package that is clearly labeled:

**"DO NOT OPEN... RFQ # NUMBER COST PROPOSAL FROM [RESPONDENT LEGAL ENTITY NAME]"**

3.2.3.3. The separately, sealed Technical Response and Cost Proposal components may be enclosed in a larger package for mailing or delivery, provided that the outermost package is clearly labeled:

**"RFQ # NUMBER SEALED RESPONSE FROM [RESPONDENT LEGAL ENTITY NAME]"**

3.2.3.4. Any Respondent wishing to submit a Response in a format other than digital may do so by contacting the Solicitation Coordinator.

**Option: Additional Delivery Instructions.**

Revise subsections, if necessary, to provide for additional instructions for labeling and submitting the Technical Response and Cost Proposal.

**3.4. Response Prohibitions**

**Option: No Extraneous Terms and Conditions in Response – for RFQs involving IT only**

If the RFQ involves information technology goods or services, insert the following as 3.4.6. and renumber the subsequent subsections **only after** consulting with the Central Procurement Office's Legal Team and obtaining Central Procurement Office approval.

3.4.6. Include any end-user license agreement, manufacturer's terms and conditions, service guide, clickwrap agreement, shrinkwrap agreement, online terms and conditions, or other terms and conditions that will supplement, modify, or contradict the terms set forth in the *pro forma* contract.

**Option: Page Limitation**

Add the following instruction to limit the Technical Response to a certain number of pages as appropriate.

3.4.#. Exceed \_\_\_\_ pages in length (maps, graphs, and charts included as an appendix will not count against this page limit)

**Option: Time Limitation**

Add the following instruction to prohibit a respondent oral presentation from exceeding certain length of time as appropriate.

3.4.#. Provide an oral presentation to exceed \_\_\_\_ hours in length including time for questions. A topic outline will be provided with the oral presentation invitation.

**4. GENERAL INFORMATION & REQUIREMENTS**

**4.5. Disclosure of Response Contents**

**Option: Additional Disclosure Information.**

Add the following to the end of subsection 4.5. if it is deemed necessary and it is approved by the contracting agency and the Central Procurement Office.

The State agrees to protect, to the fullest extent permitted by state law, the confidentiality of information expressly identified by the Respondent as confidential and proprietary, including information that would allow a person to obtain unauthorized access to confidential information or to electronic information processing systems owned by or licensed to the State.

**5. PROCUREMENT PROCESS & CONTRACT AWARD**

**5.1. Option: Cost Proposals & RFQ Negotiations**

Replace RFQ § 5.1.1. with the following if negotiations will be included in the evaluation process.

The vendor selection will be a two-part process: (1) Qualification of Technical Responses, and (2) Cost Proposals/Negotiations.

**5.2. Competitive Range of Technical Responses**

The RFQ should specify what the competitive range will be for your particular RFQ. Add details describing what selection criteria will be utilized to determine the competitive range/what the respondent must do to be considered "Qualified".

**Option: Ranking**

The Technical Response must be ranked in the top \_\_\_\_ [Insert number (#)  $\geq 3$ ] after the Technical Response score is totaled and put in ordinal ranking (1 - the best evaluated ranking).

**Option: Percentile**

The Technical Response score must attain a combined score of \_\_\_\_ [insert number]. This minimum score threshold represents a score of \_\_\_\_%.

**Option: Respondent Oral Presentations**

Add the following to the Phase II paragraph if oral presentations will be included in the evaluation process.

The State may invite those who passed the Phase I evaluation to give oral presentations to the State. The qualitative assessment of each Respondent will include the information derived from the oral presentations.

**5.5. Option: Cost Proposals**

Add the following to RFQ § 5.5., Evaluation Guide, if the State will solicit a Cost Proposal from Qualified Respondents and consider it as a factor in Contract Award.

| Evaluation Category                       | Maximum Points Possible      |
|---|------------------------------|
| Cost Proposal (refer to RFQ Attachment D) | NUMBER ≥ 30% of TOTAL POINTS |

**5.6. Contract Award**

The RFQ should specify how anticipated contract award will occur for the particular RFQ. Revise as appropriate, subject to approvals.

Evaluation of cost shall not be permitted in any subsequent solicitation if the contract is for certain categories of professional services (for example, attorneys, financial advisors, architects or engineers). Please see Tenn. Code Ann. § 12-3-103 and 12-4-107 for more information. State Building Commission (SBC) approval may be required to approve the procurement of architectural or engineering services. Please contact STREAM for more information.

**Option: Contract Award**

Add the following as RFQ § 5.6., Contract Award, if the State will solicit a Cost Proposal from Qualified Respondents, which will result in a contract award.

5.6.1. The Solicitation Coordinator will submit the Evaluation Team determinations and response scores to the head of the contracting agency, or the agency head's designee, for consideration along with any other relevant information that might be available and pertinent to contract award.

5.6.2. The contracting agency head, or the agency head's designee, will determine the apparent best-evaluated response. (To effect a contract award to a Respondent other than the one receiving the highest evaluation score, the head of the contracting agency must provide written justification and obtain written approval of the Chief Procurement Officer and the Comptroller of the Treasury.)

6. \_\_\_\_\_

5.6.3. The State reserves the right to make an award without further discussion of any response.

5.6.4. The State will issue an Evaluation Notice and make the RFQ files available for public inspection at the time and date specified in the RFQ §2, Schedule of Events.

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6.6.1. The Solicitation Coordinator will submit the Evaluation Team determinations and response scores to the head of the contracting agency, or the agency head's designee, for consideration along with any other relevant information that might be available and pertinent to contract award.

6.6.2. The contracting agency head, or the agency head's designee, will determine the apparent best-evaluated response. (To effect a contract award to a Respondent other than the one receiving the highest evaluation score, the head of the contracting agency must provide written justification and obtain written approval of the Chief Procurement Officer and the Comptroller of the Treasury.)

6.6.3. The State reserves the right to make an award without further discussion of any response.



6.6.4. The State will issue an Evaluation Notice and make the RFQ files available for public inspection at the time and date specified in the RFQ § 2, Schedule of Events.

**NOTICE:** The Evaluation Notice shall not create rights, interests, or claims of entitlement in either the Respondent identified as the apparent best evaluated or any other Respondent.

5.6.5. The Respondent identified as offering the apparent best-evaluated must sign a contract drawn by the State pursuant to this RFQ. The contract shall be substantially the same as the RFQ Attachment GG, *pro forma* contract. The Respondent must sign said contract no later than the Respondent Contract Signature Deadline detailed in RFQ § 2, Schedule of Events. If the Respondent fails to provide the signed contract by the deadline, the State may determine the Respondent is non-responsive to this RFQ and reject the response.

6.6.5. Notwithstanding the foregoing, the State may, at its sole discretion, entertain limited negotiation prior to contract signing and, as a result, revise the *pro forma* contract terms and conditions or performance requirements in the State's best interests, PROVIDED THAT such revision of terms and conditions or performance requirements shall NOT materially affect the basis of response evaluation or negatively impact the competitive nature of the RFQ and vendor/contractor selection process.

6.6.6. If the State determines that a response is nonresponsive and rejects it after opening Cost Proposals, the Solicitation Coordinator will re-calculate scores for each remaining responsive Cost Proposal to determine (or re-determine) the apparent best-evaluated response.

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**ATTACHMENT A: TECHNICAL RESPONSE & EVALUATION GUIDE**

**Option: Page Limitation.**

Add the following row to the RFQ Attachment A table (in the grayed out top area) if a page limitation was included in RFQ § 3.4., Response Prohibitions.

|  |   |  |
|--|---|--|
|  | The Technical Response must not exceed _____ pages in length; |  |
|--|---|--|

**Option: Cash Flow Information.**

Add the following row to the RFQ Attachment A table (after the model items) if the contracting agency chooses to review the evidence of Respondent's financial stability/responsibility.

|            |   |  |
|------------|---|--|
| <b>A.#</b> | <p>Provide documentation disclosing the amount of cash flows from operating activities for the Respondent's most current operating period. Said documentation must indicate whether the cash flows are positive or negative, and, if the cash flows are negative for the most recent operating period, the documentation must include a detailed explanation of the factors contributing to the negative cash flows.</p> <p>NOTICE: All persons, agencies, firms, or other entities that provide opinions regarding the Respondent's financial status <u>must</u> be properly licensed to render such opinions. The State may require the Respondent to submit proof of such licensure detailing the state of licensure and licensure number for each person or entity that renders the opinions.</p> |  |
|------------|---|--|

**Option: Certificate of Insurance.**

Add the following row to the RFQ Attachment A table (after the model items) ONLY IF a Certificate of Insurance is considered necessary evidence of Respondent's financial stability/responsibility. (Specifying insurance requirements in the *pro forma* contract does not necessitate adding this optional response requirement.)

Add, delete, or revise subsections detailing insurance coverage requirements as appropriate. (If this response requirement item is added to the RFQ, the appropriate Insurance provision must be detailed in the *pro forma* contract, and the insurance coverage requirements specified in both the RFQ and the *pro forma* contract must agree.)

|  |            |   |  |
|--|------------|---|--|
|  | <b>A.#</b> | <p>Provide a valid, Certificate of Insurance that is verified and dated within the last six (6) months and which details <u>all</u> of the following:</p> <ul style="list-style-type: none"> <li>(a) Insurance Company</li> <li>(b) Respondent's Name and Address as the Insured</li> <li>(c) Policy Number</li> <li>(d) The following minimum insurance coverage:                             <ul style="list-style-type: none"> <li>(i) Workers' Compensation/ Employers' Liability (including all states coverage) with a limit not less than the relevant statutory amount or <b>WRITTEN AMOUNT</b> Dollars (<b>\$NUMBER AMOUNT</b>) per occurrence for employers' liability;</li> <li>(ii) Comprehensive Commercial General Liability (including personal injury &amp; property damage, premises/operations, independent contractor, contractual liability and completed operations/products) with a bodily injury/property damage combined single limit not less than <b>WRITTEN AMOUNT</b> Dollars (<b>\$NUMBER AMOUNT</b>) per occurrence and <b>WRITTEN AMOUNT</b> Dollars (<b>\$NUMBER AMOUNT</b>) aggregate;</li> <li>(iii) Automobile Coverage (including owned, leased, hired, and non-owned vehicles) with a bodily injury/property damage combined single limit not less than <b>WRITTEN AMOUNT</b> Dollars (<b>\$NUMBER AMOUNT</b>) per occurrence; and</li> <li>(iv) Professional Malpractice Liability with a limit of not less than <b>WRITTEN AMOUNT</b> Dollars (<b>\$NUMBER AMOUNT</b>) per claim.</li> </ul> </li> <li>(e) The following information applicable to each type of insurance coverage:                             <ul style="list-style-type: none"> <li>(i) Coverage Description,</li> <li>(ii) Exceptions and Exclusions,</li> <li>(iii) Policy Effective Date,</li> <li>(iv) Policy Expiration Date, and</li> <li>(v) Limit(s) of Liability.</li> </ul> </li> </ul> |  |
|--|------------|---|--|

**Option: Audited Financial Statements.**

Add the following row to the RFQ Attachment A table (after the model items) ONLY IF the anticipated contract amount is ≥ \$1,000,000.00 AND extraordinary effort to assure Respondent financial stability/responsibility is appropriate.

|  |            |   |  |
|--|------------|---|--|
|  | <b>A.#</b> | <p>Provide the Respondent's most recent independent audited financial statements. Said independent audited financial statements <u>must</u>:</p> <ul style="list-style-type: none"> <li>(1) reflect an audit period for a fiscal year ended within the last 36 months</li> <li>(2) be prepared with all monetary amounts detailed in United States currency;</li> <li>(3) be prepared under United States Generally Accepted</li> </ul> |  |
|--|------------|---|--|



|  |   |  |
|--|---|--|
|  | <p>Accounting Principles (US GAAP);</p> <p>(4) include: the auditor's opinion letter; financial statements; and the notes to the financial statements; and</p> <p>(5) be deemed, in the sole discretion of the State to reflect sufficient financial stability to undertake the subject agreement with the State.</p> <p>NOTES:</p> <ul style="list-style-type: none"> <li>▪ Reviewed or Compiled Financial Statements will not be deemed responsive to this requirement and will <u>not</u> be accepted.</li> <li>▪ All persons, agencies, firms, or other entities that provide opinions regarding the Respondent's financial status <u>must</u> be properly licensed to render such opinions. The State may require the Respondent to submit proof of such licensure detailing the state of licensure and licensure number for each person or entity that renders the opinions.</li> </ul> |  |
|--|---|--|

**Option: Audited Financial Statements – Line of Credit Option.**

Privately held companies may not have or be willing to release audited financial statements for public review. Therefore, requiring audited financial statements (as detailed above) without an alternative to the requirement could conceptually prevent privately held companies from responding to the RFQ.

The contracting agency should consider the possible impact of the requirement on competition versus the state's need to reasonably determine the financial stability/responsibility of respondents and decide whether it is appropriate to include an alternative to the requirement.

Insert the following paragraph before the "NOTES" in the optional audited financial statements requirement text (above) if appropriate.

**OR**, in lieu of the aforementioned independent audited financial statements, provide a financial institution's letter of commitment for a general Line of Credit in the amount of **WRITTEN AMOUNT ≥ ONE MILLION DOLLARS (\$NUMBER AMOUNT)**, U.S. currency, available to the Respondent. Said letter must specify the Respondent's name, be signed and dated within the past three (3) months by an authorized agent of the financial institution, and indicate that the Line of Credit shall be available for at least **PERIOD ≥ 6 MONTHS**.

**Option: Audited Financial Statements – Additional Requirement.**

Add the following sentence at the end of the second bulleted note in the optional audited financial statements requirement text **ONLY IF** the contracting agency legal counsel recommends it in writing.

Any attest or review of the financial status of a Tennessee corporation must be rendered by an accountant or accounting firm licensed or otherwise specifically permitted to provide an attest or review by the Tennessee Board of Accountancy.

**Option: Proposal Bond Confirmation.**

Add the following row to the RFQ Attachment A table **ONLY IF** a Proposal Bond is required by the Chief Procurement Officer. All proposal bond amounts shall be stated as a set amount or as a percentage of the contract value. In no event shall the proposal bond amount exceed five percent (5%) of the estimated value of the contract.

|  |   |  |
|--|---|--|
|  | <p><b>A.#</b> Provide a proposal bond issued by a surety company licensed to do business in the State of Tennessee in the amount of \$__._.</p> |  |
|--|---|--|

**Contingent Requirement: Performance Bond Confirmation.**

Add the following row to the RFQ Attachment A table ONLY IF a Performance Bond is proposed.

|            |   |  |
|------------|---|--|
| <b>A.#</b> | Provide a statement confirming that, if awarded a contract pursuant to this RFQ, the Respondent shall deliver a Performance Bond to the State in accordance with the requirements of this RFQ. The statement must be signed by an individual with legal authority to bind the proposing entity to the provisions of this RFQ and any contract awarded pursuant to it. |  |
|------------|---|--|

**Option: Additional Mandatory Requirements.**

Typically, each mandatory requirement item must be drafted such that an objective "yes/no" determination of whether the requirement was met is reasonable and adequate (clearly not necessitating a qualitative evaluation of the response).

Contracting agency staff may be asked to provide evidence that a proposed mandatory requirement is not inappropriately arbitrary or capricious (e.g., (1) information from an independent, authoritative source indicating that the proposed criteria is a reasonable standard; and (2) a recommendation signed by the contracting agency legal counsel explaining why the proposed requirement is not arbitrary or capricious).

Add mandatory requirement items to the RFQ Attachment A table (after the model items) as appropriate. Do not include a mandatory requirement that entails a response that should or must be more subjectively evaluated. Do not include an arbitrary mandatory requirement.

**ATTACHMENT B: TECHNICAL RESPONSE & EVALUATION GUIDE**

**General Qualifications & Experience**

The entire set of General Qualifications & Experience items detailed in the model for this section MUST be evaluated together as indicated.

RFQ Attachment B and the methodology for evaluating responses may NOT be revised except to add new evaluation items.

**B.17. References**

**Option: Revised Reference Requirements.**

Do not assume automatic approval of any revision of the model text.

Revise the number of required references as appropriate. Revise the model text, as appropriate, to detail an alternate process for obtaining and evaluating references. Any such revision must be exactly detailed and clearly uniform in application with all respondents.

**Option: Red-Line *pro forma* contract submittal.**

Add the following row to the RFQ Attachment B table ONLY if it would benefit the State to be amenable to making changes to the *pro forma* contract. Inclusion of this provision requires prior review and approval by CPO Legal. Add the following section and number as appropriate.

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|             |  |  |
|-------------|--|--|
| <b>B.#.</b> | <p><del>The State is amenable to making changes to RFQ Attachment G, <i>pro forma</i> contract. The State will take all reasonable suggested alternative or supplemental contract language changes by Respondents under advisement during the evaluation and post award processes, subject to any mandates or restrictions imposed on the State by applicable state or federal law. The State, however, recommends that Respondents include with their response any alternative or supplemental suggested contract language that a Respondent would propose.</del></p> <p>Clearly indicate, by providing a "red line" of RFQ Attachment G, <i>pro forma</i> contract, all suggested alternative or supplemental contract</p> |  |
|-------------|--|--|

|  |   |  |
|--|---|--|
|  | <p>language. Do <u>not</u> include any exceptions or changes that (1) contradict a Federal requirement or a Mandatory Requirement, or (2) push back any deadlines.</p> <p>The Respondents are permitted to submit, as part of their Response, a "redline" of RFQ Attachment G, <i>Pro Forma Contract</i>, that tracks the Respondents' request for alternative or supplemental contract language. The redline changes that are allowed by this provision shall not include any exceptions or changes that (1) contradict any applicable state or federal law; (2) a mandatory requirement identified in RFQ Attachment A; or (3) alter any deadlines in the Schedule of Events.</p> |  |
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**ATTACHMENT C: TECHNICAL RESPONSE & EVALUATION GUIDE**

**Technical Qualifications, Experience & Approach**

The sum of all Evaluation Factors within the section should equal "100" (or "1,000") so that the relative percentage of importance/ emphasis is readily apparent.

Assign Evaluation Factors such that the Point Scale Score for the evaluation factors will be weighted to reflect the relative importance of the item to the other evaluation factors within the section.

If all evaluation factors in the section are to be considered (weighted) equally, specify "1" as the Evaluation Factor for every factor.

**Option: Additional Technical Qualifications, Experience & Approach Items.** Add evaluation items to the RFQ Attachment C table so that the state has the best possible information upon which to select a Respondent for contract award.

**Option: Oral Presentations as part of Technical Response & Evaluation Guide**

Oral Presentations may NOT include "general" questions and answers. All questions must either be scripted questions asked by state staff or subject matter experts in every response presentation or a specific question in exact follow-up to particular information presented by the respondent in response to one or more of the Oral Presentation items.

**Option: Cost Proposals**

**ATTACHMENT D: COST PROPOSAL & EVALUATION GUIDE ATTACHMENT**

Each line item on which the State is seeking costs must clearly specify the associated, applicable units of goods or services. While the line item of cost description should stipulate the applicable units of goods or services, it should also be specified within each blank cost cell. Examples: \$\_\_\_/ hour, or \$\_\_\_/ each, etc.

The Cost Proposal format should not require calculations by Respondents.

The Cost Proposal & Evaluation Guide (and the associated *pro forma* contract payment methodology) must be drafted so that NO Respondent is able to propose cost in such a manner that the Evaluation Cost Amount would equal zero. This is critical if the cost response evaluation formula is to mathematically result in rational numbers as cost response scores. (In some instances, it might be necessary to require a minimum proposed amount for one or more line item of costs.)

**ATTACHMENT D**

**Cost Proposal & Evaluation Guide  
For Qualified Respondents Only**

**NOTICE: THIS COST PROPOSAL MUST BE COMPLETED EXACTLY AS REQUIRED**

**COST PROPOSAL SCHEDULE**— The Cost Proposal, detailed below, shall indicate the proposed price for the delivery of specified goods for the entire scope of services including all services defined in the Scope of Services of the RFQ Attachment G, *pro forma* Contract and for the entire contract period. The Cost Proposal shall remain valid for at least 120 days subsequent to the date of the Cost Proposal opening and thereafter in accordance with any contract resulting from this RFQ. All monetary amounts shall be in U.S. currency and limited to two (2) places to the right of the decimal point.

**ADD ADDITIONAL REQUIREMENTS FOR COMPLETING PROPOSED COST AS APPLICABLE (I.E., MINIMUM AMOUNT, "BLANK" CELLS, ETC.)**

**NOTICE:** The Evaluation Factor associated with each line item of cost is for evaluation purposes only. The evaluation factors do NOT and should NOT be construed as any type of volume guarantee or minimum purchase quantity. The evaluation factors shall NOT create rights, interests, or claims of entitlement in the Respondent.

Notwithstanding the line item of costs herein, pursuant to the second paragraph of the *pro forma* contract section C.1. (refer to RFQ Attachment G), "The State is under no obligation to request work from the Contractor in any specific dollar amounts or to request any work at all from the Contractor during any period of this Contract."

This Cost Proposal must be signed, in the space below, by an individual empowered to bind the entity responding to the provisions of this RFQ and any contract awarded pursuant thereto. If said individual is not responding in an individual capacity or is the *President* or *Chief Executive Officer*, this document must attach evidence showing the individual's authority to legally bind the entity responding to this RFQ.

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|  |                      |                          |  |
|--|----------------------|--------------------------|--|
| <b>RESPONDENT SIGNATURE:</b>   |                      |                          |  |
| <b>PRINTED NAME &amp; TITLE:</b>   |                      |                          |  |
| <b>DATE:</b>   |                      |                          |  |
| <b>RESPONDENT LEGAL ENTITY NAME:</b>   |                      |                          |  |
| <b>Line item of cost Description</b>   | <b>Proposed Cost</b> | <b>State Use Only</b>    |  |
|  |                      | <b>Evaluation Factor</b> | <b>Evaluation Cost<br/>(cost x factor)</b> |
| <b>DESCRIPTION</b>   | \$ / <b>UNIT</b>     | <b>NUMBER</b>            |  |
| <b>REPEAT AS NECESSARY</b>   | \$ / <b>UNIT</b>     | <b>NUMBER</b>            |  |
| <b>REPEAT AS NECESSARY</b>   | \$ / <b>UNIT</b>     | <b>NUMBER</b>            |  |
| <b>EVALUATION COST AMOUNT (sum of evaluation costs above):</b><br>The RFQ Coordinator will use this sum and the formula below to calculate the Cost Proposal Score. Numbers rounded to two (2) places to the right of the decimal point will be standard for calculations. |                      |                          |  |

|  |                      |                          |  |
|--|----------------------|--------------------------|--|
| <b>RESPONDENT LEGAL ENTITY NAME:</b>   |                      |                          |  |
| <b>Line item of cost Description</b>   | <b>Proposed Cost</b> | <b>State Use Only</b>    |  |
|  |                      | <b>Evaluation Factor</b> | <b>Evaluation Cost (cost x factor)</b> |
| $\frac{\text{lowest evaluation cost amount from all responses}}{\text{evaluation cost amount being evaluated}} \times \text{RFQ } \S 5.5 \text{ NUMBER (maximum section score)} = \text{SCORE:}$ |                      |                          |  |
| <i>State Use – RFQ Coordinator Signature, Printed Name &amp; Date:</i>   |                      |                          |  |

**EVALUATION FACTORS** — A factor associated with each line item of cost is used to foster reasonable, competitive price offers for each line item of costs and to prevent Respondents from offering prices with the intent of “gaming” the evaluation model and not resulting in the best actual cost to the state. The use of Evaluation Factors should also result in a more appropriate consideration of each line item of cost in terms of its relative impact upon the total cost to the state under the proposed contract. Typically, all Evaluation Factors must be based upon:

- historical data relating to the number of the associated goods or services units previously bought by the state for a comparable period; OR
- the procuring state agency’s reasoned projection of the actual number of each line item of cost units that the state will buy under the new contract during the entire contract period (with all options, if any, to extend the contract exercised).

(If one or more milestone or other lump sum type payment amounts are included in the mix of line item of costs, the logical Evaluation Factor for each milestone or lump sum line item of cost should typically be “1” since each payment amount would be remitted only one time.)

**Option: Cost Proposal Format Default – ONE Payment Rate Per Line item of cost (static or CPI-escalated).**

Use the default Cost Proposal schedule if the Respondents must offer only one rate per all goods or services for the entire contract period (with or without rate escalation provisions are detailed in the *pro forma* contract).

**Option: Cost Proposal Format – Unit or Temporal Rate Payments (proposed by period).**

Use the following table if the Respondents must offer rates for one or more cost items for each of several specified periods of the contract.

**ATTACHMENT D**

**Cost Proposal & Evaluation Guide**  
For Qualified Respondents Only

**NOTICE: THIS COST PROPOSAL MUST BE COMPLETED EXACTLY AS REQUIRED**

**COST PROPOSAL SCHEDULE**— The Cost Proposal, detailed below, shall indicate the proposed price for the delivery of specified goods for the entire scope of services including all services defined in the Scope of Services of the RFQ Attachment G, *pro forma* Contract and for the entire contract period. The Cost Proposal shall remain valid for at least 120 days subsequent to the date of the Cost Proposal opening and thereafter in accordance with any contract resulting from this RFQ. All monetary amounts shall be in U.S. currency and limited to two (2) places to the right of the decimal point.

**ADD ADDITIONAL REQUIREMENTS FOR COMPLETING PROPOSED COST AS APPLICABLE (I.E., MINIMUM AMOUNT, "BLANK" CELLS, ETC.)**

**NOTICE:** The Evaluation Factor associated with each cost item is for evaluation purposes only. The evaluation factors do NOT and should NOT be construed as any type of volume guarantee or minimum purchase quantity. The evaluation factors shall NOT create rights, interests, or claims of entitlement in the Respondent.

Notwithstanding the cost items herein, pursuant to the second paragraph of the *pro forma* contract section C.1. (refer to RFQ Attachment G), "The State is under no obligation to request work from the Contractor in any specific dollar amounts or to request any work at all from the Contractor during any period of this Contract."

This Cost Proposal must be signed, in the space below, by an individual empowered to bind the proposing entity to the provisions of this RFQ and any contract awarded pursuant to it. If said individual is not the *President* or *Chief Executive Officer*, this document must attach evidence showing the individual's authority to legally bind the proposing entity.

|                                      |                       |                       |                       |                       |                       |                       |                              |   |
|--------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|------------------------------|---|
| <b>RESPONDENT SIGNATURE:</b>         |                       |                       |                       |                       |                       |                       |                              |   |
| <b>PRINTED NAME &amp; TITLE:</b>     |                       |                       |                       |                       |                       |                       |                              |   |
| <b>DATE:</b>                         |                       |                       |                       |                       |                       |                       |                              |   |
| <b>RESPONDENT LEGAL ENTITY NAME:</b> |                       |                       |                       |                       |                       |                       |                              |   |
| <b>Cost Item Description</b>         | <b>Proposed Cost</b>  |                       |                       |                       |                       | <b>State Use ONLY</b> |                              |   |
|                                      | <b>DATE—<br/>DATE</b> | <b>DATE—<br/>DATE</b> | <b>DATE—<br/>DATE</b> | <b>DATE—<br/>DATE</b> | <b>DATE—<br/>DATE</b> | <b>Sum</b>            | <b>Evaluation<br/>Factor</b> | <b>Evaluation<br/>Cost<br/>(sum<br/>x factor)</b> |
| <b>DESCRIPTION</b>                   | \$<br>/ UNIT          | \$<br>/ UNIT          | \$<br>/ UNIT          | \$<br>/ UNIT          | \$<br>/ UNIT          |                       | NUMBER                       |   |
| <b>REPEAT AS<br/>NECESSARY</b>       | \$<br>/ UNIT          | \$<br>/ UNIT          | \$<br>/ UNIT          | \$<br>/ UNIT          | \$<br>/ UNIT          |                       | NUMBER                       |   |
| <b>REPEAT AS<br/>NECESSARY</b>       | \$<br>/ UNIT          | \$<br>/ UNIT          | \$<br>/ UNIT          | \$<br>/ UNIT          | \$<br>/ UNIT          |                       | NUMBER                       |   |



|  |                       |                       |                       |                       |                       |  |                              |   |
|--|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|--|------------------------------|---|
| <b>RESPONDENT LEGAL ENTITY NAME:</b>   |                       |                       |                       |                       |                       |  |                              |   |
| <b>Cost Item Description</b>   | <b>Proposed Cost</b>  |                       |                       |                       |                       | <b>State Use ONLY</b>                      |                              |   |
|  | <b>DATE—<br/>DATE</b> | <b>DATE—<br/>DATE</b> | <b>DATE—<br/>DATE</b> | <b>DATE—<br/>DATE</b> | <b>DATE—<br/>DATE</b> | <b>Sum</b>                                 | <b>Evaluation<br/>Factor</b> | <b>Evaluation<br/>Cost<br/>(sum<br/>x factor)</b> |
| <b>REPEAT AS<br/>NECESSARY</b>   | <b>\$<br/>/ UNIT</b>  | <b>\$<br/>/ UNIT</b>  | <b>\$<br/>/ UNIT</b>  | <b>\$<br/>/ UNIT</b>  | <b>\$<br/>/ UNIT</b>  |  | <b>NUMBER</b>                |   |
| <b>REPEAT AS<br/>NECESSARY</b>   | <b>\$<br/>/ UNIT</b>  | <b>\$<br/>/ UNIT</b>  | <b>\$<br/>/ UNIT</b>  | <b>\$<br/>/ UNIT</b>  | <b>\$<br/>/ UNIT</b>  |  | <b>NUMBER</b>                |   |
| <b>TOTAL EVALUATION COST AMOUNT</b> (sum of evaluation costs above):   |                       |                       |                       |                       |                       |  |                              |   |
| The <u>RFQ Solicitation</u> Coordinator will use this sum and the formula below to calculate the Cost Proposal Score. Numbers rounded to two (2) places to the right of the decimal point will be standard for calculations. |                       |                       |                       |                       |                       |  |                              |   |
| $\frac{\text{lowest evaluation cost amount from all proposals}}{\text{evaluation cost amount being evaluated}}$  |                       |                       |                       |                       |                       | $\times \text{RFQ } \$ 5.5 \text{ NUMBER}$ | $=$                          | <b>SCORE:</b>                                     |
| State Use – RFQ Coordinator Signature, Printed Name & Date:  |                       |                       |                       |                       |                       |  |                              |   |

**Option: Cost Proposal Format – NO Evaluation Factors Column** contract

In those instances where the relative importance of ALL line item of costs is equal (for example, if payments will be only based on milestone/ lump sum type payments in which the sum of all of the line item of costs would equal the anticipated cost of the contract), all Evaluation Factors would equal "1." Inasmuch, it would be acceptable to draft the Cost Proposal format without the preamble notice relating to Evaluation Factors as well as without the Evaluation Factor column or the Sum and Evaluation Factor columns.

**Option: Cost Proposal & Evaluation Guide.**

Revise the Cost Proposal & Evaluation Guide detailed in the model, as appropriate, to direct respondents to complete a protected spreadsheet ("protected" so that respondents may only insert proposed cost as required) provided by the state along with the RFQ in lieu of completing the Cost Proposal table illustrated in the guide.

**ATTACHMENT E: STATEMENT OF CERTIFICATIONS & ASSURANCES**

**Option: Alternate Language if Red-Line Allowed**

Modify Item 3 as follows if Red-Line *pro forma* contract submittal was permitted in RFQ Attachment B.

The Respondent accepts and agrees to all terms and conditions, except changes as set forth in the response (refer to RFQ Attachment B, **Item B#NUMBER**), set out in the RFQ Attachment G, *pro forma* Contract.

**Option: Awarded Respondent shall accept payment via the State's Purchasing Card**

Add the following as Item 4 only after performing market research and determining that: (a) requiring vendors to accept payments via purchasing card is generally accepted in the marketplace; and (b) requiring prospective Respondents to accept the State's Purchasing Card at no cost to the State will not materially affect competition.

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

**Option: Alternate Language if soliciting Cost Proposals**

Modify Item 9 as follows if the State will solicit Cost Proposals from Qualified Respondents.

Both the Technical Response and the Cost Proposal submitted in response to the RFQ shall remain valid for at least 120 days subsequent to the date of the Cost Proposal opening and thereafter in accordance with any contract pursuant to the RFQ.

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**ATTACHMENT F: REFERENCE QUESTIONNAIRE**

**Option: Questionnaire Revision.**

Select one of the two different Reference Questionnaire options available below, depending on your procurement needs.

Add, delete, or revise questionnaire items as appropriate to the subject procurement so that the state has the best possible information upon which to select a Respondent for contract award.

**RFQ # NUMBER REFERENCE QUESTIONNAIRE**

**RESPONDENT NAME:** RESPONDENT NAME (completed by respondent before reference is requested)

The "respondent name" specified above, intends to submit a response to the State of Tennessee in response to the Request for Qualifications (RFQ) indicated. As a part of such response, the respondent must include a number of completed and sealed reference questionnaires (using this form).

Each individual responding to this reference questionnaire is asked to follow these instructions:

- complete this questionnaire (either using the form provided or an exact duplicate of this document);
- sign and date the completed questionnaire;
- seal the completed, signed, and dated questionnaire in a new standard #10 envelope;
- sign in ink across the sealed portion of the envelope; and
- return the sealed envelope containing the completed questionnaire directly to the respondent.

(1) **What is the name of the individual, company, organization, or entity responding to this reference questionnaire?**

(2) **Please provide the following information about the individual completing this reference questionnaire on behalf of the above-named individual, company, organization, or entity.**



|                        |  |
|------------------------|--|
| <b>NAME:</b>           |  |
| <b>TITLE:</b>          |  |
| <b>TELEPHONE #</b>     |  |
| <b>E-MAIL ADDRESS:</b> |  |

(3) What goods or services do/did the vendor provide to your company or organization?

(4) What is the level of your overall satisfaction with the vendor of the goods or services described above?

*Please respond by circling the appropriate number on the scale below.*



**RFQP # NUMBER PROPOSAL REFERENCE QUESTIONNAIRE — PAGE 2**

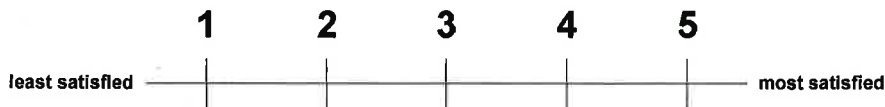
If you circled 3 or less above, what could the vendor have done to improve that rating?

(5) If the goods or services that the vendor provided to your company or organization are completed, were the goods or services completed in compliance with the terms of the contract, on time, and within budget? If not, please explain.

(6) If the vendor is still providing goods or services to your company or organization, are these goods or services being provided in compliance with the terms of the contract, on time, and within budget? If not, please explain.

- (7) How satisfied are you with the vendor's ability to perform based on your expectations and according to the contractual arrangements?
  
- (8) In what areas of goods or service delivery do/did the vendor excel?
  
- (9) In what areas of goods or service delivery do/did the vendor fall short?
  
- (10) What is the level of your satisfaction with the vendor's project management structures, processes, and personnel?

*Please respond by circling the appropriate number on the scale below.*

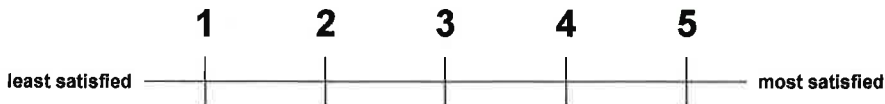


What, if any, comments do you have regarding the score selected above?

**RFQP # NUMBER PROPOSAL REFERENCE QUESTIONNAIRE — PAGE 3**

- (11) Considering the staff assigned by the vendor to deliver the goods or services described in response to question 3 above, how satisfied are you with the technical abilities, professionalism, and interpersonal skills of the individuals assigned?

*Please respond by circling the appropriate number on the scale below.*



What, if any, comments do you have regarding the score selected above?

(12) **Would you contract again with the vendor for the same or similar goods or services?**

*Please respond by circling the appropriate number on the scale below.*

**1            2            3            4            5**

least satisfied ————|—————|—————|—————|—————|————— most satisfied

**What, if any, comments do you have regarding the score selected above?**

**REFERENCE SIGNATURE:**

(by the individual completing this request for reference information)

\_\_\_\_\_

(must be the same as the signature across the envelope seal)

**DATE:**

\_\_\_\_\_

## REFERENCE QUESTIONNAIRE

**RESPONDENT NAME:** \_\_\_\_\_  
**RFQ # NUMBER** \_\_\_\_\_

The Respondent will be responsible for obtaining completed Reference Questionnaires as required and for enclosing the sealed envelopes within the response.

The "respondent name," specified above, intends to submit a response to the State of Tennessee in response to the Request for Qualifications (RFQ) indicated. As a part of such response, the respondent must include a number of completed and sealed reference questionnaires (using this form).

Each individual responding to this reference questionnaire is asked to follow these instructions:

- complete this questionnaire (either using the form provided or an exact duplicate of this document);
  - sign and date the completed questionnaire;
  - seal the completed, signed, and dated questionnaire in a new standard #10 envelope;
  - sign in ink across the sealed portion of the envelope; and
  - return the sealed envelope containing the completed questionnaire directly to the respondent.

- (1) **What is the name of the individual, company, organization, or entity responding to this reference questionnaire?**
- (2) **Please provide the following information about the individual completing this reference questionnaire on behalf of the above-named individual, company, organization, or entity.**

|                        |  |
|------------------------|--|
| <b>NAME:</b>           |  |
| <b>TITLE:</b>          |  |
| <b>TELEPHONE #</b>     |  |
| <b>E-MAIL ADDRESS:</b> |  |

- (3) **What goods or services do /did the vendor provide to your company or organization?**

(4) What is the level of your overall satisfaction with the vendor of the goods or services described above?

Satisfied  Not Satisfied

Please check one box

(5) Were the goods delivered or services completed in compliance with the terms of the contract, on time, and within budget?

Yes  No  Not Completed

Please check one box

(6) How satisfied are you with the vendor's ability to perform based on your expectations and according to the contractual arrangements?

Satisfied  Not Satisfied

Please check one box

(7) What is the level of your satisfaction with the vendor's project management structures, processes, and personnel?

Satisfied  Not Satisfied

Please check one box

(8) Would you contract again with the vendor for the same or similar goods or services?

Satisfied  Not Satisfied

Please check one box

**SIGNATURE:**

(by the individual completing this reference questionnaire)

\_\_\_\_\_  
(must be the same as the signature across the envelope seal)

**DATE:**

\_\_\_\_\_

**ATTACHMENT G: PRO FORMA CONTRACT ATTACHMENT**

Draft the *pro forma* contract in accordance with the appropriate contract model.

**Option: Disclaimer for Government Entity Contracts.**

Add the following optional text to the attachment cover page if deemed appropriate.

If the contract is awarded to a governmental entity established pursuant to *Tennessee Code Annotated* (e.g., a human resource agency, a developmental district, the University of Tennessee, or a Board of Regents school), the standard terms and conditions of the contract shall be revised accordingly; however, significant performance requirements shall not be revised.

#### APPROVAL INSTRUCTIONS

Each RFQ document must be approved for release in accordance with the instructions below.

Complete the document as required by this Model.

Submit the proposed document to CPO at least 20 days before the desired RFQ release date. (Notwithstanding compliance with this deadline, circumstances may necessitate a delay of the release date.)

Submit the document draft to CPO via e-mail to: [Agsprrs.Agsprsr@state.tn.us](mailto:Agsprrs.Agsprsr@state.tn.us) or the CPO examiner assigned to the contracting agency as a digital file in DOC format. Each draft must:

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

Approval is also required for any amendment or cancellation.

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#### PUBLICATION INSTRUCTIONS

Upon Comptroller approval, prepare the solicitation document for public release by removing any highlighting, changing all text to an appropriate color, and removing any draft version number or other extraneous notations.

On the business day before the date approved for public solicitation, e-mail the document prepared for public release to the CPO staff person assigned to the contracting agency so that CPO staff may post the digital document(s) on the Internet as appropriate.

The document presented for publication must be comprised by one or more (clearly and logically separated component) digital files in PDF or DOC format. If previously approved, the cost response attachment may be presented for publication in XLS, spreadsheet format.

ALWAYS confirm that each document is properly posted for public review.

If, for any reason, an RFQ is not properly published to the Internet, it may be necessary for the state to substantially revise the approved RFQ schedule of events to add additional time before Q&A and response deadlines.



**STATE OF TENNESSEE  
CENTRAL PROCUREMENT OFFICE**

**REQUEST FOR QUALIFICATIONS  
FOR  
BRIEF GOODS OR SERVICES CAPTION**

**RFQ # NUMBER**

**TABLE OF CONTENTS**

**SECTIONS:**

- 1. Introduction**
- 2. RFQ Schedule of Events**
- 3. Response Requirements**
- 4. General Information & Requirements**
- 5. Procurement Process & Contract Award**

**ATTACHMENTS:**

- A. Technical Response & Evaluation Guide – Mandatory Requirement Items**
- B. Technical Response & Evaluation Guide – General Qualifications & Experience Items**
- C. Technical Response & Evaluation Guide – Technical Qualifications, Experience & Approach Items**
- D. Cost Proposal & Evaluation Guide**
- E. Statement of Certifications & Assurances**
- F. Reference Questionnaire**
- G. *Pro Forma* Contract**

**1. INTRODUCTION**

The State of Tennessee, **Central Procurement Office**, hereinafter referred to as "the State," has issued this Request for Qualifications ("RFQ") to define mandatory goods or services requirements; solicit responses; detail response requirements; and, outline the State's process for evaluating responses, ~~and selecting a Respondent for contract award to provide the needed goods or services.~~

Through this RFQ or any subsequent solicitation, the State seeks to buy the requested goods or services at the most favorable, competitive prices and to give ALL qualified ~~respondents/businesses~~, including those that are owned by minorities, women, Tennessee service-disabled veterans, and small business enterprises, the opportunity to do business with the state as contractors or subcontractors.

**1.1. Statement of Procurement Purpose**

BRIEF, HIGH-LEVEL EXPLANATION OF GOODS OR SERVICES SOUGHT OR A SUMMARY OF THE PROBLEM TO BE ADDRESSED. HIGHLIGHT THE PURPOSE OF THE RFQ (TO SELECT A VENDOR/NUMBER OF VENDORS) THAT ARE QUALIFIED TO MEET THE STATE'S NEEDS FOR THE GOODS OR SERVICES REQUESTED BY THE STATE.

INCLUDE A SUMMARY OF THE PROBLEM TO BE ADDRESSED, FURTHER INFORMATION ABOUT INITIATIVE, SUMMARY BACKGROUND INFORMATION, ETC., AS NEEDED. DO NOT ASSUME THAT DETAILED SPECIFICATIONS OR SCOPE OF WORK (WHICH SHOULD BE SET OUT IN THE PRO FORMA CONTRACT), WILL BE APPROVED FOR THIS SECTION.

INCLUDE AN ESTIMATE OF THE PURCHASE REQUIREMENTS FOR THE CURRENT CONTRACT PERIOD, IF APPLICABLE.

**1.2. Pre-Response Conference**

A Pre-Response Conference will be held at the time and date detailed in the RFQ Schedule of Events, RFQ § 2. Pre-Response Conference attendance is not mandatory, and potential Respondents may be limited to a maximum number of attendees depending upon overall attendance and space limitations. Please contact the Solicitation Coordinator to RSVP for the Pre-Response Conference. The Conference will be held at:

ADDRESS/LOCATION  
OTHER APPROPRIATE INFORMATION IF ANY

**1.3. Notice of Intent to Respond**

Before the Notice of Intent to Respond Deadline detailed in RFQ § 2, Schedule of Events, potential Respondents should submit to the Solicitation Coordinator a Notice of Intent to Respond in the form of a simple e-mail or other written communication. Such notice should include the following information: the business or individual's name (as appropriate), a contact person's name and title, the contact person's mailing address, telephone number, facsimile, number, and e-mail address. Filing a Notice of Intent to Respond is not a prerequisite for submitting a response; however, it is necessary to ensure receipt of notices and communications relating to this RFQ.

**1.4. Definitions and Abbreviations**

DEFINE ABBREVIATIONS OR TERMS USED THROUGHOUT THE RFQ.

| TERM | DEFINITION |
|------|------------|
|      |            |

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## 2. RFQ SCHEDULE OF EVENTS

The following schedule represents the State's best estimates for this RFQ; however, the State reserves the right, at its sole discretion, to adjust the schedule at any time, or cancel and reissue a similar solicitation. Nothing in this RFQ is intended by the State to create any property rights or expectations of a property right in any Respondent.

| EVENT |   | TIME<br>(Central<br>Time<br>Zone) | DATE<br>(all dates are State<br>business days) |
|-------|---|-----------------------------------|--|
| 1.    | RFQ Issued  |                                   | DATE   |
| 2.    | Disability Accommodation Request Deadline           | 2:00 p.m.                         | ≥ 3 BUSINESS DAYS<br>LATER                     |
| 3.    | Pre-Response Conference                             | TIME                              | ≥ 1 BUSINESS DAY<br>LATER                      |
| 4.    | Notice of Intent to Respond Deadline                | 2:00 p.m.                         | ≥ 1 BUSINESS DAY<br>LATER                      |
| 5.    | Written "Questions & Comments" Deadline             | 2:00 p.m.                         | ≥ 3 BUSINESS DAYS<br>LATER                     |
| 6.    | State response to written "Questions & Comments"    |                                   | ≥ 3 BUSINESS DAYS<br>LATER                     |
| 7.    | RFQ Technical Response Deadline                     | 2:00 p.m.                         | ≥ 5 BUSINESS DAYS<br>LATER                     |
| 8.    | State Notice of Qualified Respondent(s)<br>Released |                                   | ≥ 1 BUSINESS DAY<br>LATER                      |

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### 3. RESPONSE REQUIREMENTS

#### 3.1. Response Contents: A response to this RFQ should address the following:

- 3.1.1. **Mandatory Requirements:** This section details the mandatory technical, functional, and experience requirements that must be demonstrated in the response to this RFQ in order to be passed on to Phase II of the Technical Response evaluation. A Respondent must duplicate and use RFQ Attachment A as a guide to organize responses for the Mandatory Requirements of the RFQ response. The Respondent should reference the page location of the information within the response in the indicated column of the table. This section is included in the State's evaluation as to whether or not a Respondent meets mandatory qualifications (Phase I).
- 3.1.2. **General Qualifications & Experience:** This section is included in the State's evaluation of Phase II of the Technical Response Evaluation and details general information and qualifications that must be demonstrated in the response to this RFQ. A Respondent must duplicate and use RFQ Attachment B as a guide to organize responses for this portion of the RFQ response. The Respondent should reference the page location ~~in of~~ the information within the response in the indicated column of the table.
- 3.1.3. **Technical Qualifications, Experience & Approach:** This section is also included in the State's evaluation of Phase II of the Technical Response Evaluation and details technical qualifications, experience, and approach items that must be demonstrated in the response to this RFQ. A Respondent must duplicate and use RFQ Attachment C as a guide to organize responses for this portion of the RFQ response. The Respondent should reference the page location ~~in of~~ the information within the response in the indicated column of the table.
- 3.1.4. **Cost Proposal: For Qualified Respondents only**
- 3.1.4.1. This section only applies to those respondents identified as being Qualified. See RFQ § 2, Schedule of Events, "State Notice of Qualified Respondents Released."
- 3.1.4.2. If included as part of this solicitation, then the Cost Proposal must be recorded on an exact duplicate of RFQ Attachment D, Cost Proposal & Evaluation Guide. Any response that does not follow the instructions included in RFQ Attachment D may be deemed nonresponsive.
- 3.1.4.3. A Respondent must only record the proposed cost exactly as required by the RFQ Attachment D, Cost Proposal & Evaluation Guide and must NOT record any other rates, amounts, or information.
- 3.1.4.4. The proposed cost shall incorporate ALL costs for services under the contract for the total contract period.
- 3.1.4.5. A Respondent must sign and date the Cost Proposal.
- 3.1.4.6. A Respondent must submit the Cost Proposal to the State in a sealed package separate from the Technical Response.

#### 3.2. Response Delivery Location

A Respondent must ensure that the State receives a Response to this RFQ no later than the Response Deadline time and dates detailed in the RFQ § 2, Schedule of Events. All responses must be delivered to:

SOLICITATION COORDINATOR NAME  
ADDRESS/LOCATION (INCLUDE FLOOR NUMBER)  
PHONE NUMBER

## OTHER APPROPRIATE INFORMATION IF ANY

## 3.3. Response Format

3.3.1. A Respondent must ensure that the original response meets all form and content requirements detailed within this RFQ.

3.3.2. A Respondent must submit original response documents and copies as specified below.

3.3.2.1. Technical Response

One (1) original Technical Response paper document clearly labeled:

**"RFQ #NUMBER TECHNICAL RESPONSE ORIGINAL"**

and five (5) copies of the Technical Response each in the form of one (1) digital document in "PDF" format properly recorded on its own otherwise blank, standard CD-R recordable disc or USB flash drive labeled:

**"RFQ #NUMBER TECHNICAL RESPONSE COPY"**

The digital copies should not include copies of sealed customer references or cost information in the general and technical evaluation phase. However, any other discrepancy between the paper response document and digital copies may result in the State rejecting the response as nonresponsive.

3.3.2.2. Cost Proposal: For Qualified Respondents only

One (1) original Cost Proposal paper document labeled:

**"RFQ #NUMBER COST PROPOSAL ORIGINAL"**

and one (1) copy in the form of a digital document in "XLS" format properly recorded on a separate, blank, standard CD-R recordable disc or USB flash-drive labeled:

**"RFQ #NUMBER COST PROPOSAL COPY"**

In the event of a discrepancy between the original Cost Proposal document and the digital copy, the original, signed document will take precedence.

## 3.4. Response Prohibitions: A response to this RFQ shall not:

- 3.4.1. Restrict the rights of the State or otherwise qualify the response to this RFQ;
- 3.4.2. Include, for consideration in this procurement process or subsequent contract negotiations, incorrect information that the Respondent knew or should have known was materially incorrect;
- 3.4.3. Include more than one response, per Respondent, to this RFQ;
- 3.4.4. Include any information concerning costs (in specific dollars or numbers) associated with the Technical Response;
- 3.4.5. Include the respondent's own contract terms and conditions (unless specifically requested by the RFQ); or
- 3.4.6. Include the respondent as a prime contractor while also permitting one or more other respondents to offer the respondent as a subcontractor in their own responses.

## 3.5. Response Errors &amp; Revisions

A Respondent is responsible for any and all errors or omissions in its response to this RFQ. A Respondent will not be allowed to alter or revise its response after the Response Deadline time and dates as detailed in RFQ § 2, Schedule of Events, unless such is formally requested in writing by the State (e.g., through a request for clarification, etc.).

**3.6. Response Withdrawal**

A Respondent may withdraw a response at any time before the Response Deadline time and date as detailed in RFQ § 2, Schedule of Events, by submitting a written signed request by an authorized representative of the Respondent. After withdrawing a response, a Respondent may submit another Response at any time before the Response Deadline time and date as detailed in RFQ § 2, Schedule of Events.

**3.7. Response Preparation Costs**

The State will not pay any costs associated with the preparation, submittal, or presentation of any response. Each Respondent is solely responsible for the costs it incurs in responding to this RFQ.

**4. GENERAL INFORMATION & REQUIREMENTS**

**4.1. Communications**

4.1.1. Respondents shall reference **RFQ #NUMBER** in all communications relating to this solicitation, and direct any such communications to the following person designated as the Solicitation Coordinator:

**NAME, TITLE  
ADDRESS  
PHONE  
EMAIL ADDRESS**

The State will convey all official responses and communications related to this RFQ to the potential respondents from whom the State has received a Notice of Intent to Respond (refer to RFQ Section 1.3.).

4.1.2. Potential respondents with a handicap or disability may receive accommodation relating to the communication of this RFQ and participating in the RFQ process. Potential respondents may contact the RFQ Coordinator to request such reasonable accommodation no later than the Disability Accommodation Request Deadline detailed in RFQ § 2, Schedule of Events.

4.1.3. **Unauthorized contact about this RFQ with other employees or officials of the State of Tennessee may result in disqualification from contract award consideration.**

4.1.4. Notwithstanding the foregoing, potential Respondents may also contact the following as appropriate:

4.1.4.1. Staff of the Governor's Office of Diversity Business Enterprise may be contacted for assistance with respect to available minority-owned, woman-owned, Tennessee service-disabled veteran-owned, and small business enterprises as well as general public information relating to this request; or

4.1.4.2. The following individual designated by the State to coordinate compliance with the nondiscrimination requirements of the State of Tennessee, Title VI of the Civil Rights Act of 1964, the Americans with Disabilities Act of 1990, and associated federal regulations:

**NAME, TITLE  
ADDRESS  
PHONE  
EMAIL ADDRESS**

**4.2. Nondiscrimination**

No person shall be excluded from participation in, be denied benefits of, or be otherwise subjected to discrimination in the performance of a contract pursuant to this solicitation or in the employment practices of the ~~Vendor-Contractor~~ on the grounds of handicap or disability, age, race, creed, color, religion (subject to Tennessee-Tenn. Code Annotated Ann. §§, Sections 4-21-401 and 405), sex, national origin, or any other classification protected by federal, Tennessee state constitutional, or statutory law. The ~~Vendor-Contractor~~ pursuant to this solicitation shall post in conspicuous places, available to all employees and applicants, notices of nondiscrimination.

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**4.3. Conflict of Interest**

4.3.1. The State may not consider a proposal from an individual who is, or within the past six (6) months has been, a State employee. For these purposes,

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

4.3.2. This RFQ is also subject to Tennessee-Tenn. Code Annotated, § Section-12-4-101.

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#### 4.4. Respondent Required Review & Waiver of Objections

- 4.4.1. Each potential respondent must carefully review this RFQ, including but not limited to, attachments, the RFQ Attachment G, *pro forma* Contract, and any amendments for questions, comments, defects, objections, or any other matter requiring clarification or correction (collectively called "questions and comments").
- 4.4.2. Any potential respondent having questions and comments concerning this RFQ must provide such in writing to the State no later than the written "Questions & Comments Deadline" detailed in RFQ § 2, Schedule of Events.
- 4.4.3. Protests based on any objection shall be considered waived and invalid if the objection has not been brought to the attention of the State, in writing, by the written "Questions & Comments Deadline."

#### 4.5. Disclosure of Response Contents

- 4.5.1. All materials submitted to the State in response to this solicitation become property of the State of Tennessee. Selection for award does not affect this right. By submitting a response, a Respondent acknowledges and accepts that the full contents and associated documents submitted in response to this request will become open to public inspection in accordance with the laws of the State of Tennessee. Refer to RFQ § 2, Schedule of Events.
- 4.5.2. The RFQ responses will be available for public inspection only after the completion of evaluation of the RFQ or any resulting solicitation which this RFQ becomes a part of, whichever is later.

#### 4.6. Notice of Professional Licensure, Insurance, and Department of Revenue Registration Requirements

- 4.6.1. All persons, agencies, firms or other entities that provide legal or financial opinions, which a Respondent provides for consideration and evaluation by the State as part of a response to this RFQ, shall be properly licensed to render such opinions.
- 4.6.2. Before the Contract resulting from this RFQ is signed, the apparent successful Respondent (and Respondent employees and subcontractors, as applicable) must hold all necessary, appropriate business and professional licenses to provide service as required. The State may require any Respondent to submit evidence of proper licensure.
- 4.6.3. Before the Contract resulting from this RFQ is signed, the apparent successful Respondent must provide a valid, Certificate of Insurance indicating current insurance coverage meeting minimum requirements as may be specified by the RFQ.
- 4.6.4. Before the Contract resulting from this RFQ is signed, the apparent successful Respondent must be registered with the Department of Revenue for the collection of Tennessee sales and use tax. The State shall not approve a contract unless the



Respondent provides proof of such registration. The foregoing is a mandatory requirement of an award of a contract pursuant to this solicitation.

#### 4.7. RFQ Amendments & Cancellation

- 4.7.1. The State reserves the right to amend this RFQ at any time, provided that it is amended in writing. However, prior to any such amendment, the State will consider whether it would negatively impact the ability of potential respondents to meet the deadlines and revise the RFQ Schedule of Events if deemed appropriate. If a RFQ amendment is issued, the State will convey it to potential respondents who submitted a Notice of Intent to Respond (refer to RFQ § 1.3). A response must ~~respond, as required, to address~~ the final RFQ (including its attachments) as may be amended.
- 4.7.2. The State reserves the right, at its sole discretion, to cancel or to cancel and reissue this RFQ in accordance with applicable laws and regulations.

#### 4.8. State Right of Rejection

- 4.8.1. Subject to applicable laws and regulations, the State reserves the right to reject, at its sole discretion, any and all proposals.
- 4.8.2. The State may deem as nonresponsive and reject any proposal that does not comply with all terms, conditions, and performance requirements of this RFQ. Notwithstanding the foregoing, the State reserves the right to seek clarifications or to waive, at its sole discretion, a response's minor variances from full compliance with this RFQ. If the State waives variances in a response, such waiver shall not modify the RFQ requirements or excuse the Respondent from full compliance with such, and the State may hold any resulting vendor to strict compliance with this RFQ.
- 4.8.3. The State will review the response evaluation record and any other available information pertinent to whether or not each respondent is responsive and responsible. If the evaluation team identifies any respondent that appears not to meet the responsive and responsible thresholds such that the team would not recommend the respondent for potential contract award, this determination will be fully documented for the record. ("Responsive" is defined as submitting a response that conforms in all material respects to the RFQ. "Responsible" is defined as having the capacity in all respects to perform fully the contract requirements, and the integrity and reliability which will assure good faith performance.)

#### 4.9. Assignment & Subcontracting

- 4.9.1. The vendor may not subcontract, transfer, or assign any portion of the Contract awarded as a result of this RFQ without prior approval of the State. The State reserves the right to refuse approval, at its sole discretion, of any subcontract, transfer, or assignment.
- 4.9.2. If a Respondent intends to use subcontractors, the response to this RFQ must specifically identify the scope and portions of the work each subcontractor will perform (refer to RFQ Attachment B, Item B.14.).
- 4.9.3. Subcontractors identified within a response to this RFQ will be deemed as approved by the State unless the State expressly disapproves one or more of the proposed subcontractors prior to signing the Contract.
- 4.9.4. The Contractor resulting from this RFQ may only substitute another subcontractor for a proposed subcontractor at the discretion of the State and with the State's prior, written approval.
- 4.9.5. Notwithstanding any State approval relating to subcontracts, the Contractor resulting from this RFQ will be the prime contractor and will be responsible for all work under the Contract.



4.10. **Next Ranked Respondent**

The State reserves the right to initiate negotiations with the next ranked respondent should the State cease doing business with any respondent selected via this RFQ process.

5. **PROCUREMENT PROCESS & CONTRACT AWARD**

5.1. The complete vendor selection will be a two-part process: (1) Qualification of Technical Responses; and (2) **Evaluation of Cost Proposals** (or revise as appropriate to explain selection process). Any contract award is subject to successful contract negotiation.

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5.2. **Qualification of Technical Responses:** Technical Responses will be short-listed for further evaluation, analysis or negotiation if they are apparently responsive, responsible, and within the competitive range. A Technical Response will be deemed within the competitive range based on the following criterion:

(INSERT details as to how the competitive range will be determined).

**Phase I:** The State will evaluate the Mandatory Requirements set forth in RFQ Attachment A on a pass/fail basis.

**Phase II:** Following the Phase I evaluation, the State will apply a standard equitable evaluation model, which will represent a qualitative assessment of each response. Each response will be scored by Evaluation Team members according to the Technical Response & Evaluation Guides (See RFQ Attachments B & C).

The Solicitation Coordinator will total the average score from the evaluation team for each responsive and responsible Respondent's Technical Response Points for RFQ Attachments B & C to determine which of the Respondents are considered Qualified and within the competitive range.

5.3. **Cost Proposals:** If included as part of this solicitation then only Qualified Respondents, that are responsive and responsible and in the competitive range, will continue onto Part Two, Cost Proposal evaluation. The Cost Proposal containing the lowest cost will receive the maximum number of points per each section. See RFQ Attachment D, Cost Proposal & Evaluation Guide.

5.4. **Clarifications and Negotiations:** The State reserves the right to award a contract on the basis of initial responses received; therefore, each response should contain the respondent's best terms from a technical and cost standpoint. However, the State reserves the right to conduct clarifications or negotiations with respondents. All communications, clarifications, and negotiations shall be conducted in a manner that supports fairness in response improvement.

5.4.1. **Clarifications:** The State may identify areas of a response that may require further clarification or areas in which it is apparent that there may have been miscommunications or misunderstandings as to the State's specifications or requirements. The State may seek to clarify those issues identified during one or multiple clarification round(s). Each clarification sought by the State may be unique to an individual respondent.

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~~5.4.1.1.~~ **Negotiations:** The State may elect to negotiate with Qualified Respondents, within the competitive range, by requesting revised responses, negotiating costs, or finalizing contract terms and conditions. The State reserves the right to conduct multiple negotiation rounds.

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~~5.4.2.~~

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~~5.4.1.3.~~ **5.4.2.1. Cost Negotiations:** All responsive respondents within the competitive range will be given equivalent information with respect to cost negotiations.

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All cost negotiations will be documented for the procurement file. Additionally, the State may conduct target pricing and other goods or services level negotiations. Target pricing may be based on considerations such as current pricing, market considerations, benchmarks, budget availability, or other methods that do not reveal individual respondent pricing. During target price negotiations, respondents are not obligated to meet or beat target prices, but will not be allowed to increase prices.

5.4.1.4.5.4.2.2. If the State determines costs and contract finalization discussions and negotiations are not productive, the State reserves the right to bypass the apparent best evaluated Respondent and enter into contract negotiations with the next apparent best evaluated Respondent.

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5.5. Evaluation Guide

The State will consider qualifications, experience, technical approach, and cost (if applicable) in the evaluation of responses and award points in each of the categories detailed below. The maximum evaluation points possible for each category are detailed below.

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| Evaluation Category   | Maximum Points Possible |
|---|-------------------------|
| Mandatory Requirements (refer to RFQ Attachment A)  | Pass/Fail               |
| General Qualifications, Experience, Technical Qualifications, Experience & Approach (refer to RFQ Attachment B) | NUMBER                  |
| Technical Qualifications, Experience & Approach (refer to RFQ Attachment C)                                     | NUMBER                  |

## ATTACHMENT A

## TECHNICAL RESPONSE &amp; EVALUATION GUIDE

All Respondents must address all items detailed below and provide, in sequence, the information and documentation as required (referenced with the associated item references). All Respondents must also detail the response page number for each item in the appropriate space below.

The Solicitation Coordinator will review all responses to determine if the Mandatory Requirement Items are addressed as required and mark each with pass or fail. For each item that is not addressed as required, the Evaluation Team must review the responses and attach a written determination. In addition to the Mandatory Requirement Items, the Solicitation Coordinator will review each response for compliance with all RFQ requirements.

| RESPONDENT LEGAL ENTITY NAME:             |           |  |           |
|---|-----------|--|-----------|
| Response Page #<br>(Respondent completes) | Item Ref. | Section A— Mandatory Requirement Items   | Pass/Fail |
|   |           | The Technical Response must be delivered to the State no later than the Technical Response Deadline specified in the RFQ § 2, Schedule of Events.  |           |
|   |           | The Technical Response must not contain cost or pricing information of any type.   |           |
|   |           | The Technical Response must not contain any restrictions of the rights of the State or other qualification of the response.  |           |
|   |           | A Respondent must not submit alternate responses.  |           |
|   |           | A Respondent must not submit multiple responses in different forms (as a prime and a subcontractor).   |           |
|   | A.1.      | Provide the Statement of Certifications and Assurances (RFQ Attachment E) completed and signed by an individual empowered to bind the Respondent to the provisions of this RFQ and any resulting contract. The document must be signed without exception or qualification.   |           |
|   | A.2.      | Provide a statement, based upon reasonable inquiry, of whether the Respondent or any individual who shall perform work under the contract has a possible conflict of interest (e.g., employment by the State of Tennessee) and, if so, the nature of that conflict.<br><br>NOTE: Any questions of conflict of interest shall be solely within the discretion of the State, and the State reserves the right to cancel any award. |           |
|   | A.3.      | INSERT APPROPRIATE MANDATORY REQUIREMENT OPTIONS AS NEEDED. (FOLLOWING A.2., YOU MUST INCLUDE AT LEAST ONE OPTION TO DETERMINE FINANCIAL RESPONSIBILITY).  |           |
|   | A.4.      | IF NEEDED, INSERT ADDITIONAL MANDATORY REQUIREMENT OPTIONS. IF MORE THAN ONE ADDITIONAL OPTION IS NEEDED, CREATE A NEW, ADDITIONAL ROW BELOW AND ADD THE OPTION LANGUAGE.  |           |

|  |                  |   |                  |
|--|------------------|---|------------------|
| <b>RESPONDENT LEGAL ENTITY NAME:</b>                                   |                  |   |                  |
| <b>Response Page #</b><br>(Respondent completes)                       | <b>Item Ref.</b> | <b>Section A— Mandatory Requirement Items</b>   | <b>Pass/Fail</b> |
|  | <b>A. #.</b>     | <b>REPEAT MANDATORY REQUIREMENT ITEMS &amp; ASSOCIATED ITEM REFERENCES AS NECESSARY</b> |                  |
| <i>State Use – RFQ Coordinator Signature, Printed Name &amp; Date:</i> |                  |   |                  |

## ATTACHMENT B

## TECHNICAL RESPONSE &amp; EVALUATION GUIDE

**SECTION B: GENERAL QUALIFICATIONS & EXPERIENCE.** The Respondent must address all items detailed below and provide, in sequence, the information and documentation as required (referenced with the associated item references). The Respondent must also detail the response page number for each item in the appropriate space below. Evaluation Team members will independently evaluate and assign one score for all responses to Section B—General Qualifications & Experience Items.

| RESPONDENT<br>LEGAL ENTITY<br>NAME:             |              |   |
|---|--------------|---|
| Response<br>Page #<br>(Respondent<br>completes) | Item<br>Ref. | Section B— General Qualifications & Experience Items  |
|   | B.1.         | Detail the name, e-mail address, mailing address, telephone number, and facsimile number of the person the State should contact regarding the response.   |
|   | B.2.         | Describe the Respondent's form of business ( <i>i.e.</i> , individual, sole proprietor, corporation, non-profit corporation, partnership, limited liability company) and business location (physical location or domicile).   |
|   | B.3.         | Detail the number of years the Respondent has been in business.   |
|   | B.4.         | Briefly describe how long the Respondent has been performing the goods or services required by this RFQ.  |
|   | B.5.         | Describe the Respondent's number of employees, client base, and location of offices.  |
|   | B.6.         | Provide a statement of whether there have been any mergers, acquisitions, or sales of the Respondent within the last ten (10) years. If so, include an explanation providing relevant details.  |
|   | B.7.         | Provide a statement of whether the Respondent or, to the Respondent's knowledge, any of the Respondent's employees, agents, independent contractors, or subcontractors, proposed to provide work on a contract pursuant to this RFQ, have been convicted of, pled guilty to, or pled <i>nolo contendere</i> to any felony. If so, include an explanation providing relevant details.  |
|   | B.8.         | Provide a statement of whether, in the last ten (10) years, the Respondent has filed (or had filed against it) any bankruptcy or insolvency proceeding, whether voluntary or involuntary, or undergone the appointment of a receiver, trustee, or assignee for the benefit of creditors. If so, include an explanation providing relevant details.  |
|   | B.9.         | <p>Provide a statement of whether there is any material, pending litigation against the Respondent that the Respondent should reasonably believe could adversely affect its ability to meet contract requirements pursuant to this RFQ or is likely to have a material adverse effect on the Respondent's financial condition. If such exists, list each separately, explain the relevant details, and attach the opinion of counsel addressing whether and to what extent it would impair the Respondent's performance in a contract pursuant to this RFQ.</p> <p>NOTE: All persons, agencies, firms, or other entities that provide legal opinions regarding the Respondent must be properly licensed to render such opinions. The State may require the Respondent to submit proof of such licensure detailing the state of licensure and licensure number for each person or entity that renders such opinions.</p> |



|  |                  |  |
|--|------------------|--|
| <b>RESPONDENT LEGAL ENTITY NAME:</b>             |                  |  |
| <b>Response Page #</b><br>(Respondent completes) | <b>Item Ref.</b> | <b>Section B— General Qualifications &amp; Experience Items</b>  |
|  | <b>B.10.</b>     | <p>Provide a statement of whether there is any pending or in progress Securities Exchange Commission investigations involving the Respondent. If such exists, list each separately, explain the relevant details, and attach the opinion of counsel addressing whether and to what extent it will impair the Respondent's performance in a contract pursuant to this RFQ.</p> <p>NOTE: All persons, agencies, firms, or other entities that provide legal opinions regarding the Respondent must be properly licensed to render such opinions. The State may require the Respondent to submit proof of such licensure detailing the state of licensure and licensure number for each person or entity that renders such opinions.</p>  |
|  | <b>B.11.</b>     | Provide a brief, descriptive statement detailing evidence of the Respondent's ability to deliver the goods or services sought under this RFQ (e.g., prior experience, training, certifications, resources, program and quality management systems, etc.).  |
|  | <b>B.12.</b>     | Provide a narrative description of the proposed contract team, its members, and organizational structure along with an organizational chart identifying the key people who will be assigned to provide the goods or services required by this RFQ, illustrating the lines of authority, and designating the individual responsible for the completion of each task and deliverable of the RFQ.   |
|  | <b>B.13.</b>     | Provide a personnel roster listing the names of key people who the Respondent will assign to perform tasks required by this RFQ along with the estimated number of hours that each individual will devote to the required tasks. Follow the personnel roster with a resume for each of the people listed. The resumes must detail the individual's title, education, current position with the Respondent, and employment history.   |
|  | <b>B.14.</b>     | <p>Provide a statement of whether the Respondent intends to use subcontractors to accomplish the work required by this RFQ, and if so, detail:</p> <p>(a) the names of the subcontractors along with the contact person, mailing address, telephone number, and e-mail address for each;</p> <p>(b) a description of the scope and portions of the work each subcontractor will perform; <u>and</u></p> <p>(c) a statement specifying that each proposed subcontractor has expressly assented to being proposed as a subcontractor in the Respondent's response to this RFQ.</p>   |
|  | <b>B.15.</b>     | <p>Provide documentation of the Respondent's commitment to diversity as represented by the following:</p> <p>(a) <b>Business Strategy.</b> Provide a description of the Respondent's existing programs and procedures designed to encourage and foster commerce with business enterprises owned by minorities, women, Tennessee service-disabled veterans, and small business enterprises. Please also include a list of the Respondent's certifications as a diversity business, if applicable.</p> <p>(b) <b>Business Relationships.</b> Provide a listing of the Respondent's current contracts with business enterprises owned by minorities, women, Tennessee service-disabled veterans and small business enterprises. Please include the following information:</p> <ul style="list-style-type: none"> <li>- (i) contract description;</li> <li>(ii) contractor name and ownership characteristics (i.e., ethnicity, gender, Tennessee service-disabled); and</li> <li>(iii) contractor contact name and telephone number.</li> </ul> |



|  |                  |   |
|--|------------------|---|
| <b>RESPONDENT LEGAL ENTITY NAME:</b>             |                  |   |
| <b>Response Page #</b><br>(Respondent completes) | <b>Item Ref.</b> | <b>Section B— General Qualifications &amp; Experience Items</b>   |
|  |                  | <p>(c) <u>Estimated Participation</u>. Provide an estimated level of participation by business enterprises owned by minorities, women, Tennessee service-disabled veterans, and small business enterprises if a contract is awarded to the Respondent pursuant to this RFQP. Please include the following information:</p> <ul style="list-style-type: none"> <li>(i) a percentage (%) indicating the participation estimate. (Express the estimated participation number as a percentage of the total estimated contract value that will be dedicated to business with subcontractors and supply contractors having such ownership characteristics only and <b>DO NOT INCLUDE DOLLAR AMOUNTS</b>);</li> <li>(ii) anticipated goods or services contract descriptions;</li> <li>(iii) names and ownership characteristics (i.e., ethnicity, gender, Tennessee service-disabled veterans) of anticipated subcontractors and supply contractors.</li> </ul> <p>NOTE: In order to claim status as a Diversity Business Enterprise under this contract, businesses must be certified by the Governor's Office of Diversity Business Enterprise (Go-DBE). Please visit the Go-DBE website at <a href="https://tn.diversitysoftware.com/FrontEnd/StartCertification.asp?TN=tn&amp;XID=9810">https://tn.diversitysoftware.com/FrontEnd/StartCertification.asp?TN=tn&amp;XID=9810</a> for more information.</p> <p>(d) <u>Workforce</u>. Provide the percentage of the Respondent's total current employees by ethnicity and gender.</p> <p>NOTE: Respondents that demonstrate a commitment to diversity will advance State efforts to expand opportunity to do business with the State as contractors and subcontractors. Response evaluations will recognize the positive qualifications and experience of a Respondent that does business with enterprises owned by minorities, women, Tennessee service-disabled veterans and small business enterprises and who offer a diverse workforce.</p> |
|  | <b>B.16.</b>     | <p>Provide a statement of whether or not the Respondent has any current contracts with the State of Tennessee or has completed any contracts with the State of Tennessee within the previous five-year period. If so, provide the following information for all current and completed contracts:</p> <ul style="list-style-type: none"> <li>(a) the name, title, telephone number and e-mail address of the State contact responsible for the contract at issue;</li> <li>(b) the name of the procuring State agency;</li> <li>(c) a brief description of the contract's specification for goods or scope of services;</li> <li>(d) the contract term; and</li> <li>(e) the contract number.</li> </ul> <p>NOTES:</p> <ul style="list-style-type: none"> <li>▪ Current or prior contracts with the State are <u>not</u> a prerequisite and are <u>not</u> required for the maximum evaluation score, and the existence of such contracts with the State will <u>not</u> automatically result in the addition or deduction of evaluation points.</li> <li>▪ Each evaluator will generally consider the results of inquiries by the State regarding all contracts responsive to Section B.16 of this RFQ.</li> </ul>  |
|  | <b>B.17.</b>     | <p>Provide customer references from individuals who are <u>not</u> current or former State employees for projects similar to the goods or services sought under this RFQ and which represent:</p> <ul style="list-style-type: none"> <li>▪ two (2) accounts Respondent currently services that are similar in size to the State; <u>and</u></li> <li>▪ three (3) completed projects.</li> </ul> <p>References from at least three (3) different individuals are required to satisfy the</p>   |

Field Code Changed

|  |                  |   |
|--|------------------|---|
| <b>RESPONDENT LEGAL ENTITY NAME:</b>             |                  |   |
| <b>Response Page #</b><br>(Respondent completes) | <b>Item Ref.</b> | <b>Section B— General Qualifications &amp; Experience Items</b>   |
|  |                  | <p>requirements above, e.g., an individual may provide a reference about a completed project and another reference about a currently serviced account. The standard reference questionnaire, which <u>must</u> be used and completed is provided at RFQ Attachment F. References that are not completed as required may be deemed nonresponsive and may not be considered.</p> <p>The Respondent will be <u>solely</u> responsible for obtaining fully completed reference questionnaires and including them in the sealed Technical Response. In order to obtain and submit the completed reference questionnaires, follow the process below:</p> <p>(a) Add the Respondent's name to the standard reference questionnaire at Attachment F, and make a copy for each reference.</p> <p>(b) Send a reference questionnaire and a new, standard #10 envelope to each reference.</p> <p>(c) Instruct the reference to:</p> <ol style="list-style-type: none"> <li>(i) complete the reference questionnaire;</li> <li>(ii) sign <u>and</u> date the completed reference questionnaire;</li> <li>(iii) seal the completed, signed, and dated reference questionnaire within the envelope provided;</li> <li>(iv) sign his or her name in ink across the sealed portion of the envelope; and</li> <li>(v) return the sealed envelope directly to the Respondent (the Respondent may wish to give each reference a deadline, such that the Respondent will be able to collect all required references in time to include them within the sealed Technical Response).</li> </ol> <p>(d) <u>Do NOT open the sealed references upon receipt.</u></p> <p>(e) Enclose all <u>sealed</u> reference envelopes within a larger, labeled envelope for inclusion in the Technical Response as required.</p> <p><b>NOTES:</b></p> <ul style="list-style-type: none"> <li>▪ The State will not accept late references or references submitted by any means other than that which is described above, and each reference questionnaire submitted must be completed as required.</li> <li>▪ The State will not review more than the number of required references indicated above.</li> <li>▪ While the State will base its reference check on the contents of the sealed reference envelopes included in the Technical Response package, the State reserves the right to confirm and clarify information detailed in the completed reference questionnaires, and may consider clarification responses in the evaluation of references.</li> <li>▪ The State is under <u>no</u> obligation to clarify any reference information.</li> </ul> |
|  | <b>B.18.</b>     | <p>Provide a statement and any relevant details addressing whether the Respondent is any of the following:</p> <ol style="list-style-type: none"> <li>(a) is presently debarred, suspended, proposed for debarment, or voluntarily excluded from covered transactions by any federal or state department or agency;</li> <li>(b) has within the past three (3) years, been convicted of, or had a civil judgment rendered against the contracting party from commission of fraud, or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, state, or local) transaction or grant under a public transaction; violation of federal or state antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;</li> <li>(c) is presently indicted or otherwise criminally or civilly charged by a government</li> </ol>  |

|   |                  |   |
|---|------------------|---|
| <b>RESPONDENT LEGAL ENTITY NAME:</b>  |                  |   |
| <b>Response Page #</b><br>(Respondent completes)  | <b>Item Ref.</b> | <b>Section B— General Qualifications &amp; Experience Items</b>   |
|   |                  | entity (federal, state, or local) with commission of any of the offenses detailed above; and<br><ul style="list-style-type: none"> <li>has within a three (3) year period preceding the contract had one or more public transactions (federal, state, or local) terminated for cause or default.</li> </ul> |
|   | <b>B.#.</b>      | <b>REPEAT REQUIREMENT ITEMS &amp; ASSOCIATED ITEM REFERENCES AS NECESSARY</b>   |
|   | <b>B.#.</b>      | <b>REPEAT REQUIREMENT ITEMS &amp; ASSOCIATED ITEM REFERENCES AS NECESSARY</b>   |
| <b>SCORE (for all Section B— Qualifications &amp; Experience Items above):</b><br>(maximum possible score = <b>RFQ § 5.5 NUMBER</b> ) |                  |   |
| State Use – Evaluator Identification:   |                  |   |

ATTACHMENT C

TECHNICAL RESPONSE & EVALUATION GUIDE

**SECTION C: TECHNICAL QUALIFICATIONS, EXPERIENCE & APPROACH.** The Respondent should explain its approach to providing goods or services to the State. The items listed below represent specific questions the State would request you answer in your response. For ease of review, please annotate your explanation so that it contains references to the items listed below where they are addressed. Respondent should not feel constrained to answer only the specific questions listed below in its explanation and should feel free to provide attachments if necessary in an effort to provide a more thorough response.

The Evaluation Team, made up of three (3) or more State employees, will independently evaluate and score the response to each item. Each evaluator will use the following whole number, raw point scale for scoring each item:

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

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

| <b>RESPONDENT LEGAL ENTITY NAME:</b>  |           |   |  |                   |                    |
|---|-----------|---|--|-------------------|--------------------|
| Response Page #<br>(Respondent completes)   | Item Ref. | Section C— Technical Qualifications, Experience & Approach Items  | Item Score   | Evaluation Factor | Raw Weighted Score |
|   | C.1.      | Provide a narrative that illustrates the Respondent's understanding of the State's requirements and project schedule.   |  | NUMBER            |                    |
|   | C.2.      | Provide a narrative that illustrates how the Respondent will complete the delivery of goods or scope of services, accomplish required objectives, and meet the State's project schedule.  |  | NUMBER            |                    |
|   | C.3.      | Provide a narrative that illustrates how the Respondent will manage the project, ensure delivery of specified goods or completion of the scope of services, and accomplish required objectives within the State's project schedule. |  | NUMBER            |                    |
|   | C.#.      | REPEAT REQUIREMENT ITEMS & ASSOCIATED ITEM REFERENCES & WEIGHTS AS NECESSARY  |  | NUMBER            |                    |
| The Solicitation Coordinator will use this sum and the formula below to calculate the section score. All calculations will use and result in numbers rounded to two (2) places to the right of the decimal point. |           |   | <b>Total Raw Weighted Score:</b><br>(sum of Raw Weighted Scores above) |                   |                    |
| $\frac{\text{Total Raw Weighted Score}}{\text{Maximum Possible Raw Weighted Score (i.e., 5 x the sum of item weights above)}} \times \text{RFQP } \$ 5.5 \text{ NUMBER (maximum possible score)} = \text{SCORE:}$ |           |   |  |                   |                    |
| State Use – Evaluator Identification:   |           |   |  |                   |                    |

| <b>RESPONDENT LEGAL ENTITY NAME:</b>  |                  |   |                   |                          |                           |
|---|------------------|---|-------------------|--------------------------|---------------------------|
| <b>Response Page #<br/>(Respondent completes)</b>                               | <b>Item Ref.</b> | <b>Section C— Technical Qualifications, Experience &amp; Approach Items</b> | <b>Item Score</b> | <b>Evaluation Factor</b> | <b>Raw Weighted Score</b> |
| <i>State Use – Solicitation Coordinator Signature, Printed Name &amp; Date:</i> |                  |   |                   |                          |                           |

**ATTACHMENT D**

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**Cost Proposal & Evaluation Guide**  
*For Qualified Respondents Only*

Cost Proposals/Negotiations will only be requested of Qualified Respondents in the competitive range. This is a place holder for the document that will be issued to Qualified Respondents at that part of the procurement process.



**ATTACHMENT E**

**STATEMENT OF CERTIFICATIONS AND ASSURANCES**

An individual responding in his or her individual capacity or legally empowered to contractually bind the Respondent must complete and sign the Statement of Certifications and Assurances below as required, and this signed statement must be included with the response as required by the Request for Qualifications.

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

1. The Respondent will comply with all of the provisions and requirements of the RFQ.
2. The Respondent will provide all specified goods or services as required by the contract awarded pursuant to this RFQ.
3. The Respondent accepts and agrees to all terms and conditions set out in the contract awarded pursuant to this RFQ.
4. The Respondent acknowledges and agrees that a contract resulting from the RFQ shall incorporate, by reference, all Response responses as a part of the contract.
5. The Respondent will comply, as applicable, with:
  - (a) the laws of the State of Tennessee;
  - (b) Title VI of the federal Civil Rights Act of 1964;
  - (c) Title IX of the federal Education Amendments Act of 1972;
  - (d) the Equal Employment Opportunity Act and the regulations issued there under by the federal government; and,
  - (e) the Americans with Disabilities Act of 1990 and the regulations issued there under by the federal government.
6. To the best of the undersigned's knowledge, information or belief, the information detailed within the Response to the RFQ is accurate.
7. The Response submitted to the RFQ was independently prepared, without collusion, and under penalty of perjury.
8. No amount shall be paid directly or indirectly to an employee or official of the State of Tennessee as wages, compensation, or gifts in exchange for acting as an officer, agent, employee, subcontractor, or consultant to the Respondent in connection with the request or any potential resulting contract.
9. The Response submitted in response to the RFQ shall remain valid for at least 120 days subsequent to the date of the Response opening and thereafter in accordance with any contract pursuant to the RFQ.
10. The Respondent affirms the following statement, as required by the Iran Divestment Act Tenn. Code Ann. § 12-12-111: "By submission of this bid, each bidder and each person signing on behalf of any bidder certifies, and in the case of a joint bid each party thereto certifies as to its own organization, under penalty of perjury, that to the best of its knowledge and belief that each bidder is not on the list created pursuant to § 12-12-106." For reference purposes, the list is currently available online at: <http://www.tn.gov/generalservices/article/Public-Information-library>.

**By signature below, the signatory certifies legal authority to bind the responding entity to the provisions of this request and any contract awarded pursuant to it. The State may, at its sole discretion and at any time, require evidence documenting the signatory's authority to be personally bound or to legally bind the responding entity.**

**DO NOT SIGN THIS DOCUMENT IF YOU ARE NOT LEGALLY AUTHORIZED TO DO SO BY THE ENTITY RESPONDING TO THIS RFQ.**

**SIGNATURE & DATE:**

\_\_\_\_\_

**PRINTED NAME & TITLE:**

\_\_\_\_\_

**LEGAL ENTITY NAME:**

\_\_\_\_\_



**ATTACHMENT F**

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**REFERENCE QUESTIONNAIRE**

**The standard reference questionnaire provided on the following pages of this attachment MUST be completed by all individuals offering a reference for the Respondent.**

The Respondent will be responsible for obtaining completed reference questionnaires as required (refer to RFQ Attachment B, General Qualifications & Experience Items, Item B.17.), and for enclosing the sealed reference envelopes within the Respondent's Technical Proposal.

(Insert Reference Questionnaire on following page)

---

**ATTACHMENT G**

**RFQ # NUMBER PRO FORMA CONTRACT**

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

**Pro Forma ATTACHMENT 1**  
*(Fill out only by selected Contractor)*

**ATTESTATION RE PERSONNEL USED IN CONTRACT PERFORMANCE**

|  |  |
|--|--|
| <b>SUBJECT CONTRACT NUMBER:</b>                                |  |
| <b>CONTRACTOR LEGAL ENTITY NAME:</b>                           |  |
| <b>EDISON <del>VENDOR</del> SUPPLIER IDENTIFICATION NUMBER</b> |  |

The Contractor, identified above, does hereby attest, certify, warrant, and assure that Contractor shall not knowingly utilize the services of an illegal immigrant in the performance of this Contract and shall not knowingly utilize the services of any subcontractor who will utilize the services of an illegal immigrant in the performance of this Contract.

---

**CONTRACTOR SIGNATURE**

NOTICE: This attestation MUST be signed by an individual empowered to contractually bind Contractor. If said individual is not the chief executive or president, this document shall attach evidence showing the individual's authority to contractually bind Contractor.

---

**PRINTED NAME AND TITLE OF SIGNATORY**

---

**DATE OF ATTESTATION**

**Pro Forma ATTACHMENT 2**

**(Fill out only by selected Contractor)**

SAMPLE LETTER OF DIVERSITY COMMITMENT

**(Company Letterhead/Logo)**

**(Address)**

**(Date)**

**(Salutation),**

**(Company Name)** is committed to achieving or surpassing a goal of **(numeral)** percent spend with certified diversity business enterprise firms on State of Tennessee contract # **(Edison document #)**. Diversity businesses are defined as those that are owned by minority, women, small business and Tennessee service-disabled veterans which are certified by the Governor's Office of Diversity Business Enterprise (Go-DBE).

We confirm our commitment of **(percentage)** participation on the **(Contract)** by using the following diversity businesses:

(i) Name and ownership characteristics (i.e., ethnicity, gender, Tennessee service-disabled veteran) of anticipated diversity subcontractors and suppliers:

\_\_\_\_\_

(ii) Participation estimates (expressed as a percent of the total contract value to be dedicated to diversity subcontractors and suppliers):

\_\_\_\_\_ %.

(iii) Description of anticipated services to be performed by diversity subcontractors and suppliers:

\_\_\_\_\_  
\_\_\_\_\_

We accept that our commitment to diversity advances the State's efforts to expand opportunity of diversity businesses to do business with the State as contractors and sub-contractors.

Further, we commit to:

1. Using applicable reporting tools that allow the State to track and report purchases from businesses owned by minority, women, Tennessee service-disabled veterans and small business.
2. Reporting ~~quarterly~~ monthly to the Go-DBE office the dollars spent with certified diversity businesses owned by minority, women, Tennessee service-disabled veterans and small business accomplished under contract # **(Edison number)**.

**(Company Name)** is committed to working with the Go-DBE office to accomplish this goal.

Regards,

**(Company authority – signature and title)**

**REQUEST FOR QUALIFICATIONS  
("RFQ") TEMPLATE**

**CLEAN VERSION**

## REQUEST FOR QUALIFICATIONS (RFQ) TEMPLATE

---

This template prescribes the format and content for a Request for Qualifications (RFQ). This template should only be utilized if the Central Procurement Office is the procuring entity. Documents of this type must adhere to this template with revisions only as instructions permit. Insignificant deviations from this template, while always subject to disapproval, will typically not require a specific rule exception unless an oversight examiner requires separate documentation in a particular instance. If a formal rule exception request is not required, oversight approval of the document will constitute any necessary rule exceptions that may be necessary.

---

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

### RFQ CONTENTS

Revisions of the standard, simplified RFQ Contents may not be approved. The following optional terms may be included as applicable:

#### 1. INTRODUCTION

##### 1.1. Statement of Procurement Purpose

Specify important, specific information relating to contract requirements, specifications of goods or performance in the scope of services and not in this RFQ section.

##### 1.1.1. RFQ Number

Assign an RFQ number consisting of:

- the 5-digit, contracting agency business unit code
- a unique, 5-digit, agency-assigned number such that each RFQ number will be different

Example: **RFQ # 31707-12345**

##### 1.1.2. State Communications

**Option: Additional Information.**

Add a second paragraph to this section as appropriate (e.g., add text detailing a specific URL where the State will convey official, written responses and communications related to this RFQ by Internet posting).

##### 1.1.3. Factual Data

**Option: Additional Data Disclaimer.**

Add the following as a second paragraph of this section as appropriate.

All statistical and fiscal information contained in this RFQ and its exhibits, including amendments and modifications thereto, are provided "as is", without warranty as to the accuracy or adequacy of the data or information so provided, and reflect the department's best understanding based on information or belief available to the department at the time of RFQ preparation. No inaccuracies in such data or information shall be a basis for delay in performance or a basis for legal recovery of damages, actual, consequential or punitive.

##### 1.2. Pre-Response Conference

**Option: No Pre-Response Conference.****1.5. Collaborative Value Development****Option: Collaborative Value Development.**

Add the following as appropriate. Note: CVDs should be reserved for more complex procurements.

**1.5. Collaborative Value Development**

After RFQ § 2, Schedule of Events, "State Notice of Qualified Respondents Released," each Qualified Respondent will be invited to attend a Collaborative Value Development (CVD) event. Each CVD event will be held at the time and date detailed in the RFQ Schedule of Events, RFQ § 2.

Add additional CVD event details, such as whether or not attendance at the CVD event is mandatory to participate in the Solicitation event; how the Competitive Range will be determined (e.g., all Respondents with a minimum score, the top three highest scored Respondents, etc.); the number of representatives who will be invited to attend from each Qualified Respondent; the goals and objectives of the CVD; and, any other information that would be helpful to a potential Respondent.

**2. RFQ SCHEDULE OF EVENTS****RFQ Schedule of Events (table)**

The date instructions in the Schedule of Events table indicate minimum days.

Allot more days for each event as practical and where flexibility is allowed by the model instructions (indicated by "≥" signs).

Revise the "time zone" as appropriate.

**Option: NO Pre-Response Conference Event.**

Delete the Pre-Response Conference Event 3 from the schedule (and re-number subsequent events accordingly) as appropriate.

**Option: Oral Presentation Event.**

Complete and insert the following rows, in order immediately after the RFQ Technical Response Deadline event, (and re-number subsequent events) as appropriate.

|   |                       |  |
|---|-----------------------|--|
| #. State Schedules respondent Oral Presentations (ONLY Respondents who pass Mandatory Requirements) |                       | ≥ 1 BUSINESS DAYS LATER                  |
| #. Respondent Oral Presentations  | 8:00 a.m. - 4:30 p.m. | PERIOD BEGINNING ≥ 5 BUSINESS DAYS LATER |

**Option: Collaborative Value Development (CVD)**

Add the following after RFQ § 2, Schedule of Events, "State Notice of Qualified Respondents Released" if the State will hold a CVD event and added the optional language in section 1.5. for CVDs.

|  |  |                        |
|--|--|------------------------|
| #. State schedules Collaborative Value Development event (ONLY for Qualified |  | ≥ 1 BUSINESS DAY LATER |
|--|--|------------------------|



|  |  |  |
|--|--|--|
| Respondents)                             |  |  |
| #. Collaborative Value Development event |  | To be determined after consultation with Qualified Respondents |

**Option: Cost Proposals**

Add the following after RFQ § 2, Schedule of Events "State Notice of Qualified Respondents Released and" if the State will solicit a Cost Proposal from Qualified Respondents.

|  |           |                           |
|--|-----------|---------------------------|
| #. RFQ Cost Proposal Deadline (ONLY for Qualified Respondents)                         | 2:00 p.m. | > 7 CALENDAR DAYS LATER   |
| #. State Notice of Intent to Award Released and RFQ Files Opened for Public Inspection |           | 1 – 3 BUSINESS DAYS LATER |
| #. End of Open File Period   |           | 7 CALENDAR DAYS LATER     |
| #. State sends contract to Contractor for signature                                    |           | 1 BUSINESS DAY LATER      |
| #. Contractor Signature Deadline   | 2:00 p.m. | 1 – 5 BUSINESS DAYS LATER |

**Option: Multiple Contract Award – Constant Compete**

Add the following after RFQ § 2, Schedule of Events "RFQ Technical Response Deadline" if the State intends to award contracts directly from this RFQ. This option may be utilized in "constant compete" contracts where cost will be considered on a per project basis.

|  |           |                           |
|--|-----------|---------------------------|
| #. RFQ Negotiations (if applicable)  |           | ≥ 3 BUSINESS DAYS LATER   |
| #. State Notice of Intent to Award Released and RFQ Files Opened for Public Inspection |           | 1 – 3 BUSINESS DAYS LATER |
| #. End of Open File Period   |           | 7 CALENDAR DAYS LATER     |
| #. State sends contract to Contractor for signature                                    |           | 1 BUSINESS DAY LATER      |
| #. Contractor Signature Deadline   | 2:00 p.m. | 1 – 5 BUSINESS DAYS LATER |

**Option: Single Contract Award – Professional Services (Cost not evaluated)**

Add the following after RFQ § 2, Schedule of Events "RFQ Technical Response Deadline" if the State will award a single contract directly from this RFQ. This option may be utilized for certain categories of professional services (for example, attorneys, financial advisors, architects or engineers. Please see Tenn. Code Ann. § 12-3-103 and 12-4-107 for more information. State Building Commission (SBC) approval may be required to approve the procurement of architectural or engineering services. Please contact STREAM for more information.

|  |           |                           |
|--|-----------|---------------------------|
| #. RFQ Negotiations (if applicable)  |           | ≥ 3 BUSINESS DAYS LATER   |
| #. State Notice of Intent to Award Released and RFQ Files Opened for Public Inspection |           | 1 – 3 BUSINESS DAYS LATER |
| #. End of Open File Period   |           | 7 CALENDAR DAYS LATER     |
| #. State sends contract to Contractor for signature                                    |           | 1 BUSINESS DAY LATER      |
| #. Contractor Signature Deadline   | 2:00 p.m. | 1 – 5 BUSINESS DAYS LATER |

**Option: RFQ Competitive Negotiations**

Add the following after RFQ § 2, Schedule of Events "RFQ Technical Response Deadline" if a Special Contract Request for competitive negotiation has been approved. Please note that pursuant to Tenn. Code Ann. § 12-3-507, each use of competitive negotiation requires approval by the chief procurement officer and the comptroller of the treasury.

|  |           |                           |
|--|-----------|---------------------------|
| #. RFQ Competitive Negotiations  |           | ≥ 3 BUSINESS DAYS LATER   |
| #. State Notice of Intent to Award Released and RFQ Files Opened for Public Inspection |           | 1 – 3 BUSINESS DAYS LATER |
| #. End of Open File Period   |           | 7 CALENDAR DAYS LATER     |
| #. State sends contract to Contractor for signature                                    |           | 1 BUSINESS DAY LATER      |
| #. Contractor Signature Deadline   | 2:00 p.m. | 1 – 5 BUSINESS DAYS LATER |

**Option: Performance Bond Event.**

Complete and insert the following row immediately after the Contractor Contract Signature Deadline event as appropriate.

|                              |           |                        |
|------------------------------|-----------|------------------------|
| #. Performance Bond Deadline | 4:30 p.m. | ≥ 1 BUSINESS DAY LATER |
|------------------------------|-----------|------------------------|

### 3. RESPONSE REQUIREMENTS

#### 3.3. Response Format

The RFQ should require that respondents submit enough Technical Response copy discs to allow one copy for each Evaluation Team member. Revise §3.3.2.1. accordingly.

**Option: Digital Submittal of Responses.**

Delete and replace RFQ § 3.3.2.1. Response Format with the following if Respondents should submit responses as a digital document. Please note that all electronic records must be maintained in accordance with the Secretary of State’s Record Management Division’s and the Department of Finance & Administration’s Strategic Technology Solution’s policies.

#### 3.3.2.1. Technical Response

One (1) original Technical Response in the form of one (1) digital document in “PDF” format properly recorded on its own otherwise blank, standard CD-R recordable disc or USB flash drive clearly labeled:

“RFQ #NUMBER TECHNICAL RESPONSE ORIGINAL”

and WRITTEN NUMBER (NUMBER) copies of the Technical Response each in the form of one (1) digital document in “PDF” format properly recorded on its own otherwise blank, standard CD-R recordable disc or USB flash drive labeled:

“RFQ #NUMBER TECHNICAL RESPONSE COPY”

The sealed customer references will be the only paper documents.

#### 3.3.2.2. Cost Proposal: *For Qualified Respondents only*

One (1) Cost Proposal in the form of one (1) digital document in “PDF” or “XLS” format properly recorded on a separate, otherwise blank, standard CD-R recordable disc or USB flash drive clearly labeled:

“RFQ #NUMBER COST PROPOSAL”

An electronic or facsimile signature, as applicable, on the Cost Proposal is acceptable.

3.2.3. A Respondent must separate, seal, package, and label the documents and copies for delivery as follows:

3.2.3.1. The Technical Response and copies must be placed in a sealed package that is clearly labeled:

**“DO NOT OPEN... RFQ # NUMBER TECHNICAL RESPONSE FROM [RESPONDENT LEGAL ENTITY NAME]”**

3.2.3.2. The Cost Proposal must be placed in a separate, sealed package that is clearly labeled:

**“DO NOT OPEN... RFQ # NUMBER COST PROPOSAL FROM [RESPONDENT LEGAL ENTITY NAME]”**

3.2.3.3. The separately, sealed Technical Response and Cost Proposal components may be enclosed in a larger package for mailing or delivery, provided that the outermost package is clearly labeled:

**“RFQ # NUMBER SEALED RESPONSE FROM [RESPONDENT LEGAL ENTITY NAME]”**

3.2.3.4. Any Respondent wishing to submit a Response in a format other than digital may do so by contacting the Solicitation Coordinator.

**Option: Additional Delivery Instructions.**

Revise subsections, if necessary, to provide for additional instructions for labeling and submitting the Technical Response and Cost Proposal.

**3.4. Response Prohibitions**

**Option: No Extraneous Terms and Conditions in Response – for RFQs involving IT only**

If the RFQ involves information technology goods or services, insert the following as 3.4.6. and renumber the subsequent subsections **only after** consulting with the Central Procurement Office’s Legal Team and obtaining Central Procurement Office approval.

3.4.6. Include any end-user license agreement, manufacturer’s terms and conditions, service guide, clickwrap agreement, shrinkwrap agreement, online terms and conditions, or other terms and conditions that will supplement, modify, or contradict the terms set forth in the *pro forma* contract.

**Option: Page Limitation**

Add the following instruction to limit the Technical Response to a certain number of pages as appropriate.

3.4.#. Exceed \_\_\_\_\_ pages in length (maps, graphs, and charts included as an appendix will not count against this page limit)

**Option: Time Limitation**

Add the following instruction to prohibit a respondent oral presentation from exceeding certain length of time as appropriate.

3.4.#. Provide an oral presentation to exceed \_\_\_ hours in length including time for questions. A topic outline will be provided with the oral presentation invitation.

#### 4. GENERAL INFORMATION & REQUIREMENTS

##### 4.5. Disclosure of Response Contents

**Option: Additional Disclosure Information.**

Add the following to the end of subsection 4.5. if it is deemed necessary and it is approved by the contracting agency and the Central Procurement Office.

The State agrees to protect, to the fullest extent permitted by state law, the confidentiality of information expressly identified by the Respondent as confidential and proprietary, including information that would allow a person to obtain unauthorized access to confidential information or to electronic information processing systems owned by or licensed to the State.

#### 5. PROCUREMENT PROCESS & CONTRACT AWARD

##### 5.1. Option: Cost Proposals & RFQ Negotiations

Replace RFQ § 5.1.1. with the following if negotiations will be included in the evaluation process.

The vendor selection will be a two-part process: (1) Qualification of Technical Responses, and (2) Cost Proposals/Negotiations.

##### 5.2. Competitive Range of Technical Responses

The RFQ should specify what the competitive range will be for your particular RFQ. Add details describing what selection criteria will be utilized to determine the competitive range/what the respondent must do to be considered "Qualified".

**Option: Ranking**

The Technical Response must be ranked in the top \_\_\_\_ [insert number (#) ≥ 3] after the Technical Response score is totaled and put in ordinal ranking (1 - the best evaluated ranking).

**Option: Percentile**

The Technical Response score must attain a combined score of \_\_\_\_ [insert number]. This minimum score threshold represents a score of \_\_\_\_%.

**Option: Respondent Oral Presentations**

Add the following to the Phase II paragraph if oral presentations will be included in the evaluation process.

The State may invite those who passed the Phase I evaluation to give oral presentations to the State. The qualitative assessment of each Respondent will include the information derived from the oral presentations.

##### 5.5. Option: Cost Proposals

Add the following to RFQ § 5.5., Evaluation Guide, if the State will solicit a Cost Proposal from Qualified Respondents and consider it as a factor in Contract Award.

| Evaluation Category                       | Maximum Points Possible      |
|---|------------------------------|
| Cost Proposal (refer to RFQ Attachment D) | NUMBER ≥ 30% of TOTAL POINTS |

#### 5.6. Contract Award

The RFQ should specify how anticipated contract award will occur for the particular RFQ. Revise as appropriate, subject to approvals. Evaluation of cost shall not be permitted in any subsequent solicitation if the contract is for certain categories of professional services (for example, attorneys, financial advisors, architects or engineers). Please see Tenn. Code Ann. § 12-3-103 and 12-4-107 for more information. State Building Commission (SBC) approval may be required to approve the procurement of architectural or engineering services. Please contact STREAM for more information.

##### Option: Contract Award

Add the following as RFQ § 5.6., Contract Award, if the State will solicit a Cost Proposal from Qualified Respondents, which will result in a contract award.

- 5.6.1. The Solicitation Coordinator will submit the Evaluation Team determinations and response scores to the head of the contracting agency, or the agency head's designee, for consideration along with any other relevant information that might be available and pertinent to contract award.
- 5.6.2. The contracting agency head, or the agency head's designee, will determine the apparent best-evaluated response. (To effect a contract award to a Respondent other than the one receiving the highest evaluation score, the head of the contracting agency must provide written justification and obtain written approval of the Chief Procurement Officer and the Comptroller of the Treasury.)
- 5.6.3. The State reserves the right to make an award without further discussion of any response.
- 5.6.4. The State will issue an Evaluation Notice and make the RFQ files available for public inspection at the time and date specified in the RFQ §2, Schedule of Events.

**NOTICE:** The Evaluation Notice shall not create rights, interests, or claims of entitlement in either the Respondent identified as the apparent best evaluated or any other Respondent.

- 5.6.5. The Respondent identified as offering the apparent best-evaluated must sign a contract drawn by the State pursuant to this RFQ. The contract shall be substantially the same as the RFQ Attachment G, *pro forma* contract. The Respondent must sign said contract no later than the Respondent Contract Signature Deadline detailed in RFQ § 2, Schedule of Events. If the Respondent fails to provide the signed contract by the deadline, the State may determine the Respondent is non-responsive to this RFQ and reject the response.
- 5.6.6. Notwithstanding the foregoing, the State may, at its sole discretion, entertain limited negotiation prior to contract signing and, as a result, revise the *pro forma* contract terms and conditions or performance requirements in the State's best interests, PROVIDED THAT such revision of terms and conditions or performance requirements shall NOT materially affect the basis of response evaluation or negatively impact the competitive nature of the RFQ and contractor selection process.
- 5.6.7. If the State determines that a response is nonresponsive and rejects it, the Solicitation Coordinator will recalculate scores to determine (or re-determine) the apparent best-evaluated response.

#### ATTACHMENT A: TECHNICAL RESPONSE & EVALUATION GUIDE

##### Option: Page Limitation.



Add the following row to the RFQ Attachment A table (in the grayed out top area) if a page limitation was included in RFQ § 3.4., Response Prohibitions.

|  |  |   |  |
|--|--|---|--|
|  |  | The Technical Response must not exceed _____ pages in length; |  |
|--|--|---|--|

**Option: Cash Flow Information.**

Add the following row to the RFQ Attachment A table (after the model items) if the contracting agency chooses to review the evidence of Respondent’s financial stability/responsibility.

|  |            |   |  |
|--|------------|---|--|
|  | <b>A.#</b> | <p>Provide documentation disclosing the amount of cash flows from operating activities for the Respondent’s most current operating period. Said documentation must indicate whether the cash flows are positive or negative, and, if the cash flows are negative for the most recent operating period, the documentation must include a detailed explanation of the factors contributing to the negative cash flows.</p> <p>NOTICE: All persons, agencies, firms, or other entities that provide opinions regarding the Respondent’s financial status <u>must</u> be properly licensed to render such opinions. The State may require the Respondent to submit proof of such licensure detailing the state of licensure and licensure number for each person or entity that renders the opinions.</p> |  |
|--|------------|---|--|

**Option: Certificate of Insurance.**

Add the following row to the RFQ Attachment A table (after the model items) ONLY IF a Certificate of Insurance is considered necessary evidence of Respondent’s financial stability/responsibility. (Specifying insurance requirements in the *pro forma* contract does not necessitate adding this optional response requirement.)

Add, delete, or revise subsections detailing insurance coverage requirements as appropriate. (If this response requirement item is added to the RFQ, the appropriate Insurance provision must be detailed in the *pro forma* contract, and the insurance coverage requirements specified in both the RFQ and the *pro forma* contract must agree.)

|  |            |  |  |
|--|------------|--|--|
|  | <b>A.#</b> | <p>Provide a valid, Certificate of Insurance that is verified and dated within the last six (6) months and which details <u>all</u> of the following:</p> <ul style="list-style-type: none"> <li>(a) Insurance Company</li> <li>(b) Respondent’s Name and Address as the Insured</li> <li>(c) Policy Number</li> <li>(d) The following minimum insurance coverage: <ul style="list-style-type: none"> <li>(i) Workers’ Compensation/ Employers’ Liability (including all states coverage) with a limit not less than the relevant statutory amount or <b>WRITTEN AMOUNT</b> Dollars (<b>\$NUMBER AMOUNT</b>) per occurrence for employers’ liability;</li> <li>(ii) Comprehensive Commercial General Liability (including personal injury &amp; property damage, premises/operations, independent contractor, contractual liability and completed operations/products) with a bodily injury/property damage combined single limit not less than <b>WRITTEN AMOUNT</b> Dollars (<b>\$NUMBER AMOUNT</b>) per occurrence and <b>WRITTEN AMOUNT</b> Dollars (<b>\$NUMBER AMOUNT</b>) aggregate;</li> <li>(iii) Automobile Coverage (including owned, leased, hired, and non-owned vehicles) with a bodily injury/property</li> </ul> </li> </ul> |  |
|--|------------|--|--|

|  |   |  |
|--|---|--|
|  | <p>damage combined single limit not less than <b>WRITTEN AMOUNT</b> Dollars (<b>\$NUMBER AMOUNT</b>) per occurrence; and</p> <p>(iv) Professional Malpractice Liability with a limit of not less than <b>WRITTEN AMOUNT</b> Dollars (<b>\$NUMBER AMOUNT</b>) per claim.</p> <p>(e) The following information applicable to each type of insurance coverage:</p> <p>(i) Coverage Description,</p> <p>(ii) Exceptions and Exclusions,</p> <p>(iii) Policy Effective Date,</p> <p>(iv) Policy Expiration Date, and</p> <p>(v) Limit(s) of Liability.</p> |  |
|--|---|--|

**Option: Audited Financial Statements.**

Add the following row to the RFQ Attachment A table (after the model items) ONLY IF the anticipated contract amount is ≥ \$1,000,000.00 AND extraordinary effort to assure Respondent financial stability/responsibility is appropriate.

|  |   |  |
|--|---|--|
|  | <p><b>A.#</b> Provide the Respondent's most recent independent audited financial statements. Said independent audited financial statements <u>must</u>:</p> <ol style="list-style-type: none"> <li>(1) reflect an audit period for a fiscal year ended within the last 36 months</li> <li>(2) be prepared with all monetary amounts detailed in United States currency;</li> <li>(3) be prepared under United States Generally Accepted Accounting Principles (US GAAP);</li> <li>(4) include: the auditor's opinion letter; financial statements; and the notes to the financial statements; and</li> <li>(5) be deemed, in the sole discretion of the State to reflect sufficient financial stability to undertake the subject agreement with the State.</li> </ol> <p>NOTES:</p> <ul style="list-style-type: none"> <li>▪ Reviewed or Compiled Financial Statements will not be deemed responsive to this requirement and will <u>not</u> be accepted.</li> <li>▪ All persons, agencies, firms, or other entities that provide opinions regarding the Respondent's financial status <u>must</u> be properly licensed to render such opinions. The State may require the Respondent to submit proof of such licensure detailing the state of licensure and licensure number for each person or entity that renders the opinions.</li> </ul> |  |
|--|---|--|

**Option: Audited Financial Statements – Line of Credit Option.**

Privately held companies may not have or be willing to release audited financial statements for public review. Therefore, requiring audited financial statements (as detailed above) without an alternative to the requirement could conceptually prevent privately held companies from responding to the RFQ.

The contracting agency should consider the possible impact of the requirement on competition versus the state's need to reasonably determine the financial stability/responsibility of respondents and decide whether it is appropriate to include an alternative to the requirement.



Insert the following paragraph before the "NOTES" in the optional audited financial statements requirement text (above) if appropriate.

**OR**, in lieu of the aforementioned independent audited financial statements, provide a financial institution's letter of commitment for a general Line of Credit in the amount of **WRITTEN AMOUNT ≥ ONE MILLION DOLLARS (\$NUMBER AMOUNT)**, U.S. currency, available to the Respondent. Said letter must specify the Respondent's name, be signed and dated within the past three (3) months by an authorized agent of the financial institution, and indicate that the Line of Credit shall be available for at least **PERIOD ≥ 6 MONTHS**.

**Option: Audited Financial Statements – Additional Requirement.**

Add the following sentence at the end of the second bulleted note in the optional audited financial statements requirement text **ONLY IF** the contracting agency legal counsel recommends it in writing.

Any attest or review of the financial status of a Tennessee corporation must be rendered by an accountant or accounting firm licensed or otherwise specifically permitted to provide an attest or review by the Tennessee Board of Accountancy.

**Option: Proposal Bond Confirmation.**

Add the following row to the RFQ Attachment A table **ONLY IF** a Proposal Bond is required by the Chief Procurement Officer. All proposal bond amounts shall be stated as a set amount or as a percentage of the contract value. In no event shall the proposal bond amount exceed five percent (5%) of the estimated value of the contract.

|  |            |   |  |
|--|------------|---|--|
|  | <b>A.#</b> | Provide a proposal bond issued by a surety company licensed to do business in the State of Tennessee in the amount of \$__. |  |
|--|------------|---|--|

**Contingent Requirement: Performance Bond Confirmation.**

Add the following row to the RFQ Attachment A table **ONLY IF** a Performance Bond is proposed.

|  |            |   |  |
|--|------------|---|--|
|  | <b>A.#</b> | Provide a statement confirming that, if awarded a contract pursuant to this RFQ, the Respondent shall deliver a Performance Bond to the State in accordance with the requirements of this RFQ. The statement must be signed by an individual with legal authority to bind the proposing entity to the provisions of this RFQ and any contract awarded pursuant to it. |  |
|--|------------|---|--|

**Option: Additional Mandatory Requirements.**

Typically, each mandatory requirement item must be drafted such that an objective "yes/no" determination of whether the requirement was met is reasonable and adequate (clearly not necessitating a qualitative evaluation of the response).

Contracting agency staff may be asked to provide evidence that a proposed mandatory requirement is not inappropriately arbitrary or capricious (*e.g.*, (1) information from an independent, authoritative source indicating that the proposed criteria is a reasonable standard; and (2) a recommendation signed by the contracting agency legal counsel explaining why the proposed requirement is not arbitrary or capricious).

Add mandatory requirement items to the RFQ Attachment A table (after the model items) as appropriate. Do not include a mandatory requirement that entails a response that should or must be more subjectively evaluated. Do not include an arbitrary mandatory requirement.

**ATTACHMENT B: TECHNICAL RESPONSE & EVALUATION GUIDE**

**General Qualifications & Experience**

The entire set of General Qualifications & Experience items detailed in the model for this section **MUST** be evaluated together as indicated.

RFQ Attachment B and the methodology for evaluating responses may **NOT** be revised except to add new evaluation items.

#### B.17. References

##### Option: Revised Reference Requirements.

Do not assume automatic approval of any revision of the model text.

Revise the number of required references as appropriate. Revise the model text, as appropriate, to detail an alternate process for obtaining and evaluating references. Any such revision must be exactly detailed and clearly uniform in application with all respondents.

##### Option: Red-Line *pro forma* contract submittal.

Add the following row to the RFQ Attachment B table **ONLY** if it would benefit the State to be amenable to making changes to the *pro forma* contract. Inclusion of this provision requires prior review and approval by CPO Legal. Add the following section and number as appropriate.

|  |             |   |  |
|--|-------------|---|--|
|  | <b>B.#.</b> | The Respondents are permitted to submit, as part of their Response, a "redline" of RFQ Attachment G, <i>Pro Forma</i> Contract, that tracks the Respondents' request for alternative or supplemental contract language. The redline changes that are allowed by this provision shall not include any exceptions or changes that (1) contradict any applicable state or federal law; (2) a mandatory requirement identified in RFQ Attachment A; or (3) alter any deadlines in the Schedule of Events. |  |
|--|-------------|---|--|

### ATTACHMENT C: TECHNICAL RESPONSE & EVALUATION GUIDE

#### Technical Qualifications, Experience & Approach

The sum of all Evaluation Factors within the section should equal "100" (or "1,000") so that the relative percentage of importance/ emphasis is readily apparent.

Assign Evaluation Factors such that the Point Scale Score for the evaluation factors will be weighted to reflect the relative importance of the item to the other evaluation factors within the section.

If all evaluation factors in the section are to be considered (weighted) equally, specify "1" as the Evaluation Factor for every factor.

**Option: Additional Technical Qualifications, Experience & Approach Items.** Add evaluation items to the RFQ Attachment C table so that the state has the best possible information upon which to select a Respondent for contract award.

#### Option: Oral Presentations as part of Technical Response & Evaluation Guide

Oral Presentations may **NOT** include "general" questions and answers. All questions must either be scripted questions asked by state staff or subject matter experts in every response presentation or a specific question in exact follow-up to particular information presented by the respondent in response to one or more of the Oral Presentation items.

#### Option: Cost Proposals

### ATTACHMENT D: COST PROPOSAL & EVALUATION GUIDE ATTACHMENT

Each line item on which the State is seeking costs must clearly specify the associated, applicable units of goods or services. While the line item of cost description should stipulate the applicable units of goods or services, it should also be specified within each blank cost cell. Examples: \$ \_\_\_ / hour, or \$ \_\_\_ / each, etc.

The Cost Proposal format should not require calculations by Respondents.

The Cost Proposal & Evaluation Guide (and the associated *pro forma* contract payment methodology) must be drafted so that NO Respondent is able to propose cost in such a manner that the Evaluation Cost Amount would equal zero. This is critical if the cost response evaluation formula is to mathematically result in rational numbers as cost response scores. (In some instances, it might be necessary to require a minimum proposed amount for one or more line item of costs.)

## Cost Proposal & Evaluation Guide

### For Qualified Respondents Only

**NOTICE: THIS COST PROPOSAL MUST BE COMPLETED EXACTLY AS REQUIRED**

**COST PROPOSAL SCHEDULE**— The Cost Proposal, detailed below, shall indicate the proposed price for the delivery of specified goods for the entire scope of services including all services defined in the Scope of Services of the RFQ Attachment G, *pro forma* Contract and for the entire contract period. The Cost Proposal shall remain valid for at least 120 days subsequent to the date of the Cost Proposal opening and thereafter in accordance with any contract resulting from this RFQ. All monetary amounts shall be in U.S. currency and limited to two (2) places to the right of the decimal point.

**ADD ADDITIONAL REQUIREMENTS FOR COMPLETING PROPOSED COST AS APPLICABLE (I.E., MINIMUM AMOUNT, "BLANK" CELLS, ETC.)**

**NOTICE:** The Evaluation Factor associated with each line item of cost is for evaluation purposes only. The evaluation factors do NOT and should NOT be construed as any type of volume guarantee or minimum purchase quantity. The evaluation factors shall NOT create rights, interests, or claims of entitlement in the Respondent.

Notwithstanding the line item of costs herein, pursuant to the second paragraph of the *pro forma* contract section C.1. (refer to RFQ Attachment G), "The State is under no obligation to request work from the Contractor in any specific dollar amounts or to request any work at all from the Contractor during any period of this Contract."

This Cost Proposal must be signed, in the space below, by an individual empowered to bind the entity responding to the provisions of this RFQ and any contract awarded pursuant thereto. If said individual is not responding in an individual capacity or is the *President* or *Chief Executive Officer*, this document must attach evidence showing the individual's authority to legally bind the entity responding to this RFQ.

|  |                      |                          |  |
|--|----------------------|--------------------------|--|
| <b>RESPONDENT SIGNATURE:</b>   |                      |                          |  |
| <b>PRINTED NAME &amp; TITLE:</b>   |                      |                          |  |
| <b>DATE:</b>   |                      |                          |  |
| <b>RESPONDENT LEGAL ENTITY NAME:</b>   |                      |                          |  |
| <b>Line item of cost Description</b>   | <b>Proposed Cost</b> | <b>State Use Only</b>    |  |
|  |                      | <b>Evaluation Factor</b> | <b>Evaluation Cost<br/>(cost x factor)</b> |
| <b>DESCRIPTION</b>   | \$ / <b>UNIT</b>     | <b>NUMBER</b>            |  |
| <b>REPEAT AS NECESSARY</b>   | \$ / <b>UNIT</b>     | <b>NUMBER</b>            |  |
| <b>REPEAT AS NECESSARY</b>   | \$ / <b>UNIT</b>     | <b>NUMBER</b>            |  |
| <b>EVALUATION COST AMOUNT</b> (sum of evaluation costs above):   |                      |                          |  |
| The RFQ Coordinator will use this sum and the formula below to calculate the Cost Proposal Score. Numbers rounded to two (2) places to the right of the decimal point will be standard for calculations. |                      |                          |  |

|   |                      |                          |  |
|---|----------------------|--------------------------|--|
| <b>RESPONDENT LEGAL ENTITY NAME:</b>  |                      |                          |  |
| <b>Line item of cost Description</b>  | <b>Proposed Cost</b> | <b>State Use Only</b>    |  |
|   |                      | <b>Evaluation Factor</b> | <b>Evaluation Cost<br/>(cost x factor)</b> |
| $\frac{\text{lowest evaluation cost amount from all responses}}{\text{evaluation cost amount being evaluated}} \times \text{RFQ } \S \text{ 5.5. NUMBER (maximum section score)} = \text{SCORE:}$ |                      |                          |  |
| <i>State Use – RFQ Coordinator Signature, Printed Name &amp; Date:</i>  |                      |                          |  |

**EVALUATION FACTORS** — A factor associated with each line item of cost is used to foster reasonable, competitive price offers for each line item of costs and to prevent Respondents from offering prices with the intent of “gaming” the evaluation model and not resulting in the best actual cost to the state. The use of Evaluation Factors should also result in a more appropriate consideration of each line item of cost in terms of its relative impact upon the total cost to the state under the proposed contract. Typically, all Evaluation Factors must be based upon:

- historical data relating to the number of the associated goods or services units previously bought by the state for a comparable period; OR
- the procuring state agency’s reasoned projection of the actual number of each line item of cost units that the state will buy under the new contract during the entire contract period (with all options, if any, to extend the contract exercised).

(If one or more milestone or other lump sum type payment amounts are included in the mix of line item of costs, the logical Evaluation Factor for each milestone or lump sum line item of cost should typically be “1” since each payment amount would be remitted only one time.)

**Option: Cost Proposal Format Default – ONE Payment Rate Per Line item of cost (static or CPI-escalated).**

Use the default Cost Proposal schedule if the Respondents must offer only one rate per all goods or services for the entire contract period (with or without rate escalation provisions are detailed in the *pro forma* contract).

**Option: Cost Proposal Format – Unit or Temporal Rate Payments (proposed by period).**

Use the following table if the Respondents must offer rates for one or more cost items for each of several specified periods of the contract.

## Cost Proposal & Evaluation Guide

### For Qualified Respondents Only

**NOTICE: THIS COST PROPOSAL MUST BE COMPLETED EXACTLY AS REQUIRED**

**COST PROPOSAL SCHEDULE**— The Cost Proposal, detailed below, shall indicate the proposed price for the delivery of specified goods for the entire scope of services including all services defined in the Scope of Services of the RFQ Attachment G, *pro forma* Contract and for the entire contract period. The Cost Proposal shall remain valid for at least 120 days subsequent to the date of the Cost Proposal opening and thereafter in accordance with any contract resulting from this RFQ. All monetary amounts shall be in U.S. currency and limited to two (2) places to the right of the decimal point.

**ADD ADDITIONAL REQUIREMENTS FOR COMPLETING PROPOSED COST AS APPLICABLE (I.E., MINIMUM AMOUNT, "BLANK" CELLS, ETC.)**

**NOTICE:** The Evaluation Factor associated with each cost item is for evaluation purposes only. The evaluation factors do NOT and should NOT be construed as any type of volume guarantee or minimum purchase quantity. The evaluation factors shall NOT create rights, interests, or claims of entitlement in the Respondent.

Notwithstanding the cost items herein, pursuant to the second paragraph of the *pro forma* contract section C.1. (refer to RFQ Attachment G), "The State is under no obligation to request work from the Contractor in any specific dollar amounts or to request any work at all from the Contractor during any period of this Contract."

This Cost Proposal must be signed, in the space below, by an individual empowered to bind the proposing entity to the provisions of this RFQ and any contract awarded pursuant to it. If said individual is not the *President* or *Chief Executive Officer*, this document must attach evidence showing the individual's authority to legally bind the proposing entity.

|                                      |                       |                       |                       |                       |                       |                       |                              |   |
|--------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|------------------------------|---|
| <b>RESPONDENT SIGNATURE:</b>         |                       |                       |                       |                       |                       |                       |                              |   |
| <b>PRINTED NAME &amp; TITLE:</b>     |                       |                       |                       |                       |                       |                       |                              |   |
| <b>DATE:</b>                         |                       |                       |                       |                       |                       |                       |                              |   |
| <b>RESPONDENT LEGAL ENTITY NAME:</b> |                       |                       |                       |                       |                       |                       |                              |   |
| <b>Cost Item Description</b>         | <b>Proposed Cost</b>  |                       |                       |                       |                       | <b>State Use ONLY</b> |                              |   |
|                                      | <b>DATE—<br/>DATE</b> | <b>DATE—<br/>DATE</b> | <b>DATE—<br/>DATE</b> | <b>DATE—<br/>DATE</b> | <b>DATE—<br/>DATE</b> | <b>Sum</b>            | <b>Evaluation<br/>Factor</b> | <b>Evaluation<br/>Cost<br/>(sum<br/>x factor)</b> |
| <b>DESCRIPTION</b>                   | \$<br>/ UNIT          | \$<br>/ UNIT          | \$<br>/ UNIT          | \$<br>/ UNIT          | \$<br>/ UNIT          |                       | NUMBER                       |   |
| <b>REPEAT AS<br/>NECESSARY</b>       | \$<br>/ UNIT          | \$<br>/ UNIT          | \$<br>/ UNIT          | \$<br>/ UNIT          | \$<br>/ UNIT          |                       | NUMBER                       |   |
| <b>REPEAT AS<br/>NECESSARY</b>       | \$<br>/ UNIT          | \$<br>/ UNIT          | \$<br>/ UNIT          | \$<br>/ UNIT          | \$<br>/ UNIT          |                       | NUMBER                       |   |



| RESPONDENT LEGAL ENTITY NAME:   |               |               |               |               |               |   |                   |                                |
|---|---------------|---------------|---------------|---------------|---------------|---|-------------------|--------------------------------|
| Cost Item Description   | Proposed Cost |               |               |               |               | State Use ONLY  |                   |                                |
|   | DATE—<br>DATE | DATE—<br>DATE | DATE—<br>DATE | DATE—<br>DATE | DATE—<br>DATE | Sum   | Evaluation Factor | Evaluation Cost (sum x factor) |
| REPEAT AS NECESSARY   | \$ / UNIT     | \$ / UNIT     | \$ / UNIT     | \$ / UNIT     | \$ / UNIT     |   | NUMBER            |                                |
| REPEAT AS NECESSARY   | \$ / UNIT     | \$ / UNIT     | \$ / UNIT     | \$ / UNIT     | \$ / UNIT     |   | NUMBER            |                                |
| <b>TOTAL EVALUATION COST AMOUNT</b> (sum of evaluation costs above):  |               |               |               |               |               |   |                   |                                |
| The Solicitation Coordinator will use this sum and the formula below to calculate the Cost Proposal Score. Numbers rounded to two (2) places to the right of the decimal point will be standard for calculations. |               |               |               |               |               |   |                   |                                |
| $\frac{\text{lowest evaluation cost amount from all proposals}}{\text{evaluation cost amount being evaluated}}$   |               |               |               |               |               | $\times \text{RFQ } \$ 5.5 \text{ NUMBER (maximum possible score)}$ | =                 | SCORE:                         |
| State Use – RFQ Coordinator Signature, Printed Name & Date:   |               |               |               |               |               |   |                   |                                |

**Option: Cost Proposal Format – NO Evaluation Factors Column contract**

In those instances where the relative importance of ALL line item of costs is equal (for example, if payments will be only based on milestone/ lump sum type payments in which the sum of all of the line item of costs would equal the anticipated cost of the contract), all Evaluation Factors would equal "1." Inasmuch, it would be acceptable to draft the Cost Proposal format without the preamble notice relating to Evaluation Factors as well as without the Evaluation Factor column or the Sum and Evaluation Factor columns.

**Option: Cost Proposal & Evaluation Guide.**

Revise the Cost Proposal & Evaluation Guide detailed in the model, as appropriate, to direct respondents to complete a protected spreadsheet ("protected" so that respondents may only insert proposed cost as required) provided by the state along with the RFQ in lieu of completing the Cost Proposal table illustrated in the guide.

**ATTACHMENT E: STATEMENT OF CERTIFICATIONS & ASSURANCES**

**Option: Alternate Language if Red-Line Allowed**

Modify Item 3 as follows if Red-Line *pro forma* contract submittal was permitted in RFQ Attachment B.

The Respondent accepts and agrees to all terms and conditions, except changes as set forth in the response (refer to RFQ Attachment B, Item B#NUMBER), set out in the RFQ Attachment G, *pro forma* Contract.



**Option: Awarded Respondent shall accept payment via the State's Purchasing Card**

Add the following as Item 4 only after performing market research and determining that: (a) requiring vendors to accept payments via purchasing card is generally accepted in the marketplace; and (b) requiring prospective Respondents to accept the State's Purchasing Card at no cost to the State will not materially affect competition.

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

**Option: Alternate Language if soliciting Cost Proposals**

Modify Item 9 as follows if the State will solicit Cost Proposals from Qualified Respondents.

Both the Technical Response and the Cost Proposal submitted in response to the RFQ shall remain valid for at least 120 days subsequent to the date of the Cost Proposal opening and thereafter in accordance with any contract pursuant to the RFQ.

**ATTACHMENT F: REFERENCE QUESTIONNAIRE****Option: Questionnaire Revision.**

Select one of the two different Reference Questionnaire options available below, depending on your procurement needs.

Add, delete, or revise questionnaire items as appropriate to the subject procurement so that the state has the best possible information upon which to select a Respondent for contract award.

**RFQ # NUMBER REFERENCE QUESTIONNAIRE**

**RESPONDENT NAME:** RESPONDENT NAME (completed by respondent before reference is requested)

The "respondent name" specified above, intends to submit a response to the State of Tennessee in response to the Request for Qualifications (RFQ) indicated. As a part of such response, the respondent must include a number of completed and sealed reference questionnaires (using this form).

Each individual responding to this reference questionnaire is asked to follow these instructions:

- complete this questionnaire (either using the form provided or an exact duplicate of this document);
- sign and date the completed questionnaire;
- seal the completed, signed, and dated questionnaire in a new standard #10 envelope;
- sign in ink across the sealed portion of the envelope; and
- return the sealed envelope containing the completed questionnaire directly to the respondent.

- (1) **What is the name of the individual, company, organization, or entity responding to this reference questionnaire?**
  
- (2) **Please provide the following information about the individual completing this reference questionnaire on behalf of the above-named individual, company, organization, or entity.**

|                        |  |
|------------------------|--|
| <b>NAME:</b>           |  |
| <b>TITLE:</b>          |  |
| <b>TELEPHONE #</b>     |  |
| <b>E-MAIL ADDRESS:</b> |  |

(3) **What goods or services do/did the vendor provide to your company or organization?**

(4) **What is the level of your overall satisfaction with the vendor of the goods or services described above?**

*Please respond by circling the appropriate number on the scale below.*



**RFQ # NUMBER PROPOSAL REFERENCE QUESTIONNAIRE — PAGE 2**

**If you circled 3 or less above, what could the vendor have done to improve that rating?**

(5) **If the goods or services that the vendor provided to your company or organization are completed, were the goods or services completed in compliance with the terms of the contract, on time, and within budget? If not, please explain.**

(6) **If the vendor is still providing goods or services to your company or organization, are these goods or services being provided in compliance with the terms of the contract, on time, and within budget? If not, please explain.**

- (7) How satisfied are you with the vendor's ability to perform based on your expectations and according to the contractual arrangements?
  
- (8) In what areas of goods or service delivery do/did the vendor excel?
  
- (9) In what areas of goods or service delivery do/did the vendor fall short?
  
- (10) What is the level of your satisfaction with the vendor's project management structures, processes, and personnel?

*Please respond by circling the appropriate number on the scale below.*



What, if any, comments do you have regarding the score selected above?

**RFQ # NUMBER PROPOSAL REFERENCE QUESTIONNAIRE — PAGE 3**

---

- (11) Considering the staff assigned by the vendor to deliver the goods or services described in response to question 3 above, how satisfied are you with the technical abilities, professionalism, and interpersonal skills of the individuals assigned?

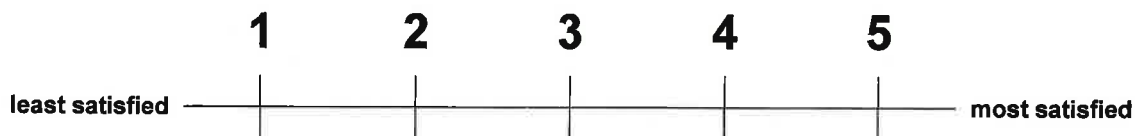
*Please respond by circling the appropriate number on the scale below.*



What, if any, comments do you have regarding the score selected above?

**(12) Would you contract again with the vendor for the same or similar goods or services?**

*Please respond by circling the appropriate number on the scale below.*



**What, if any, comments do you have regarding the score selected above?**

**REFERENCE SIGNATURE:**

(by the individual completing this request for reference information)

\_\_\_\_\_  
(must be the same as the signature across the envelope seal)

**DATE:**

## REFERENCE QUESTIONNAIRE

**RESPONDENT NAME:** \_\_\_\_\_  
**RFQ # NUMBER** \_\_\_\_\_

The Respondent will be responsible for obtaining completed Reference Questionnaires as required and for enclosing the sealed envelopes within the response.

The "respondent name," specified above, intends to submit a response to the State of Tennessee in response to the Request for Qualifications (RFQ) indicated. As a part of such response, the respondent must include a number of completed and sealed reference questionnaires (using this form).

Each individual responding to this reference questionnaire is asked to follow these instructions:

- complete this questionnaire (either using the form provided or an exact duplicate of this document);
  - sign and date the completed questionnaire;
  - seal the completed, signed, and dated questionnaire in a new standard #10 envelope;
  - sign in ink across the sealed portion of the envelope; and
  - return the sealed envelope containing the completed questionnaire directly to the respondent.

**(1) What is the name of the individual, company, organization, or entity responding to this reference questionnaire?**

**(2) Please provide the following information about the individual completing this reference questionnaire on behalf of the above-named individual, company, organization, or entity.**

|                        |  |
|------------------------|--|
| <b>NAME:</b>           |  |
| <b>TITLE:</b>          |  |
| <b>TELEPHONE #</b>     |  |
| <b>E-MAIL ADDRESS:</b> |  |

**(3) What goods or services do /did the vendor provide to your company or organization?**

(4) **What is the level of your overall satisfaction with the vendor of the goods or services described above?**

Satisfied  Not Satisfied

*Please check one box*

(5) **Were the goods delivered or services completed in compliance with the terms of the contract, on time, and within budget?**

Yes  No  Not Completed

*Please check one box*

(6) **How satisfied are you with the vendor's ability to perform based on your expectations and according to the contractual arrangements?**

Satisfied  Not Satisfied

*Please check one box*

(7) **What is the level of your satisfaction with the vendor's project management structures, processes, and personnel?**

Satisfied  Not Satisfied

*Please check one box*

(8) **Would you contract again with the vendor for the same or similar goods or services?**

Satisfied  Not Satisfied

*Please check one box*

**SIGNATURE:**

(by the individual completing this reference questionnaire)

\_\_\_\_\_  
(must be the same as the signature across the envelope seal)

**DATE:**

\_\_\_\_\_

**ATTACHMENT G: PRO FORMA CONTRACT ATTACHMENT**

Draft the *pro forma* contract in accordance with the appropriate contract model.

**Option: Disclaimer for Government Entity Contracts.**

Add the following optional text to the attachment cover page if deemed appropriate.

**If the contract is awarded to a governmental entity established pursuant to *Tennessee Code Annotated* (e.g., a human resource agency, a developmental district, the University of Tennessee, or a Board of Regents school), the standard terms and conditions of the contract shall be revised accordingly; however, significant performance requirements shall not be revised.**

### **APPROVAL INSTRUCTIONS**

Each RFQ document must be approved for release in accordance with the instructions below.

Complete the document as required by this Model.

Submit the proposed document to CPO at least 20 days before the desired RFQ release date. (Notwithstanding compliance with this deadline, circumstances may necessitate a delay of the release date.)

Submit the document draft to CPO via e-mail to: [Agsprrs.Agsprsr@tn.gov](mailto:Agsprrs.Agsprsr@tn.gov) or the CPO examiner assigned to the contracting agency as a digital file in DOC format. Each draft must:

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

Approval is also required for any amendment or cancellation.

### **PUBLICATION INSTRUCTIONS**

Upon Comptroller approval, prepare the solicitation document for public release by removing any highlighting, changing all text to an appropriate color, and removing any draft version number or other extraneous notations.

On the business day before the date approved for public solicitation, e-mail the document prepared for public release to the CPO staff person assigned to the contracting agency so that CPO staff may post the digital document(s) on the Internet as appropriate.

The document presented for publication must be comprised by one or more (clearly and logically separated component) digital files in PDF or DOC format. If previously approved, the cost response attachment may be presented for publication in XLS, spreadsheet format.

ALWAYS confirm that each document is properly posted for public review.

If, for any reason, an RFQ is not properly published to the Internet, it may be necessary for the state to substantially revise the approved RFQ schedule of events to add additional time before Q&A and response deadlines.





**STATE OF TENNESSEE  
CENTRAL PROCUREMENT OFFICE**

**REQUEST FOR QUALIFICATIONS  
FOR  
BRIEF GOODS OR SERVICES CAPTION**

**RFQ # NUMBER**

**TABLE OF CONTENTS**

**SECTIONS:**

- 1. Introduction**
- 2. RFQ Schedule of Events**
- 3. Response Requirements**
- 4. General Information & Requirements**
- 5. Procurement Process & Contract Award**

**ATTACHMENTS:**

- A. Technical Response & Evaluation Guide – Mandatory Requirement Items**
- B. Technical Response & Evaluation Guide – General Qualifications & Experience Items**
- C. Technical Response & Evaluation Guide – Technical Qualifications, Experience & Approach Items**
- D. Cost Proposal & Evaluation Guide**
- E. Statement of Certifications & Assurances**
- F. Reference Questionnaire**
- G. *Pro Forma* Contract**

## 1. INTRODUCTION

The State of Tennessee, **Central Procurement Office**, hereinafter referred to as "the State," issues this Request for Qualifications ("RFQ") to define mandatory goods or services requirements; solicit responses; detail response requirements; and, outline the State's process for evaluating responses.

Through this RFQ or any subsequent solicitation, the State seeks to buy the requested goods or services at the most favorable, competitive prices and to give ALL qualified respondents, including those that are owned by minorities, women, Tennessee service-disabled veterans, and small business enterprises, the opportunity to do business with the state as contractors or subcontractors.

### 1.1. Statement of Procurement Purpose

BRIEF, HIGH-LEVEL EXPLANATION OF GOODS OR SERVICES SOUGHT OR A SUMMARY OF THE PROBLEM TO BE ADDRESSED. HIGHLIGHT THE PURPOSE OF THE RFQ (TO SELECT A VENDOR/NUMBER OF VENDORS) THAT ARE QUALIFIED TO MEET THE STATE'S NEEDS FOR THE GOODS OR SERVICES REQUESTED BY THE STATE.

INCLUDE A SUMMARY OF THE PROBLEM TO BE ADDRESSED, FURTHER INFORMATION ABOUT INITIATIVE, SUMMARY BACKGROUND INFORMATION, ETC., AS NEEDED. DO NOT ASSUME THAT DETAILED SPECIFICATIONS OR SCOPE OF WORK (WHICH SHOULD BE SET OUT IN THE *PRO FORMA* CONTRACT), WILL BE APPROVED FOR THIS SECTION.

INCLUDE AN ESTIMATE OF THE PURCHASE REQUIREMENTS FOR THE CURRENT CONTRACT PERIOD, IF APPLICABLE.

### 1.2. Pre-Response Conference

A Pre-Response Conference will be held at the time and date detailed in the RFQ Schedule of Events, RFQ § 2. Pre-Response Conference attendance is not mandatory, and potential Respondents may be limited to a maximum number of attendees depending upon overall attendance and space limitations. Please contact the Solicitation Coordinator to RSVP for the Pre-Response Conference. The Conference will be held at:

ADDRESS/LOCATION  
OTHER APPROPRIATE INFORMATION IF ANY

### 1.3. Notice of Intent to Respond

Before the Notice of Intent to Respond Deadline detailed in RFQ § 2, Schedule of Events, potential Respondents should submit to the Solicitation Coordinator a Notice of Intent to Respond in the form of a simple e-mail or other written communication. Such notice should include the following information: the business or individual's name (as appropriate), a contact person's name and title, the contact person's mailing address, telephone number, facsimile, number, and e-mail address. Filing a Notice of Intent to Respond is not a prerequisite for submitting a response; however, it is necessary to ensure receipt of notices and communications relating to this RFQ.

### 1.4. Definitions and Abbreviations

DEFINE ABBREVIATIONS OR TERMS USED THROUGHOUT THE RFQ.

| TERM | DEFINITION |
|------|------------|
|      |            |
|      |            |

## 2. RFQ SCHEDULE OF EVENTS

The following schedule represents the State's best estimates for this RFQ; however, the State reserves the right, at its sole discretion, to adjust the schedule at any time, or cancel and reissue a similar solicitation. Nothing in this RFQ is intended by the State to create any property rights or expectations of a property right in any Respondent.

| EVENT |   | TIME<br>(Central<br>Time<br>Zone) | DATE<br>(all dates are State<br>business days) |
|-------|---|-----------------------------------|--|
| 1.    | RFQ Issued  |                                   | DATE   |
| 2.    | Disability Accommodation Request Deadline           | 2:00 p.m.                         | ≥ 3 BUSINESS DAYS<br>LATER                     |
| 3.    | Pre-Response Conference                             | TIME                              | ≥ 1 BUSINESS DAY<br>LATER                      |
| 4.    | Notice of Intent to Respond Deadline                | 2:00 p.m.                         | ≥ 1 BUSINESS DAY<br>LATER                      |
| 5.    | Written "Questions & Comments" Deadline             | 2:00 p.m.                         | ≥ 3 BUSINESS DAYS<br>LATER                     |
| 6.    | State response to written "Questions & Comments"    |                                   | ≥ 3 BUSINESS DAYS<br>LATER                     |
| 7.    | RFQ Technical Response Deadline                     | 2:00 p.m.                         | ≥ 5 BUSINESS DAYS<br>LATER                     |
| 8.    | State Notice of Qualified Respondent(s)<br>Released |                                   | ≥ 1 BUSINESS DAY<br>LATER                      |

### 3. RESPONSE REQUIREMENTS

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#### 3.1. **Response Contents:** A response to this RFQ should address the following:

- 3.1.1. **Mandatory Requirements:** This section details the mandatory technical, functional, and experience requirements that must be demonstrated in the response to this RFQ in order to be passed on to Phase II of the Technical Response evaluation. A Respondent must duplicate and use RFQ Attachment A as a guide to organize responses for the Mandatory Requirements of the RFQ response. The Respondent should reference the page location of the information within the response in the indicated column of the table. This section is included in the State's evaluation as to whether or not a Respondent meets mandatory qualifications (Phase I).
- 3.1.2. **General Qualifications & Experience:** This section is included in the State's evaluation of Phase II of the Technical Response Evaluation and details general information and qualifications that must be demonstrated in the response to this RFQ. A Respondent must duplicate and use RFQ Attachment B as a guide to organize responses for this portion of the RFQ response. The Respondent should reference the page location of the information within the response in the indicated column of the table.
- 3.1.3. **Technical Qualifications, Experience & Approach:** This section is also included in the State's evaluation of Phase II of the Technical Response Evaluation and details technical qualifications, experience, and approach items that must be demonstrated in the response to this RFQ. A Respondent must duplicate and use RFQ Attachment C as a guide to organize responses for this portion of the RFQ response. The Respondent should reference the page location of the information within the response in the indicated column of the table.
- 3.1.4. **Cost Proposal: *For Qualified Respondents only***
  - 3.1.4.1. This section only applies to those respondents identified as being Qualified. See RFQ § 2, Schedule of Events, "State Notice of Qualified Respondents Released."
  - 3.1.4.2. If included as part of this solicitation, then the Cost Proposal must be recorded on an exact duplicate of RFQ Attachment D, Cost Proposal & Evaluation Guide. Any response that does not follow the instructions included in RFQ Attachment D may be deemed nonresponsive.
  - 3.1.4.3. A Respondent must only record the proposed cost exactly as required by the RFQ Attachment D, Cost Proposal & Evaluation Guide and must NOT record any other rates, amounts, or information.
  - 3.1.4.4. The proposed cost shall incorporate ALL costs for services under the contract for the total contract period.
  - 3.1.4.5. A Respondent must sign and date the Cost Proposal.
  - 3.1.4.6. A Respondent must submit the Cost Proposal to the State in a sealed package separate from the Technical Response.

#### 3.2. **Response Delivery Location**

A Respondent must ensure that the State receives a Response to this RFQ no later than the Response Deadline time and dates detailed in the RFQ § 2, Schedule of Events. All responses must be delivered to:

SOLICITATION COORDINATOR NAME  
 ADDRESS/LOCATION (INCLUDE FLOOR NUMBER)  
 PHONE NUMBER

## OTHER APPROPRIATE INFORMATION IF ANY

### 3.3. Response Format

- 3.3.1. A Respondent must ensure that the original response meets all form and content requirements detailed within this RFQ.
- 3.3.2. A Respondent must submit original response documents and copies as specified below.

#### 3.3.2.1. Technical Response

One (1) original Technical Response paper document clearly labeled:

**“RFQ #NUMBER TECHNICAL RESPONSE ORIGINAL”**

and five (5) copies of the Technical Response each in the form of one (1) digital document in “PDF” format properly recorded on its own otherwise blank, standard CD-R recordable disc or USB flash drive labeled:

**“RFQ #NUMBER TECHNICAL RESPONSE COPY”**

The digital copies should not include copies of sealed customer references or cost information in the general and technical evaluation phase. However, any other discrepancy between the paper response document and digital copies may result in the State rejecting the response as nonresponsive.

#### 3.3.2.2. Cost Proposal: *For Qualified Respondents only*

One (1) original Cost Proposal paper document labeled:

**“RFQ #NUMBER COST PROPOSAL ORIGINAL”**

and one (1) copy in the form of a digital document in “XLS” format properly recorded on a separate, blank, standard CD-R recordable disc or USB flash-drive labeled:

**“RFQ #NUMBER COST PROPOSAL COPY”**

In the event of a discrepancy between the original Cost Proposal document and the digital copy, the original, signed document will take precedence.

### 3.4. Response Prohibitions: A response to this RFQ shall not:

- 3.4.1. Restrict the rights of the State or otherwise qualify the response to this RFQ;
- 3.4.2. Include, for consideration in this procurement process or subsequent contract negotiations, incorrect information that the Respondent knew or should have known was materially incorrect;
- 3.4.3. Include more than one response, per Respondent, to this RFQ;
- 3.4.4. Include any information concerning costs (in specific dollars or numbers) associated with the Technical Response;
- 3.4.5. Include the respondent’s own contract terms and conditions (unless specifically requested by the RFQ); or
- 3.4.6. Include the respondent as a prime contractor while also permitting one or more other respondents to offer the respondent as a subcontractor in their own responses.

### 3.5. Response Errors & Revisions

A Respondent is responsible for any and all errors or omissions in its response to this RFQ. A Respondent will not be allowed to alter or revise its response after the Response Deadline time and dates as detailed in RFQ § 2, Schedule of Events, unless such is formally requested in writing by the State (e.g., through a request for clarification, etc.).

**3.6. Response Withdrawal**

A Respondent may withdraw a response at any time before the Response Deadline time and date as detailed in RFQ § 2, Schedule of Events, by submitting a written signed request by an authorized representative of the Respondent. After withdrawing a response, a Respondent may submit another Response at any time before the Response Deadline time and date as detailed in RFQ § 2, Schedule of Events.

**3.7. Response Preparation Costs**

The State will not pay any costs associated with the preparation, submittal, or presentation of any response. Each Respondent is solely responsible for the costs it incurs in responding to this RFQ.



## 4. GENERAL INFORMATION & REQUIREMENTS

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### 4.1. Communications

- 4.1.1. Respondents shall reference **RFQ #NUMBER** in all communications relating to this solicitation, and direct any such communications to the following person designated as the Solicitation Coordinator:

**NAME, TITLE  
ADDRESS  
PHONE  
EMAIL ADDRESS**

The State will convey all official responses and communications related to this RFQ to the potential respondents from whom the State has received a Notice of Intent to Respond (refer to RFQ Section 1.3.).

- 4.1.2. Potential respondents with a handicap or disability may receive accommodation relating to the communication of this RFQ and participating in the RFQ process. Potential respondents may contact the RFQ Coordinator to request such reasonable accommodation no later than the Disability Accommodation Request Deadline detailed in RFQ § 2, Schedule of Events.
- 4.1.3. **Unauthorized contact about this RFQ with other employees or officials of the State of Tennessee may result in disqualification from contract award consideration.**
- 4.1.4. Notwithstanding the foregoing, potential Respondents may also contact the following as appropriate:
- 4.1.4.1. Staff of the Governor's Office of Diversity Business Enterprise may be contacted for assistance with respect to available minority-owned, woman-owned, Tennessee service-disabled veteran-owned, and small business enterprises as well as general public information relating to this request; or
- 4.1.4.2. The following individual designated by the State to coordinate compliance with the nondiscrimination requirements of the State of Tennessee, Title VI of the Civil Rights Act of 1964, the Americans with Disabilities Act of 1990, and associated federal regulations:

**NAME, TITLE  
ADDRESS  
PHONE  
EMAIL ADDRESS**

### 4.2. Nondiscrimination

No person shall be excluded from participation in, be denied benefits of, or be otherwise subjected to discrimination in the performance of a contract pursuant to this solicitation or in the employment practices of the Contractor on the grounds of handicap or disability, age, race, creed, color, religion (subject to Tenn. Code Ann. §§ 4-21-401 and 405), sex, national origin, or any other classification protected by federal, Tennessee state constitutional, or statutory law. The Contractor pursuant to this solicitation shall post in conspicuous places, available to all employees and applicants, notices of nondiscrimination.

### 4.3. Conflict of Interest

- 4.3.1. The State may not consider a proposal from an individual who is, or within the past six (6) months has been, a State employee. For these purposes,



- 4.3.1.1. An individual shall be deemed a State employee until such time as all compensation for salary, termination pay, and annual leave has been paid;
  - 4.3.1.2. A contract with or a proposal from a company, corporation, or any other contracting entity in which a controlling interest is held by any State employee shall be considered to be a contract with or proposal from the employee; and
  - 4.3.1.3. A contract with or a proposal from a company, corporation, or any other contracting entity that employs an individual who is, or within the past six months has been, a State employee shall not be considered a contract with or a proposal from the employee and shall not constitute a prohibited conflict of interest.
- 4.3.2. This RFQ is also subject to Tenn. Code Ann. § 12-4-101.
- 4.4. Respondent Required Review & Waiver of Objections**
- 4.4.1. Each potential respondent must carefully review this RFQ, including but not limited to, attachments, the RFQ Attachment G, *pro forma* Contract, and any amendments for questions, comments, defects, objections, or any other matter requiring clarification or correction (collectively called "questions and comments").
  - 4.4.2. Any potential respondent having questions and comments concerning this RFQ must provide such in writing to the State no later than the written "Questions & Comments Deadline" detailed in RFQ § 2, Schedule of Events.
  - 4.4.3. Protests based on any objection shall be considered waived and invalid if the objection has not been brought to the attention of the State, in writing, by the written "Questions & Comments Deadline."
- 4.5. Disclosure of Response Contents**
- 4.5.1. All materials submitted to the State in response to this solicitation become property of the State of Tennessee. Selection for award does not affect this right. By submitting a response, a Respondent acknowledges and accepts that the full contents and associated documents submitted in response to this request will become open to public inspection in accordance with the laws of the State of Tennessee. Refer to RFQ § 2, Schedule of Events.
  - 4.5.2. The RFQ responses will be available for public inspection only after the completion of evaluation of the RFQ or any resulting solicitation which this RFQ becomes a part of, whichever is later.
- 4.6. Notice of Professional Licensure, Insurance, and Department of Revenue Registration Requirements**
- 4.6.1. All persons, agencies, firms or other entities that provide legal or financial opinions, which a Respondent provides for consideration and evaluation by the State as part of a response to this RFQ, shall be properly licensed to render such opinions.
  - 4.6.2. Before the Contract resulting from this RFQ is signed, the apparent successful Respondent (and Respondent employees and subcontractors, as applicable) must hold all necessary, appropriate business and professional licenses to provide service as required. The State may require any Respondent to submit evidence of proper licensure.
  - 4.6.3. Before the Contract resulting from this RFQ is signed, the apparent successful Respondent must provide a valid, Certificate of Insurance indicating current insurance coverage meeting minimum requirements as may be specified by the RFQ.
  - 4.6.4. Before the Contract resulting from this RFQ is signed, the apparent successful Respondent must be registered with the Department of Revenue for the collection of Tennessee sales and use tax. The State shall not approve a contract unless the

Respondent provides proof of such registration. The foregoing is a mandatory requirement of an award of a contract pursuant to this solicitation.

#### 4.7. **RFQ Amendments & Cancellation**

- 4.7.1. The State reserves the right to amend this RFQ at any time, provided that it is amended in writing. However, prior to any such amendment, the State will consider whether it would negatively impact the ability of potential respondents to meet the deadlines and revise the RFQ Schedule of Events if deemed appropriate. If a RFQ amendment is issued, the State will convey it to potential respondents who submitted a Notice of Intent to Respond (refer to RFQ § 1.3). A response must address the final RFQ (including its attachments) as may be amended.
- 4.7.2. The State reserves the right, at its sole discretion, to cancel or to cancel and reissue this RFQ in accordance with applicable laws and regulations.

#### 4.8. **State Right of Rejection**

- 4.8.1. Subject to applicable laws and regulations, the State reserves the right to reject, at its sole discretion, any and all proposals.
- 4.8.2. The State may deem as nonresponsive and reject any proposal that does not comply with all terms, conditions, and performance requirements of this RFQ. Notwithstanding the foregoing, the State reserves the right to seek clarifications or to waive, at its sole discretion, a response's minor variances from full compliance with this RFQ. If the State waives variances in a response, such waiver shall not modify the RFQ requirements or excuse the Respondent from full compliance with such, and the State may hold any resulting vendor to strict compliance with this RFQ.
- 4.8.3. The State will review the response evaluation record and any other available information pertinent to whether or not each respondent is responsive and responsible. If the evaluation team identifies any respondent that appears not to meet the responsive and responsible thresholds such that the team would not recommend the respondent for potential contract award, this determination will be fully documented for the record. ("Responsive" is defined as submitting a response that conforms in all material respects to the RFQ. "Responsible" is defined as having the capacity in all respects to perform fully the contract requirements, and the integrity and reliability which will assure good faith performance.)

#### 4.9. **Assignment & Subcontracting**

- 4.9.1. The vendor may not subcontract, transfer, or assign any portion of the Contract awarded as a result of this RFQ without prior approval of the State. The State reserves the right to refuse approval, at its sole discretion, of any subcontract, transfer, or assignment.
- 4.9.2. If a Respondent intends to use subcontractors, the response to this RFQ must specifically identify the scope and portions of the work each subcontractor will perform (refer to RFQ Attachment B, Item B.14.).
- 4.9.3. Subcontractors identified within a response to this RFQ will be deemed as approved by the State unless the State expressly disapproves one or more of the proposed subcontractors prior to signing the Contract.
- 4.9.4. The Contractor resulting from this RFQ may only substitute another subcontractor for a proposed subcontractor at the discretion of the State and with the State's prior, written approval.
- 4.9.5. Notwithstanding any State approval relating to subcontracts, the Contractor resulting from this RFQ will be the prime contractor and will be responsible for all work under the Contract.

4.10. **Next Ranked Respondent**

The State reserves the right to initiate negotiations with the next ranked respondent should the State cease doing business with any respondent selected via this RFQ process.

## 5. **PROCUREMENT PROCESS & CONTRACT AWARD**

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- 5.1. The complete vendor selection will be a two-part process: (1) Qualification of Technical Responses; and (2) **Evaluation of Cost Proposals (or revise as appropriate to explain selection process)**. Any contract award is subject to successful contract negotiation.
- 5.2. **Qualification of Technical Responses:** Technical Responses will be short-listed for further evaluation, analysis or negotiation if they are apparently responsive, responsible, and within the competitive range. A Technical Response will be deemed within the competitive range based on the following criterion:

**(INSERT details as to how the competitive range will be determined).**

**Phase I:** The State will evaluate the Mandatory Requirements set forth in RFQ Attachment A on a pass/fail basis.

**Phase II:** Following the Phase I evaluation, the State will apply a standard equitable evaluation model, which will represent a qualitative assessment of each response. Each response will be scored by Evaluation Team members according to the Technical Response & Evaluation Guides (See RFQ Attachments B & C).

The Solicitation Coordinator will total the average score from the evaluation team for each responsive and responsible Respondent's Technical Response Points for RFQ Attachments B & C to determine which of the Respondents are considered Qualified and within the competitive range.

- 5.3. **Cost Proposals:** If included as part of this solicitation then only Qualified Respondents, that are responsive and responsible and in the competitive range, will continue onto Part Two, Cost Proposal evaluation. The Cost Proposal containing the lowest cost will receive the maximum number of points per each section. See RFQ Attachment D, Cost Proposal & Evaluation Guide.
- 5.4. **Clarifications and Negotiations:** The State reserves the right to award a contract on the basis of initial responses received; therefore, each response should contain the respondent's best terms from a technical and cost standpoint. However, the State reserves the right to conduct clarifications or negotiations with respondents. All communications, clarifications, and negotiations shall be conducted in a manner that supports fairness in response improvement.
- 5.4.1. **Clarifications:** The State may identify areas of a response that may require further clarification or areas in which it is apparent that there may have been miscommunications or **misunderstandings** as to the State's specifications or requirements. The State may seek to clarify those issues identified during one or multiple clarification round(s). Each clarification sought by the State may be unique to an individual respondent.
- 5.4.2. **Negotiations:** The State may elect to negotiate with Qualified Respondents, within the competitive range, by requesting revised responses, negotiating costs, or finalizing contract terms and conditions. The State reserves the right to conduct multiple negotiation rounds.
- 5.4.2.1. **Cost Negotiations:** All responsive respondents within the competitive range will be given equivalent information with respect to cost negotiations. All cost negotiations will be documented for the procurement file. Additionally, the State may conduct target pricing and other goods or services level negotiations. Target pricing may be based on

considerations such as current pricing, market considerations, benchmarks, budget availability, or other methods that do not reveal individual respondent pricing. During target price negotiations, respondents are not obligated to meet or beat target prices, but will not be allowed to increase prices.

5.4.2.2. If the State determines costs and contract finalization discussions and negotiations are not productive, the State reserves the right to bypass the apparent best evaluated Respondent and enter into contract negotiations with the next apparent best evaluated Respondent.

#### 5.5. Evaluation Guide

The State will consider qualifications, experience, technical approach, and cost (if applicable) in the evaluation of responses and award points in each of the categories detailed below. The maximum evaluation points possible for each category are detailed below.

| Evaluation Category   | Maximum Points Possible |
|---|-------------------------|
| Mandatory Requirements (refer to RFQ Attachment A)  | Pass/Fail               |
| General Qualifications, Experience, Technical Qualifications, Experience & Approach (refer to RFQ Attachment B) | NUMBER                  |
| Technical Qualifications, Experience & Approach (refer to RFQ Attachment C)                                     | NUMBER                  |



**ATTACHMENT A****TECHNICAL RESPONSE & EVALUATION GUIDE**

All Respondents must address all items detailed below and provide, in sequence, the information and documentation as required (referenced with the associated item references). All Respondents must also detail the response page number for each item in the appropriate space below.

The Solicitation Coordinator will review all responses to determine if the Mandatory Requirement Items are addressed as required and mark each with pass or fail. For each item that is not addressed as required, the Evaluation Team must review the responses and attach a written determination. In addition to the Mandatory Requirement Items, the Solicitation Coordinator will review each response for compliance with all RFQ requirements.

| <b>RESPONDENT LEGAL ENTITY NAME:</b>              |                  |  |                  |
|---|------------------|--|------------------|
| <b>Response Page #<br/>(Respondent completes)</b> | <b>Item Ref.</b> | <b>Section A— Mandatory Requirement Items</b>  | <b>Pass/Fail</b> |
|   |                  | The Technical Response must be delivered to the State no later than the Technical Response Deadline specified in the RFQ § 2, Schedule of Events.  |                  |
|   |                  | The Technical Response must not contain cost or pricing information of any type.   |                  |
|   |                  | The Technical Response must not contain any restrictions of the rights of the State or other qualification of the response.  |                  |
|   |                  | A Respondent must not submit alternate responses.  |                  |
|   |                  | A Respondent must not submit multiple responses in different forms (as a prime and a subcontractor).   |                  |
|   | <b>A.1.</b>      | Provide the Statement of Certifications and Assurances (RFQ Attachment E) completed and signed by an individual empowered to bind the Respondent to the provisions of this RFQ and any resulting contract. The document must be signed without exception or qualification.   |                  |
|   | <b>A.2.</b>      | Provide a statement, based upon reasonable inquiry, of whether the Respondent or any individual who shall perform work under the contract has a possible conflict of interest (e.g., employment by the State of Tennessee) and, if so, the nature of that conflict.<br><br>NOTE: Any questions of conflict of interest shall be solely within the discretion of the State, and the State reserves the right to cancel any award. |                  |
|   | <b>A.3.</b>      | <b>INSERT APPROPRIATE MANDATORY REQUIREMENT OPTIONS AS NEEDED. (FOLLOWING A.2., YOU MUST INCLUDE AT LEAST ONE OPTION TO DETERMINE FINANCIAL RESPONSIBILITY).</b>   |                  |
|   | <b>A.4.</b>      | <b>IF NEEDED, INSERT ADDITIONAL MANDATORY REQUIREMENT OPTIONS. IF MORE THAN ONE ADDITIONAL OPTION IS NEEDED, CREATE A NEW, ADDITIONAL ROW BELOW AND ADD THE OPTION LANGUAGE.</b>   |                  |

|  |                  |   |                  |
|--|------------------|---|------------------|
| <b>RESPONDENT LEGAL ENTITY NAME:</b>                                   |                  |   |                  |
| <b>Response Page #</b><br>(Respondent completes)                       | <b>Item Ref.</b> | <b>Section A— Mandatory Requirement Items</b>   | <b>Pass/Fail</b> |
|  | <b>A. #.</b>     | <b>REPEAT MANDATORY REQUIREMENT ITEMS &amp; ASSOCIATED ITEM REFERENCES AS NECESSARY</b> |                  |
| <i>State Use – RFQ Coordinator Signature, Printed Name &amp; Date:</i> |                  |   |                  |



**ATTACHMENT B****TECHNICAL RESPONSE & EVALUATION GUIDE**

**SECTION B: GENERAL QUALIFICATIONS & EXPERIENCE.** The Respondent must address all items detailed below and provide, in sequence, the information and documentation as required (referenced with the associated item references). The Respondent must also detail the response page number for each item in the appropriate space below. Evaluation Team members will independently evaluate and assign one score for all responses to Section B—General Qualifications & Experience Items.

|  |                  |  |
|--|------------------|--|
| <b>RESPONDENT LEGAL ENTITY NAME:</b>             |                  |  |
| <b>Response Page #</b><br>(Respondent completes) | <b>Item Ref.</b> | <b>Section B— General Qualifications &amp; Experience Items</b>  |
|  | <b>B.1.</b>      | Detail the name, e-mail address, mailing address, telephone number, and facsimile number of the person the State should contact regarding the response.  |
|  | <b>B.2.</b>      | Describe the Respondent's form of business ( <i>i.e.</i> , individual, sole proprietor, corporation, non-profit corporation, partnership, limited liability company) and business location (physical location or domicile).  |
|  | <b>B.3.</b>      | Detail the number of years the Respondent has been in business.  |
|  | <b>B.4.</b>      | Briefly describe how long the Respondent has been performing the goods or services required by this RFQ.   |
|  | <b>B.5.</b>      | Describe the Respondent's number of employees, client base, and location of offices.   |
|  | <b>B.6.</b>      | Provide a statement of whether there have been any mergers, acquisitions, or sales of the Respondent within the last ten (10) years. If so, include an explanation providing relevant details.   |
|  | <b>B.7.</b>      | Provide a statement of whether the Respondent or, to the Respondent's knowledge, any of the Respondent's employees, agents, independent contractors, or subcontractors, proposed to provide work on a contract pursuant to this RFQ, have been convicted of, pled guilty to, or pled <i>nolo contendere</i> to any felony. If so, include an explanation providing relevant details.   |
|  | <b>B.8.</b>      | Provide a statement of whether, in the last ten (10) years, the Respondent has filed (or had filed against it) any bankruptcy or insolvency proceeding, whether voluntary or involuntary, or undergone the appointment of a receiver, trustee, or assignee for the benefit of creditors. If so, include an explanation providing relevant details.   |
|  | <b>B.9.</b>      | Provide a statement of whether there is any material, pending litigation against the Respondent that the Respondent should reasonably believe could adversely affect its ability to meet contract requirements pursuant to this RFQ or is likely to have a material adverse effect on the Respondent's financial condition. If such exists, list each separately, explain the relevant details, and attach the opinion of counsel addressing whether and to what extent it would impair the Respondent's performance in a contract pursuant to this RFQ.<br><br>NOTE: All persons, agencies, firms, or other entities that provide legal opinions regarding the Respondent must be properly licensed to render such opinions. The State may require the Respondent to submit proof of such licensure detailing the state of licensure and licensure number for each person or entity that renders such opinions. |

|   |                      |   |
|---|----------------------|---|
| <b>RESPONDENT<br/>LEGAL ENTITY<br/>NAME:</b>              |                      |   |
| <b>Response<br/>Page #<br/>(Respondent<br/>completes)</b> | <b>Item<br/>Ref.</b> | <b>Section B— General Qualifications &amp; Experience Items</b>   |
|   | <b>B.10.</b>         | <p>Provide a statement of whether there is any pending or in progress Securities Exchange Commission investigations involving the Respondent. If such exists, list each separately, explain the relevant details, and attach the opinion of counsel addressing whether and to what extent it will impair the Respondent's performance in a contract pursuant to this RFQ.</p> <p>NOTE: All persons, agencies, firms, or other entities that provide legal opinions regarding the Respondent must be properly licensed to render such opinions. The State may require the Respondent to submit proof of such licensure detailing the state of licensure and licensure number for each person or entity that renders such opinions.</p>   |
|   | <b>B.11.</b>         | Provide a brief, descriptive statement detailing evidence of the Respondent's ability to deliver the goods or services sought under this RFQ (e.g., prior experience, training, certifications, resources, program and quality management systems, etc.).   |
|   | <b>B.12.</b>         | Provide a narrative description of the proposed contract team, its members, and organizational structure along with an organizational chart identifying the key people who will be assigned to provide the goods or services required by this RFQ, illustrating the lines of authority, and designating the individual responsible for the completion of each task and deliverable of the RFQ.  |
|   | <b>B.13.</b>         | Provide a personnel roster listing the names of key people who the Respondent will assign to perform tasks required by this RFQ along with the estimated number of hours that each individual will devote to the required tasks. Follow the personnel roster with a resume for each of the people listed. The resumes must detail the individual's title, education, current position with the Respondent, and employment history.  |
|   | <b>B.14.</b>         | <p>Provide a statement of whether the Respondent intends to use subcontractors to accomplish the work required by this RFQ, and if so, detail:</p> <p>(a) the names of the subcontractors along with the contact person, mailing address, telephone number, and e-mail address for each;</p> <p>(b) a description of the scope and portions of the work each subcontractor will perform; <u>and</u></p> <p>(c) a statement specifying that each proposed subcontractor has expressly assented to being proposed as a subcontractor in the Respondent's response to this RFQ.</p>  |
|   | <b>B.15.</b>         | <p>Provide documentation of the Respondent's commitment to diversity as represented by the following:</p> <p>(a) <u>Business Strategy</u>. Provide a description of the Respondent's existing programs and procedures designed to encourage and foster commerce with business enterprises owned by minorities, women, Tennessee service-disabled veterans, and small business enterprises. Please also include a list of the Respondent's certifications as a diversity business, if applicable.</p> <p>(b) <u>Business Relationships</u>. Provide a listing of the Respondent's current contracts with business enterprises owned by minorities, women, Tennessee service-disabled veterans and small business enterprises. Please include the following information:</p> <p>(i) contract description;</p> <p>(ii) contractor name and ownership characteristics (i.e., ethnicity, gender, Tennessee service-disabled); and</p> <p>(iii) contractor contact name and telephone number.</p> |

|  |                  |  |
|--|------------------|--|
| <b>RESPONDENT LEGAL ENTITY NAME:</b>             |                  |  |
| <b>Response Page #</b><br>(Respondent completes) | <b>Item Ref.</b> | <b>Section B— General Qualifications &amp; Experience Items</b>  |
|  |                  | <p>(c) <u>Estimated Participation</u>. Provide an estimated level of participation by business enterprises owned by minorities, women, Tennessee service-disabled veterans, and small business enterprises if a contract is awarded to the Respondent pursuant to this RFQ. Please include the following information:</p> <ul style="list-style-type: none"> <li>(i) a percentage (%) indicating the participation estimate. (Express the estimated participation number as a percentage of the total estimated contract value that will be dedicated to business with subcontractors and supply contractors having such ownership characteristics only and <b>DO NOT INCLUDE DOLLAR AMOUNTS</b>);</li> <li>(ii) anticipated goods or services contract descriptions;</li> <li>(iii) names and ownership characteristics (i.e., ethnicity, gender, Tennessee service-disabled veterans) of anticipated subcontractors and supply contractors.</li> </ul> <p>NOTE: In order to claim status as a Diversity Business Enterprise under this contract, businesses must be certified by the Governor's Office of Diversity Business Enterprise (Go-DBE). Please visit the Go-DBE website at <a href="https://tn.diversitysoftware.com/FrontEnd/StartCertification.asp?TN=tn&amp;XID=9810">https://tn.diversitysoftware.com/FrontEnd/StartCertification.asp?TN=tn&amp;XID=9810</a> for more information.</p> <p>(d) <u>Workforce</u>. Provide the percentage of the Respondent's total current employees by ethnicity and gender.</p> <p>NOTE: Respondents that demonstrate a commitment to diversity will advance State efforts to expand opportunity to do business with the State as contractors and subcontractors. Response evaluations will recognize the positive qualifications and experience of a Respondent that does business with enterprises owned by minorities, women, Tennessee service-disabled veterans and small business enterprises and who offer a diverse workforce.</p> |
|  | <b>B.16.</b>     | <p>Provide a statement of whether or not the Respondent has any current contracts with the State of Tennessee or has completed any contracts with the State of Tennessee within the previous five-year period. If so, provide the following information for all current and completed contracts:</p> <ul style="list-style-type: none"> <li>(a) the name, title, telephone number and e-mail address of the State contact responsible for the contract at issue;</li> <li>(b) the name of the procuring State agency;</li> <li>(c) a brief description of the contract's specification for goods or scope of services;</li> <li>(d) the contract term; and</li> <li>(e) the contract number.</li> </ul> <p>NOTES:</p> <ul style="list-style-type: none"> <li>▪ Current or prior contracts with the State are <u>not</u> a prerequisite and are <u>not</u> required for the maximum evaluation score, and the existence of such contracts with the State will <u>not</u> automatically result in the addition or deduction of evaluation points.</li> <li>▪ Each evaluator will generally consider the results of inquiries by the State regarding all contracts responsive to Section B.16 of this RFQ.</li> </ul>   |
|  | <b>B.17.</b>     | <p>Provide customer references from individuals who are <u>not</u> current or former State employees for projects similar to the goods or services sought under this RFQ and which represent:</p> <ul style="list-style-type: none"> <li>▪ two (2) accounts Respondent currently services that are similar in size to the State; <u>and</u></li> <li>▪ three (3) completed projects.</li> </ul> <p>References from at least three (3) different individuals are required to satisfy the</p>  |

|  |                  |   |
|--|------------------|---|
| <b>RESPONDENT LEGAL ENTITY NAME:</b>             |                  |   |
| <b>Response Page #</b><br>(Respondent completes) | <b>Item Ref.</b> | <b>Section B— General Qualifications &amp; Experience Items</b>   |
|  |                  | <p>requirements above, e.g., an individual may provide a reference about a completed project and another reference about a currently serviced account. The standard reference questionnaire, which <u>must</u> be used and completed is provided at RFQ Attachment F. References that are not completed as required may be deemed nonresponsive and may not be considered.</p> <p>The Respondent will be <u>solely</u> responsible for obtaining fully completed reference questionnaires and including them in the sealed Technical Response. In order to obtain and submit the completed reference questionnaires, follow the process below:</p> <p>(a) Add the Respondent's name to the standard reference questionnaire at Attachment F, and make a copy for each reference.</p> <p>(b) Send a reference questionnaire and a new, standard #10 envelope to each reference.</p> <p>(c) Instruct the reference to:</p> <ol style="list-style-type: none"> <li>(i) complete the reference questionnaire;</li> <li>(ii) sign <u>and</u> date the completed reference questionnaire;</li> <li>(iii) seal the completed, signed, and dated reference questionnaire within the envelope provided;</li> <li>(iv) sign his or her name in ink across the sealed portion of the envelope; and</li> <li>(v) return the sealed envelope directly to the Respondent (the Respondent may wish to give each reference a deadline, such that the Respondent will be able to collect all required references in time to include them within the sealed Technical Response).</li> </ol> <p>(d) <u>Do NOT open the sealed references upon receipt.</u></p> <p>(e) Enclose all <u>sealed</u> reference envelopes within a larger, labeled envelope for inclusion in the Technical Response as required.</p> <p><b>NOTES:</b></p> <ul style="list-style-type: none"> <li>▪ The State will not accept late references or references submitted by any means other than that which is described above, and each reference questionnaire submitted must be completed as required.</li> <li>▪ The State will not review more than the number of required references indicated above.</li> <li>▪ While the State will base its reference check on the contents of the sealed reference envelopes included in the Technical Response package, the State reserves the right to confirm and clarify information detailed in the completed reference questionnaires, and may consider clarification responses in the evaluation of references.</li> <li>▪ The State is under <u>no</u> obligation to clarify any reference information.</li> </ul> |
|  | <b>B.18.</b>     | <p>Provide a statement and any relevant details addressing whether the Respondent is any of the following:</p> <ol style="list-style-type: none"> <li>(a) is presently debarred, suspended, proposed for debarment, or voluntarily excluded from covered transactions by any federal or state department or agency;</li> <li>(b) has within the past three (3) years, been convicted of, or had a civil judgment rendered against the contracting party from commission of fraud, or a criminal offence in connection with obtaining, attempting to obtain, or performing a public (federal, state, or local) transaction or grant under a public transaction; violation of federal or state antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;</li> <li>(c) is presently indicted or otherwise criminally or civilly charged by a government</li> </ol>  |



|  |                      |  |
|--|----------------------|--|
| <b>RESPONDENT<br/>LEGAL ENTITY<br/>NAME:</b>   |                      |  |
| <b>Response<br/>Page #<br/>(Respondent<br/>completes)</b>  | <b>Item<br/>Ref.</b> | <b>Section B— General Qualifications &amp; Experience Items</b>  |
|  |                      | entity (federal, state, or local) with commission of any of the offenses detailed above; and <ul style="list-style-type: none"> <li>has within a three (3) year period preceding the contract had one or more public transactions (federal, state, or local) terminated for cause or default.</li> </ul> |
|  | <b>B.#.</b>          | <b>REPEAT REQUIREMENT ITEMS &amp; ASSOCIATED ITEM REFERENCES AS NECESSARY</b>  |
|  | <b>B.#.</b>          | <b>REPEAT REQUIREMENT ITEMS &amp; ASSOCIATED ITEM REFERENCES AS NECESSARY</b>  |
| <b>SCORE (for all<br/>Section B—<br/>Qualifications &amp;<br/>Experience Items<br/>above):<br/>(maximum possible<br/>score = RFQ § 5.5<br/>NUMBER)</b> |                      |  |
| <b>State Use – Evaluator Identification:</b>   |                      |  |

## ATTACHMENT C

## TECHNICAL RESPONSE &amp; EVALUATION GUIDE

**SECTION C: TECHNICAL QUALIFICATIONS, EXPERIENCE & APPROACH.** The Respondent should explain its approach to providing goods or services to the State. The items listed below represent specific questions the State would request you answer in your response. For ease of review, please annotate your explanation so that it contains references to the items listed below where they are addressed. Respondent should not feel constrained to answer only the specific questions listed below in its explanation and should feel free to provide attachments if necessary in an effort to provide a more thorough response.

The Evaluation Team, made up of three (3) or more State employees, will independently evaluate and score the response to each item. Each evaluator will use the following whole number, raw point scale for scoring each item:

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

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

| <b>RESPONDENT LEGAL ENTITY NAME:</b>   |                  |   |  |                          |                           |
|--|------------------|---|--|--------------------------|---------------------------|
| <b>Response Page #</b><br>(Respondent completes)   | <b>Item Ref.</b> | <b>Section C— Technical Qualifications, Experience &amp; Approach Items</b>   | <b>Item Score</b>  | <b>Evaluation Factor</b> | <b>Raw Weighted Score</b> |
|  | <b>C.1.</b>      | Provide a narrative that illustrates the Respondent's understanding of the State's requirements and project schedule.   |  | <b>NUMBER</b>            |                           |
|  | <b>C.2.</b>      | Provide a narrative that illustrates how the Respondent will complete the delivery of goods or scope of services, accomplish required objectives, and meet the State's project schedule.  |  | <b>NUMBER</b>            |                           |
|  | <b>C.3.</b>      | Provide a narrative that illustrates how the Respondent will manage the project, ensure delivery of specified goods or completion of the scope of services, and accomplish required objectives within the State's project schedule. |  | <b>NUMBER</b>            |                           |
|  | <b>C.#.</b>      | <b>REPEAT REQUIREMENT ITEMS &amp; ASSOCIATED ITEM REFERENCES &amp; WEIGHTS AS NECESSARY</b>   |  | <b>NUMBER</b>            |                           |
| <i>The Solicitation Coordinator will use this sum and the formula below to calculate the section score. All calculations will use and result in numbers rounded to two (2) places to the right of the decimal point.</i> |                  |   | <b>Total Raw Weighted Score:</b><br>(sum of Raw Weighted Scores above) |                          |                           |
| <b>Total Raw Weighted Score</b>  |                  |   | <b>X RFQ § 5.5. NUMBER</b><br>(maximum possible score)                 |                          | <b>= SCORE:</b>           |
| <b>Maximum Possible Raw Weighted Score</b><br>(i.e., 5 x the sum of item weights above)  |                  |   |  |                          |                           |
| <b>State Use – Evaluator Identification:</b>   |                  |   |  |                          |                           |

|   |                  |   |                   |                          |                           |
|---|------------------|---|-------------------|--------------------------|---------------------------|
| <b>RESPONDENT LEGAL ENTITY NAME:</b>  |                  |   |                   |                          |                           |
| <b>Response Page #</b><br>(Respondent completes)                                | <b>Item Ref.</b> | <b>Section C— Technical Qualifications, Experience &amp; Approach Items</b> | <b>Item Score</b> | <b>Evaluation Factor</b> | <b>Raw Weighted Score</b> |
| <i>State Use – Solicitation Coordinator Signature, Printed Name &amp; Date:</i> |                  |   |                   |                          |                           |



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**Cost Proposal & Evaluation Guide**  
*For Qualified Respondents Only*

Cost Proposals/Negotiations will only be requested of Qualified Respondents in the competitive range. This is a place holder for the document that will be issued to Qualified Respondents at that part of the procurement process.

**ATTACHMENT E****STATEMENT OF CERTIFICATIONS AND ASSURANCES**

An individual responding in his or her individual capacity or legally empowered to contractually bind the Respondent must complete and sign the Statement of Certifications and Assurances below as required, and this signed statement must be included with the response as required by the Request for Qualifications.

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

1. The Respondent will comply with all of the provisions and requirements of the RFQ.
2. The Respondent will provide all specified goods or services as required by the contract awarded pursuant to this RFQ.
3. The Respondent accepts and agrees to all terms and conditions set out in the contract awarded pursuant to this RFQ.
4. The Respondent acknowledges and agrees that a contract resulting from the RFQ shall incorporate, by reference, all Response responses as a part of the contract.
5. The Respondent will comply, as applicable, with:
  - (a) the laws of the State of Tennessee;
  - (b) Title VI of the federal Civil Rights Act of 1964;
  - (c) Title IX of the federal Education Amendments Act of 1972;
  - (d) the Equal Employment Opportunity Act and the regulations issued there under by the federal government; and,
  - (e) the Americans with Disabilities Act of 1990 and the regulations issued there under by the federal government.
6. To the best of the undersigned's knowledge, information or belief, the information detailed within the Response to the RFQ is accurate.
7. The Response submitted to the RFQ was independently prepared, without collusion, and under penalty of perjury.
8. No amount shall be paid directly or indirectly to an employee or official of the State of Tennessee as wages, compensation, or gifts in exchange for acting as an officer, agent, employee, subcontractor, or consultant to the Respondent in connection with the request or any potential resulting contract.
9. The Response submitted in response to the RFQ shall remain valid for at least 120 days subsequent to the date of the Response opening and thereafter in accordance with any contract pursuant to the RFQ.
10. The Respondent affirms the following statement, as required by the Iran Divestment Act Tenn. Code Ann. § 12-12-111: "By submission of this bid, each bidder and each person signing on behalf of any bidder certifies, and in the case of a joint bid each party thereto certifies as to its own organization, under penalty of perjury, that to the best of its knowledge and belief that each bidder is not on the list created pursuant to § 12-12-106." For reference purposes, the list is currently available online at: <http://www.tn.gov/generalservices/article/Public-Information-library>.

**By signature below, the signatory certifies legal authority to bind the responding entity to the provisions of this request and any contract awarded pursuant to it. The State may, at its sole discretion and at any time, require evidence documenting the signatory's authority to be personally bound or to legally bind the responding entity.**

**DO NOT SIGN THIS DOCUMENT IF YOU ARE NOT LEGALLY AUTHORIZED TO DO SO BY THE ENTITY RESPONDING TO THIS RFQ.**

**SIGNATURE & DATE:**

---

**PRINTED NAME & TITLE:**

---

**LEGAL ENTITY NAME:**

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**ATTACHMENT F****REFERENCE QUESTIONNAIRE**

**The standard reference questionnaire provided on the following pages of this attachment MUST be completed by all individuals offering a reference for the Respondent.**

The Respondent will be responsible for obtaining completed reference questionnaires as required (refer to RFQ Attachment B, General Qualifications & Experience Items, Item B.17.), and for enclosing the sealed reference envelopes within the Respondent's Technical Proposal.

(Insert Reference Questionnaire on following page)

**ATTACHMENT G**

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**RFQ # NUMBER PRO FORMA CONTRACT**

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

**Pro Forma ATTACHMENT 1****(Fill out only by selected Contractor)****ATTESTATION RE PERSONNEL USED IN CONTRACT PERFORMANCE**

|  |  |
|--|--|
| <b>SUBJECT CONTRACT NUMBER:</b>              |  |
| <b>CONTRACTOR LEGAL ENTITY NAME:</b>         |  |
| <b>EDISON SUPPLIER IDENTIFICATION NUMBER</b> |  |

The Contractor, identified above, does hereby attest, certify, warrant, and assure that Contractor shall not knowingly utilize the services of an illegal immigrant in the performance of this Contract and shall not knowingly utilize the services of any subcontractor who will utilize the services of an illegal immigrant in the performance of this Contract.

**CONTRACTOR SIGNATURE**

NOTICE: This attestation MUST be signed by an individual empowered to contractually bind Contractor. If said individual is not the chief executive or president, this document shall attach evidence showing the individual's authority to contractually bind Contractor.

**PRINTED NAME AND TITLE OF SIGNATORY****DATE OF ATTESTATION**

**Pro Forma ATTACHMENT 2****(Fill out only by selected Contractor)**

## SAMPLE LETTER OF DIVERSITY COMMITMENT

**(Company Letterhead/Logo)**

(Address)

(Date)

(Salutation),

(Company Name) is committed to achieving or surpassing a goal of (numeral) percent spend with certified diversity business enterprise firms on State of Tennessee contract # (Edison document #). Diversity businesses are defined as those that are owned by minority, women, small business and Tennessee service-disabled veterans which are certified by the Governor's Office of Diversity Business Enterprise (Go-DBE).

We confirm our commitment of (percentage) participation on the (Contract) by using the following diversity businesses:

- (i) Name and ownership characteristics (i.e., ethnicity, gender, Tennessee service-disabled veteran) of anticipated diversity subcontractors and suppliers:  
\_\_\_\_\_
- (ii) Participation estimates (expressed as a percent of the total contract value to be dedicated to diversity subcontractors and suppliers):  
\_\_\_\_\_ %.
- (iii) Description of anticipated services to be performed by diversity subcontractors and suppliers:  
\_\_\_\_\_  
\_\_\_\_\_

We accept that our commitment to diversity advances the State's efforts to expand opportunity of diversity businesses to do business with the State as contractors and sub-contractors.

Further, we commit to:

1. Using applicable reporting tools that allow the State to track and report purchases from businesses owned by minority, women, Tennessee service-disabled veterans and small business.
2. Reporting monthly to the Go-DBE office the dollars spent with certified diversity businesses owned by minority, women, Tennessee service-disabled veterans and small business accomplished under contract # (Edison number).

(Company Name) is committed to working with the Go-DBE office to accomplish this goal.

Regards,

**(Company authority – signature and title)**



**CENTRAL PROCUREMENT OFFICE  
POLICY NUMBER 2015-010, *STATEWIDE  
PURCHASING CARD POLICY AND  
PROCEDURES***

**REDLINE VERSION**

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

Style Definition: Comment Text

Revised: ~~April~~ June 27, 2017  
Prepared by: The Central Procurement Office of the State of Tennessee

**1. PROGRAM OVERVIEW.**

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

**2. DEFINITIONS.**

"Agency Term Contract" means a State Agency contract in which a source or sources of supply are established for a specified period of time at an agreed upon unit price or prices.

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

"Cardholder" means the State Agency employee who is issued a physical P-Card to initiate payments on behalf of the State.

"Cardholder Agreement" means the document signed by the Cardholder to verify that he or she completed P-Card training, received a copy of ~~the P-Card Policy~~, and understands ~~the~~this Policy.

"Cardholder Application" means the application completed by the Cardholder that is approved by the Cardholder Supervisor and the State Agency P-Card Program Coordinator that is required before a P-Card Account will be assigned to a Cardholder.

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"Cardholder Supervisor" means the State Agency employee with supervisory authority over the Cardholder.

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

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

"Cycle (Credit) Limit" means the spending limit that restricts the total value of purchases a Cardholder can make in one billing cycle.

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

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

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

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

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

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

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

“Single Transaction Limit” or “STL” means the maximum dollar limit, per -purchase transaction, that can be assigned to the physical P-Card. The STL is assigned per Cardholder at the discretion of the Fiscal Director. This Policy establishes the STL for the designated State Agency Central Fiscal Office P-Card as up to fifty thousand dollars (\$50,000) and for all other physical P-Cards as up to ten thousand dollars (\$10,000) without Statewide P-Card Program Administrator approval.

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

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

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

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

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

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

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

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

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

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

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

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

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

“Virtual Purchasing Card” or “Virtual P-Card” means the unique credit card account number, embedded within Edison, which is assigned to a State Agency for payment of suppliers authorized to accept P-Card as the form of payment for approved Edison purchase orders.

“Virtual P-Card User” or “User” means the State Agency employee who has a buyer or e-procurement role in Edison, has undergone training on reconciliation, and is authorized to use a Virtual P-Card to initiate payment transactions on behalf of the State.

### **3. TYPES OF ACCOUNTS.**

This Policy recognizes two general account types: P-Card Accounts and Virtual P-Card accounts. P-Card Accounts and Virtual P-Card accounts can be used only for official State

business as set forth in this Policy. P-Cards must be surrendered or Virtual P-Card account's access cancelled upon the Cardholder's transfer to another State Agency, separation from state employment, or upon demand by the Cardholder Supervisor, the State Agency P-Card Program Coordinator or the Statewide P-Card Program Administrator.

### 3.1. P-Card Accounts.

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

### 3.2. Virtual P-Cards.

Virtual P-Cards are cardless accounts that allow State Agencies to pay for approved, Edison purchase order transactions initiated by Virtual P-Card Users. The account number is "embedded" in the Edison P-Card module and is securely transmitted to the Supplier upon Edison-based approval of a User's purchase order transactions. A Virtual P-Card may be used for payments to any Supplier that is registered in the State's supplier registration system whose payment method has been activated to "P-Card" in Edison. Virtual P-Cards are encouraged because Virtual P-Card accounts allow for greater ease of use (multiple buyers can leverage the same payment device), as well as enhanced control through absence of a physical card and spending limits. The State Agency P-Card Coordinator should contact the Statewide P-Card Program Administrator for more information on Virtual P-Cards.

The ten thousand dollar (\$10,000) STL that applies to all physical P-Cards does not apply to Virtual P-Cards or Central Fiscal Office P-Cards; the maximum STL for a Central Fiscal Office P-Card is fifty thousand dollars (\$50,000) and there is no STL for purchases made with a Virtual P-Card. The Bank determines the Cycle Limit for Virtual P-Cards. Each State Agency or department is limited to one (1) Virtual P-Card Account.

#### ~~3.2.1. Records Retention Requirements.~~

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

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#### ~~3.2.2. Internal Revenue Service 1099 Reporting.~~

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

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~~checks, Automated Clearing House, or other means, will remain the responsibility of the State Agency making payment. Cardholders should consult the tax specialists at their State Agency for further information or details regarding Internal Revenue Service 1099 reporting requirements.~~

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#### **4. OVERVIEW OF P-CARD PROGRAM ROLES AND RESPONSIBILITIES.**

The CPO is the State Agency that is primarily responsible for managing, overseeing, and coordinating the P-Card Program. The Statewide P-Card Program Administrator is the employee within the CPO who has the direct, day-to-day responsibility for managing, overseeing, and coordinating the P-Card Program between the CPO and State Agencies. The State Agency P-Card Coordinator is the employee within each State Agency who has been appointed to supervise Cardholders and manage and coordinate the P-Card Program within his or her State Agency in compliance with this Policy. The Cardholder Supervisor is the State Agency employee with supervisory authority over the Cardholder who ensures that transactions are properly reconciled and reported to the Department of Finance and Administration ("F&A"), Division of Accounts. State Agency Reconcilers are the employees within a State Agency who are responsible for reconciling P-Card transactions. The State Agency Approver is the employee within the State Agency who approves P-Card Transactions. The Cardholder is the specially-trained employee within a State Agency responsible for purchasing goods or services on behalf of the State of Tennessee using a physical P-Card. In the interests of segregating duties and responsibilities, State Agency Reconcilers shall not be Cardholders.

#### **5. P-CARD PROGRAM ROLES AND RESPONSIBILITIES.**

##### **5.1. P-Card Processing Cycle Overview.**

The typical cycle for P-Card usage is:

- An individual Cardholder, with State Agency approved spending limits, initiates a purchase using a P-Card;
- The individual Cardholder retains an original, legible copy of the purchase's receipt for use in reconciliation (see Section 10.2 for more information on receipts);
- Transactions are typically posted in the Edison P-Card module within 24-72 hours after the purchase is made;
- The Cardholder will log into the Edison P-Card module on a weekly basis to review transactions and account coding and take necessary action to correct errors in the purchase details;
- The Cardholder or his or her State Agency Approver confirms or disputes Transactions posted to the card account;
- The credit line is replenished for the amount of the Transactions;
- The Cardholder will receive a **monthly** Bank statement, ~~as described in their State Agency's internal Procedures, monthly.~~;
- The Bank statement and receipts will be sent to the State Agency Reconciler for final reconciliation;



- The State Agency Reconciler will reconcile all Transactions in accordance with ~~the~~this Policy or their State Agency~~Agency's internal~~ P-Card ~~Policy~~Procedures, as applicable; and
- The State Agency Reconciler prepares all documentation for retention.

### **5.2. Statewide P-Card Program Administrator.**

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

- Establishing written internal procedures to ensure compliance with state procurement statutes, rules, policies and procedures, including this Policy, and reviewing each State Agency's internal P-Card Procedures, as applicable;
- Developing written internal procedures for requesting exceptions to either state or internal policy requirements;
- Ensuring that State Agency Transactions are reviewed at least annually;
- Developing State Agency specific training for all Cardholders, State Agency Approvers, State Agency Reconcilers, and State Agency Supervisors;
- Developing appropriate refresher training to be delivered at least annually; and
- Notifying State Agency P-Card Program Coordinators of changes in state rules, policies or procedures.

### **5.3. State Agency P-Card Program Coordinator.**

The State Agency P-Card Program Coordinator serves as the main point-of-contact between the State Agency and the Statewide P-Card Program Administration Team.

The State Agency must provide the Statewide P-Card Program Administrator written notice within one (1) business day of any changes in status of the State Agency P-Card Program Coordinator.

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

- Collaborating with the Agency's Fiscal Director to develop and maintain the State Agency's internal P-Card Procedures to address policy areas unique to the State Agency or that are not covered by this Policy, as applicable;
- Working with State Agency management to identify job titles, positions, or Edison roles that require use of a P-Card or Virtual P-Card;
- Working with State Agency management to determine appropriate Cardholder spending limits based on budget restrictions, job requirements, historical spending patterns, and overall procurement practices;
- Evaluating Cardholder spending limits against actual usage at least annually;
- Terminating a Cardholder's status if necessary (e.g., due to separation from employment, transfer to another State Agency, low P-Card usage) and cancelling a P-Card;

- Ensuring Agency-wide reconciliation procedures provide for timely payment and for allocation of Transactions to the chart of accounts at least monthly; and
- Ensuring that Transactions are reconciled and supported by adequate documentation, including use of Edison or the Online Banking Program, as appropriate.

#### **5.4. Cardholder Supervisors.**

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

- Before approving the P-Card transactions, either by signing a transaction log or statement or signing off on transactions electronically, carefully reviewing all documentation to ensure that all documentation meets the minimum requirements as set forth in this Policy;
- Approving or rejecting all Transactions within the scheduled timeframe;
- Ensuring that all documentation is submitted according to this Policy and the State Agency's internal procedures and this Policy P-Card Procedures, as applicable;
- Maintaining knowledge of this Policy and State Agency's internal procedures and policies P-Card Procedures, as applicable; and this Policy; and
- Requesting reasonable spending limits in accordance with this Policy and State Agency's internal procedures and policies and this Policy P-Card Procedures, as applicable.

#### **5.5. State Agency Reconciler.**

The State Agency Reconciler is the State Agency employee responsible for all the functions associated with post-purchase processing of P-Card Transactions including account allocation and providing a business purpose when required. A Reconciler CANNOT make purchases using the P-Card belonging to a Cardholder for whom he or she reconciles.

#### **5.6. State Agency Approver.**

The State Agency Approver is the State Agency employee who approves purchases made by the Cardholder to which he or she is assigned. This role may also be performed by the Cardholder Supervisor. By approving each P-Card transaction, the Approver exercises critical control by ensuring authorized and appropriate P-Card use and correct allocation of expenses in accordance with related policies of F&A, Division of Accounts. State Agency Approvers should also review receipts where appropriate to ensure compliance with this Policy and F&A, Division of Accounts policies. (available online at <http://www.tn.gov/finance/topic/fa-policyinfo>). No Cardholder may approve his or her own P-Card transactions nor may he or she direct someone else to approve P-Card transactions in a manner that could violate this Policy or applicable policies of F&A, Division of Accounts. As a general rule, the State Agency Approver should not report to

the Cardholder whose transactions he or she is reviewing. A State Agency Approver has the following responsibilities:

- Review Cardholder transactions to ensure that purchases made were:
  - For the use and benefit of the State of Tennessee;
  - Necessary for the official duties of the agency;
  - Made in accordance with CPO policies and procedures;
  - For goods or services actually received.
- If a State Agency Approver is in doubt about any of the above, the State Agency Approver should immediately question the Cardholder and seek advice from the State Agency P-Card Program Coordinator or the Statewide P-Card Program Administrator.
- Immediately inform the State Agency P-Card Program Coordinator of any misuse, abuse or fraudulent use of a P-Card.
- If the Cardholder is unavailable for questioning, the State Agency P-Card Program Coordinator or the Statewide P-Card Program Administration Team may adjust the Cardholder's STL to one dollar (\$1.00). The State Agency Approver shall notify the State Agency P-Card Program Coordinator of Cardholder transfers or terminations. Advanced notice is required if the State Agency Approver is aware of impending personnel actions.
- Review, certify, and forward Cardholder transaction log pages, receipts or cycle statements in accordance with this Policy.

#### **5.7. Cardholders.**

An important participant in the P-Card Program is the Cardholder. The Cardholder is a key element in making the P-Card Program successful.

##### **5.7.1. Cardholder Responsibilities.**

The State is responsible for payment to the Bank. Therefore, P-Cards are issued to the State and assigned on its behalf to specific Cardholders. No credit checks will be performed on individual employees nor will account activity be reported to credit rating agencies. Cardholders have the following duties and responsibilities as a condition for being issued a P-Card:

- Reading and becoming familiar with this Policy;
- Attending and passing Cardholder / Approver training course;
- Signing Cardholder / Approver agreement;
- Being responsible for all purchases made on the P-Card; and
- Adhering to this Policy and other applicable rules, policies, and procedures.

##### **5.7.2 Cardholder Misuse.**

Each Cardholder is responsible for the purchases made on the P-Card that is assigned to them. Cardholders are required to adhere to applicable CPO rules, policies, procedures, and this Policy.

Use of a P-Card is a privilege based on trust. A Cardholder is trained and understands the penalties for abuse of the P-Card. The P-Card is for official State

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

**5.8. Virtual P-Card Users.**

Virtual P-Card Users are critical to the P-Card Program's success. A User has authority to make purchases utilizing his or her Agency's local purchase authority and to make purchases from a Statewide Contract or Agency Term Contract for official State business. State Agency employees with an e-procurement or buyer role in Edison are eligible to be Users. Users must complete training on reconciliation procedures before initiating any Transactions with a Virtual P-Card.

**6. P-CARD SECURITY.**

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

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

**6.1. Lost or Stolen Cards.**

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

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

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

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

The State Agency P-Card Program Coordinator must report any theft, forgery, or credit card fraud to the office of the Comptroller of the Treasury in accordance with Tenn. Code

Ann. § 8-4-119 and to the Statewide P-Card Program Administration Team. To comply with this requirement, the State Agency P-Card Program Coordinator shall send the completed Bank affidavit or an email to Robert.N.Allen@cot.tn.gov and P.Card@tn.gov with the following information: Cardholder's name; last six (6) digits of the Cardholder's account number; and information about the transactions in question (such as the merchants' names, transaction date, and dollar amounts).

**6.2. Separation from Employment.**

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

**6.3. Purchasing Rules.**

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

**6.4. Tax Exemption.**

Purchases made in Tennessee and for the use and benefit of the State of Tennessee are exempt from Tennessee sales tax. Cardholders should obtain an exemption certificate and present it to each supplier. This form is available on the Department of Revenue web site at <http://www.tn.gov/revenue/forms/sales/index.shtml> in the "Exemption Applications/Certificates Sales and Use Tax Forms - Exemptions" section. Purchases made in other states may be subject to that state's sales tax. The Cardholder must be diligent when dealing with the supplier regarding taxes. If the supplier cannot deduct the sales tax because of pre-set controls within its computer systems or will not honor the exemption, the Cardholder may continue with the purchase but must note the refusal on the receipt. In the event a Cardholder is inappropriately charged for sales tax, he or she shall seek a credit refund of any sales taxes to the P-Card account.

**6.5. Credits.**

If a Cardholder returns merchandise, a credit should be issued to the Cardholder's P-Card and a credit receipt obtained. Under no circumstances should a Cardholder receive cash or a credit voucher. The Cardholder or State Agency Approver is responsible for reviewing the Online Banking Program to ensure that credits are received and, if not, file the appropriate paperwork for disputed items. Cardholders should avoid Suppliers with restrictive merchandise return policies.

**6.6. Disputing Transactions.**

If there is a problem with a Transaction, the Cardholder must first attempt to reach a resolution directly with the Supplier. In most cases, disputes can be resolved between the Cardholder and the Supplier. The Supplier will usually issue a credit.



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

If a Bank Statement contains a Transaction that needs to be disputed, the Cardholder should contact the Bank's Customer Service to initiate the dispute process, and contact his or her State Agency P-Card Program Coordinator to ensure the disputed transaction has been documented. If the dispute cannot be resolved between the Cardholder and the Bank, the Cardholder shall immediately notify his or her State Agency P-Card Program Coordinator ~~and follow the agency-specific procedures for disputes.~~

#### **6.7. Declined Purchase Transactions.**

On occasion, a Cardholder's purchase transaction may be declined. Cardholders should contact the Bank's Customer Service to determine the reason for the decline before contacting their State Agency P-Card Program Coordinator for assistance.

Common reasons for declines include:

- MCC is restricted from the Purchasing Card;
- The Cardholders has exceeded the STL, daily limit or monthly limit; or
- Invalid expiration.

### **7. CARD ISSUANCE AND CANCELLATION.**

The State Agency P-Card Program Coordinator is responsible for issuing all P-Cards within his or her Agency. State Agency P-Card Program Coordinators have authority to terminate a Cardholder's status as a Cardholder and cancel P-Cards. The Statewide P-Card Program Administrator should be notified of any P-Card cancellations.

#### **7.1. P-Card Issuance.**

Purchasing Cards are issued following:

- Completion of the Cardholder Application;
- Completion and approval of a Cardholder profile;
- Completion of P-Card training; and
- Completion of the Cardholder Agreement.

#### **7.2. P-Card Cancellation.**

P-Cards shall be cancelled by the following:

- Cardholder's separation from employment for any reason;
- Cardholder's job status changes such that he or she no longer requires a P-Card;
- Cardholder reports the loss or theft of the P-Card;
- Cardholder misuses the P-Card; or
- Untimely ~~approval of confirming or disputing~~ transactions.



If a P-Card is cancelled, it shall be destroyed. The Statewide P-Card Program Administrator shall be notified of all P-Card cancellations.

#### 8. P-CARD PROGRAM TRAINING.

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

#### 9. INTERNAL CONTROLS.

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

##### 9.1. Duty of State Agencies.

Each State Agency must establish an internal control structure that ensures compliance with the State's procurement laws, CPO rules, policies and procedures, this Policy, and the terms and conditions of P-Card established by the Bank. The State Agency Fiscal Director is responsible for developing and reviewing this Policy, the State Agency's internal P-Card ~~procedures~~Procedures, as applicable, and ensuring that sound accounting practices and internal policies are in place and enforced. All State ~~Agency P-Card Program internal procedures~~es shall address Agencies should ensure that the following principles are carried out in their programs:

- Separation of duties between ordering cards (State Agency P-Card Program Coordinators), making Transactions (Cardholders and Users), and review or approval of Transactions for payment (Cardholder Supervisors or Cardholder Approvers);
- Independent review of the P-Card Account maintenance activity at least monthly if the State Agency P-Card Program Coordinator is also a Cardholder or User.
- Limits on the number of Cardholders assigned to a Cardholder Supervisor in order to ensure adequate review of business need and documentation for each Transaction;
- Provision for annual independent audit or review of the Agency's P-Card program by the State Agency P-Card Program Coordinator, State Agency Internal Audit unit, or other business unit assigned State Agency audit responsibilities. Reviews must include adequacy of:
  - Internal policies and procedures, as applicable;
  - Cardholder spending limits;
  - Monthly reconciliation procedures; and
  - Documentation for Transactions; and

- Protocol for establishing a designated State Agency Central Fiscal Office P-Card and any alternate Central Fiscal Office P-Cards, including which Central Fiscal Office P-Card is primary and which alternate Central Fiscal Office P-Card is secondary and circumstances (e.g., unavailability of the primary Central Fiscal Office P-Card, etc.) under which an alternate Central Fiscal Office P-Card may be used.

#### **9.2. State Agency ~~Internal~~ P-Card Procedures.**

Each State Agency ~~must~~may develop its own internal procedures to carry out the intent and purpose of this Policy ~~and to address unique State Agency complexities or risk factors. If a State Agency chooses not to develop its own internal procedures then the State Agency must follow this Policy and coordinate State Agency Employee roles with the Statewide P-Card Program Administration Team.~~

#### **9.3. Card Management and Reconciliation Systems.**

All Transaction reconciliations will be completed in Edison unless the Central Procurement Office approves an alternate method of reconciliation.

#### **9.4. Merchant Category Code Restrictions.**

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

- The Statewide P-Card Program Administration Team manages the State-identified MCC groups that contain codes associated with suppliers that provide goods or services that are prohibited for purchase using the P-Card.
- Although Transactions at unauthorized MCCs are blocked at the point-of-sale, they are occasionally forced through. These Transactions are subject to audit.
- The CPO's Compliance Team will conduct periodic audits of Transactions with restricted MCC suppliers.
- State Agencies may request activation of additional MCCs for inclusion in a State-authorized group or creation of a new MCC group to meet specific needs. A Cardholder's State Agency P-Card Program Coordinator should ensure that Cardholder profiles permit only those MCC groups that a Cardholder needs to meet his or her job requirements.

#### **9.5. Cardholder Spending Limits and Utilization.**

The State Agency Fiscal Director may establish a Single Transaction Limit (STL) of up to the ten thousand dollar (\$10,000) maximum for Cardholders as he or she determines appropriate taking into account the State Agency's overall needs. Each State Agency Fiscal Director may also establish one (1) designated State Agency Central Fiscal Office P-Card with a STL of up to the fifty thousand dollar (\$50,000) maximum. Each State Agency Fiscal Director may also establish up to two (2) alternate designated State Agency Central Fiscal Office P-Cards with a STL of up to the fifty thousand dollar (\$50,000) maximum. If the transaction amount exceeds ten thousand dollars (\$10,000),

then Cardholders and State Agency Fiscal Directors should consult the *Procurement Procedures Manual of the Central Procurement Office* with respect to contract and purchase order requirements and exemptions from contract and purchase order requirements. The State Agency Fiscal Director should also determine the total maximum per Cycle Limit for each Cardholder based on the individual's position and unique purchasing needs, and the State Agency's budget to ensure payment in full monthly.

Imposing spending limits enables management to provide Cardholders with the purchasing power to perform their jobs without exposing the State to unnecessary risk. Spending limits should be based on the Cardholder's job responsibilities. Cardholder spending limits must be reviewed at least annually to determine if actual usage is consistent with spending limits. Increases or decreases to monthly spending limits may be made by the State Agency Fiscal Director as needed for Cardholder Cycle Limits, a single transaction limit of up to ten thousand dollars (\$10,000) for a Cardholder and up to fifty thousand dollars (\$50,000) for a Central Fiscal Office P-Card. Cardholders are prohibited from splitting a single purchase between one or more P-Cards or between a Card transaction and a purchase order to circumvent the STL or CPO rules, policies or procedures. Each State Agency is required to perform a review of spending limits at least annually in order to determine if each Cardholder's spending limit is adequate and appropriate.

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#### 9.6. Dormant Cards.

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

### 10. DOCUMENTATION AND ACCOUNTING.

#### 10.1. Documentation.

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

Regardless of the Transaction reconciliation method, Cardholders should provide invoices or receipts for all Transactions. Invoices or receipts shall include:

- The Supplier's name, location, and contact information;

- Line item details, including quantity, description, unit price, and total price; and
- A line showing that the State was not charged for sales tax.

#### 10.2. Receipts.

- It is the Cardholder's responsibility to obtain itemized receipts and any other pertinent backup documentation. Other documentation may include shipping documents and bills of lading. This information will be used by the Agency to validate and reconcile charges.
- For online purchases that do not provide a downloadable receipt, a screen shot of the receipt information can serve as a receipt.
- In lieu of obtaining physical receipts, the Cardholder may also take a picture of the receipt with his or her mobile device and save the receipt electronically.
- If a Cardholder loses a receipt and a duplicate cannot be obtained, the Cardholder should follow his or her State Agency's internal procedures for lost receipts. Cardholders who lose receipts and resort to their Agency's internal procedures for lost receipts more than three (3) times during a fiscal year may have their P-Card privileges suspended.
- The amount on the receipt and the amount of the charge to the Cardholder's P-Card account must match. Any discrepancies in amounts should be resolved with the Supplier and an explanation regarding the resolution should be made on the receipt or other backup documentation. It is not sufficient to change the amount on the receipt only.
- The Cardholder and the Cardholder Supervisor shall document all missing receipts.
- Credits may be processed without a receipt, but the Cardholder must provide an explanation of the credit.

#### 10.3. Reconciliation.

- Cardholders should perform reconciliation in Edison as often as possible or at a minimum on a weekly basis.
- After completing the weekly reconciliation process, the Cardholder must forward signed and dated receipts to his or her State Agency Approver, ~~or as detailed in the State Agency internal Procedures.~~ Dated receipts may be in an electronic format as long as they include an electronic signature and are legible. This should also occur on a weekly basis.

#### 10.4. Allocation to the Chart of Accounts.

Timely allocation of charges to the chart of accounts is essential to ensure compliance with State accounting and budgetary policies. The State Agency must ensure that all transactions are allocated to the chart of accounts before the end of the billing cycle.

#### 10.5. Records Retention Requirements.

The Office of the Secretary of State oversees Tennessee's Records Management Division, the State Agency that provides guidance on disposition, retention, and destruction of state records. Records Disposition Authority (RDA) SW23 applies to all

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P-Card documents. RDA SW23 requires that State Agencies maintain documents related to P-Card issuance and use for five (5) years and destroy them at the end of the five-year period. P-Card documents may be maintained in either paper or electronic format, so long as the electronic content has been verified for completeness, accuracy, and usability. RDA SW23 is available in its entirety at <http://www.tnsos.net/rmd/rda/index.php>.

#### **10.6. Internal Revenue Service 1099 Reporting.**

In 2011, the Internal Revenue Service announced changes to the Internal Revenue Code, Section 6050W, which shifted the burden of payment reporting requirements from the purchaser to the Supplier's bank when the P-Card is the payment method for a reportable transaction. Because of the shift in responsibility, participants in the P-Card Program are no longer required to report total P-Card transactions in excess of six hundred dollars (\$600) with certain Suppliers. Reporting for all other payment methods, including checks, Automated Clearing House, or other means, will remain the responsibility of the State Agency making payment. Cardholders should consult the tax specialists at their State Agency for further information or details regarding Internal Revenue Service 1099 reporting requirements.

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## **11. PROHIBITED PURCHASES AND TRANSACTIONS.**

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### **11.1. Prohibited Purchases.**

Cardholders are prohibited from using a physical P-Card for the following types of purchases, payments, or transactions:

- Goods or services not directly related to job responsibilities or other official State of Tennessee business, i.e., personal purchases;
- Cash withdrawals, including ATM or debit withdrawals;
- Travel expenses;
- Telephone billings;
- Political publications of any sort;
- Utility billings and connection fees;
- Payments to another State Agency;
- Rental of passenger vehicles of any kind;
- Artifacts for historical or commemorative purposes (except for the State Museum);
- An employee's moving expenses;
- Purchases of any motor vehicle fuel for any vehicle or equipment leased from the Department of General Services' Division of Motor Vehicle Management ("MVM");
- Back orders or partial shipments—goods or services must be in stock or otherwise available **and ready to be shipped or delivered** at the time of purchase;
- Purchases made using a P-Card or other account by someone other than the Cardholder or account holder;
- Service awards for state employees;
- Awards for private citizens;

- Honoraria expenses;
- Insurance policies;
- Gift cards or gift certificates; and
- Any goods or services related to political activity as defined under “The Little Hatch Act,” Tenn. Code Ann. §§ 2-19-201 through 208;

State Agencies may request an exception from this paragraph by submitting a P-Card exception request in the form of a memorandum signed by the Fiscal Director to the Statewide P-Card Program Administrator at [p.card@tn.gov](mailto:p.card@tn.gov).

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### **11.2. Personal Purchases Prohibited.**

### ~~11.2. Personal Purchases Prohibited.~~

As provided in Sections 3.1, 5.7 and ~~12~~11.1, Cardholders are prohibited from using a P-Card for the purchase of any goods or services not directly related to job responsibilities or other official State business. Intentional use of a P-Card for any purposes other than State business will result in disciplinary action, up to and including termination from State employment or criminal prosecution. Under Tenn. Code Ann. § 39-16-402, State employees who intentionally or knowingly use a P-Card or a Virtual P-Card for personal purchases commit a Class E felony.

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### **11.3. Split Charges Prohibited.**

Tenn. Code Ann. § 12-3-503(b) and CPO Policy Number 2013-003 authorize State Agencies to make a purchase without soliciting quotes or proposals from multiple suppliers when the total value of the purchase is ten thousand dollars (\$10,000) or less. Cardholders are prohibited by Tenn. Code Ann. § 12-3-503(b)(2) from splitting a transaction between two or more transactions on a single account, two or more transactions on multiple accounts, or two or more transactions using the P-Card and a purchase order, in order to circumvent the STL imposed on the P-Card. The maximum STL for P-Card purchases using a physical P-Card is ten thousand dollars (\$10,000) unless a State Agency has designated a lower STL in its internal P-Card policy. Procedures or has an approved exception from the Statewide P-Card Program Administrator.

### **11.4. Payment of Sales and Use Tax.**

Tenn. Code Ann. § 67-6-329(a) provides that all sales of services and tangible personal property made to the State of Tennessee are exempted from sales and use taxes. Cardholders should provide each supplier with an exemption certificate, as described in Section 6.4. Cardholders are responsible for ensuring that suppliers do not charge tax or provide a credit for inadvertent charges.

- If taxes are charged, the Cardholder must contact the supplier to obtain a credit to the account.
- Suppliers may only credit the State’s P-Card Account and may not refund erroneously paid taxes through other means, including cash, gift cards, or store credit.



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

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

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

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

~~State Agencies may request an exception from this paragraph by submitting a P-Card exception request in the form of a memorandum signed by the Fiscal Director to the Statewide P-Card Program Administrator at p.card@tn.gov.~~

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**13. DECLARED EMERGENCIES AND NATURAL DISASTERS.**

Tenn. Comp. R. & Regs. 0690-03-01-.05(5) authorizes the CPO or delegated State Agencies to forego standard procurement requirements to meet emergencies arising from unforeseen causes. If an emergency affecting the health or safety of any person occurs when CPO personnel are not available, any State Agency is authorized to contract for necessary goods or services and obtain "after the fact" emergency purchase authorization. All requests for "after the fact" emergency purchase authorization shall comply with CPO rules, policies, and procedures.

**14. ENCOURAGED USE OF P-CARDS.**

**14.1. Statewide and Agency Term Contracts.**

As provided in Section 10.4<sub>2</sub> of the CPO's *Procurement Procedures Manual*, State Agencies are required to use Statewide Contracts for procuring goods or services to the extent the needed goods or services are available on a Statewide Contract. State Agencies may not procure goods or services available on a Statewide Contract from any other source without prior approval from the Chief Procurement Officer or designee. State Agencies are encouraged to utilize P-Cards for purchasing goods or services on Agency Term Contracts and Statewide Contracts.

**14.2. Utilization of Diversity Suppliers.**

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

**15. SURCHARGES AND CONVENIENCE FEES.**

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

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

The maximum allowable surcharge is four percent (4%) and must be shown as a line item on the detailed invoice or receipt. Whenever a Supplier charges a surcharge, the following rules apply:

- The Supplier must have provided Visa and its bank at least thirty (30) days notification of their intent to impose surcharges;
- The fact that the Supplier imposes surcharges must be clearly posted on the door and at point-of-sale for physical locations and on web sites when sales are made via the internet; and
- The Supplier must inform the Cardholder or User:
  - Of the exact percent of the surcharge;
  - That the Supplier is the entity assessing the surcharge;
  - That surcharges are applicable on credit transactions only; and
  - That the surcharge is not greater than what the supplier pays to Visa.

For any Transaction where the Supplier has charged a surcharge, a Cardholder or User must obtain a copy of the acknowledgement letter sent to the Supplier by Visa authorizing the Supplier to impose a surcharge. A copy on file with the State Agency P-Card Program Coordinator will be sufficient.

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**CENTRAL PROCUREMENT OFFICE  
POLICY NUMBER 2015-010, *STATEWIDE  
PURCHASING CARD POLICY AND  
PROCEDURES***

**CLEAN VERSION**

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

Revised: June 27, 2017

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

**1. PROGRAM OVERVIEW.**

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

**2. DEFINITIONS.**

"Agency Term Contract" means a State Agency contract in which a source or sources of supply are established for a specified period of time at an agreed upon unit price or prices.

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

"Cardholder" means the State Agency employee who is issued a physical P-Card to initiate payments on behalf of the State.

"Cardholder Agreement" means the document signed by the Cardholder to verify that he or she completed P-Card training, received a copy of and understands this Policy.

"Cardholder Application" means the application completed by the Cardholder that is approved by the Cardholder Supervisor and the State Agency P-Card Program Coordinator that is required before a P-Card Account will be assigned to a Cardholder.

"Cardholder Supervisor" means the State Agency employee with supervisory authority over the Cardholder.

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

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

"Cycle (Credit) Limit" means the spending limit that restricts the total value of purchases a Cardholder can make in one billing cycle.

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

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

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

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

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

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

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

“Single Transaction Limit” or “STL” means the maximum dollar limit, per purchase transaction, that can be assigned to the physical P-Card. The STL is assigned per Cardholder at the discretion of the Fiscal Director. This Policy establishes the STL for the designated State Agency Central Fiscal Office P-Card as up to fifty thousand dollars (\$50,000) and for all other physical P-Cards as up to ten thousand dollars (\$10,000) without Statewide P-Card Program Administrator approval.

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

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

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

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

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

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

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

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

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

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

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

“Virtual Purchasing Card” or “Virtual P-Card” means the unique credit card account number, embedded within Edison, which is assigned to a State Agency for payment of suppliers authorized to accept P-Card as the form of payment for approved Edison purchase orders.

“Virtual P-Card User” or “User” means the State Agency employee who has a buyer or e-procurement role in Edison, has undergone training on reconciliation, and is authorized to use a Virtual P-Card to initiate payment transactions on behalf of the State.

### **3. TYPES OF ACCOUNTS.**

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

#### **3.1. P-Card Accounts.**

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



### **3.2. Virtual P-Cards.**

Virtual P-Cards are cardless accounts that allow State Agencies to pay for approved, Edison purchase order transactions initiated by Virtual P-Card Users. The account number is “embedded” in the Edison P-Card module and is securely transmitted to the Supplier upon Edison-based approval of a User’s purchase order transactions. A Virtual P-Card may be used for payments to any Supplier that is registered in the State’s supplier registration system whose payment method has been activated to “P-Card” in Edison. Virtual P-Cards are encouraged because Virtual P-Card accounts allow for greater ease of use (multiple buyers can leverage the same payment device), as well as enhanced control through absence of a physical card and spending limits. The State Agency P-Card Coordinator should contact the Statewide P-Card Program Administrator for more information on Virtual P-Cards.

The ten thousand dollar (\$10,000) STL that applies to all physical P-Cards does not apply to Virtual P-Cards or Central Fiscal Office P-Cards; the maximum STL for a Central Fiscal Office P-Card is fifty thousand dollars (\$50,000) and there is no STL for purchases made with a Virtual P-Card. The Bank determines the Cycle Limit for Virtual P-Cards. Each State Agency or department is limited to one (1) Virtual P-Card Account.

## **4. OVERVIEW OF P-CARD PROGRAM ROLES AND RESPONSIBILITIES.**

The CPO is the State Agency that is primarily responsible for managing, overseeing, and coordinating the P-Card Program. The Statewide P-Card Program Administrator is the employee within the CPO who has the direct, day-to-day responsibility for managing, overseeing, and coordinating the P-Card Program between the CPO and State Agencies. The State Agency P-Card Coordinator is the employee within each State Agency who has been appointed to supervise Cardholders and manage and coordinate the P-Card Program within his or her State Agency in compliance with this Policy. The Cardholder Supervisor is the State Agency employee with supervisory authority over the Cardholder who ensures that transactions are properly reconciled and reported to the Department of Finance and Administration (“F&A”), Division of Accounts. State Agency Reconcilers are the employees within a State Agency who are responsible for reconciling P-Card transactions. The State Agency Approver is the employee within the State Agency who approves P-Card Transactions. The Cardholder is the specially-trained employee within a State Agency responsible for purchasing goods or services on behalf of the State of Tennessee using a physical P-Card. In the interests of segregating duties and responsibilities, State Agency Reconcilers shall not be Cardholders.

## **5. P-CARD PROGRAM ROLES AND RESPONSIBILITIES.**

### **5.1. P-Card Processing Cycle Overview.**

The typical cycle for P-Card usage is:

- An individual Cardholder, with State Agency approved spending limits, initiates a purchase using a P-Card;

- The individual Cardholder retains an original, legible copy of the purchase's receipt for use in reconciliation (see Section 10.2 for more information on receipts);
- Transactions are typically posted in the Edison P-Card module within 24-72 hours after the purchase is made;
- The Cardholder will log into the Edison P-Card module on a weekly basis to review transactions and account coding and take necessary action to correct errors in the purchase details;
- The Cardholder or his or her State Agency Approver confirms or disputes Transactions posted to the card account;
- The credit line is replenished for the amount of the Transactions;
- The Cardholder will receive a monthly Bank statement ;
- The Bank statement and receipts will be sent to the State Agency Reconciler for final reconciliation;
- The State Agency Reconciler will reconcile all Transactions in accordance with this Policy or their State Agency's internal P-Card Procedures, as applicable; and
- The State Agency Reconciler prepares all documentation for retention.

### **5.2. Statewide P-Card Program Administrator.**

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

- Establishing written internal procedures to ensure compliance with state procurement statutes, rules, policies and procedures, including this Policy, and reviewing each State Agency's internal P-Card Procedures, as applicable;
- Developing written internal procedures for requesting exceptions to either state or internal policy requirements;
- Ensuring that State Agency Transactions are reviewed at least annually;
- Developing State Agency specific training for all Cardholders, State Agency Approvers, State Agency Reconcilers, and State Agency Supervisors;
- Developing appropriate refresher training to be delivered at least annually; and
- Notifying State Agency P-Card Program Coordinators of changes in state rules, policies or procedures.

### **5.3. State Agency P-Card Program Coordinator.**

The State Agency P-Card Program Coordinator serves as the main point-of-contact between the State Agency and the Statewide P-Card Program Administration Team.

The State Agency must provide the Statewide P-Card Program Administrator written notice within one (1) business day of any changes in status of the State Agency P-Card Program Coordinator.

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

- Collaborating with the Agency's Fiscal Director to develop and maintain the State Agency's internal P-Card Procedures to address policy areas unique to the State Agency or that are not covered by this Policy, as applicable;
- Working with State Agency management to identify job titles, positions, or Edison roles that require use of a P-Card or Virtual P-Card;
- Working with State Agency management to determine appropriate Cardholder spending limits based on budget restrictions, job requirements, historical spending patterns, and overall procurement practices;
- Evaluating Cardholder spending limits against actual usage at least annually;
- Terminating a Cardholder's status if necessary (e.g., due to separation from employment, transfer to another State Agency, low P-Card usage) and cancelling a P-Card;
- Ensuring Agency-wide reconciliation procedures provide for timely payment and for allocation of Transactions to the chart of accounts at least monthly; and
- Ensuring that Transactions are reconciled and supported by adequate documentation, including use of Edison or the Online Banking Program, as appropriate.

#### **5.4. Cardholder Supervisors.**

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

- Before approving the P-Card transactions, either by signing a transaction log or statement or signing off on transactions electronically, carefully reviewing all documentation to ensure that all documentation meets the minimum requirements as set forth in this Policy;
- Approving or rejecting all Transactions within the scheduled timeframe;
- Ensuring that all documentation is submitted according to this Policy and the State Agency's internal P-Card Procedures, as applicable;
- Maintaining knowledge of this Policy and State Agency's internal P-Card Procedures, as applicable; and
- Requesting reasonable spending limits in accordance with this Policy and State Agency's internal P-Card Procedures, as applicable.

#### **5.5. State Agency Reconciler.**

The State Agency Reconciler is the State Agency employee responsible for all the functions associated with post-purchase processing of P-Card Transactions including account allocation and providing a business purpose when required. A Reconciler CANNOT make purchases using the P-Card belonging to a Cardholder for whom he or she reconciles.

#### **5.6. State Agency Approver.**

The State Agency Approver is the State Agency employee who approves purchases made by the Cardholder to which he or she is assigned. This role may also be performed by the

Cardholder Supervisor. By approving each P-Card transaction, the Approver exercises critical control by ensuring authorized and appropriate P-Card use and correct allocation of expenses in accordance with related policies of F&A, Division of Accounts. State Agency Approvers should also review receipts where appropriate to ensure compliance with this Policy and F&A, Division of Accounts policies (available online at <http://www.tn.gov/finance/topic/fa-policyinfo>). No Cardholder may approve his or her own P-Card transactions nor may he or she direct someone else to approve P-Card transactions in a manner that could violate this Policy or applicable policies of F&A, Division of Accounts. As a general rule, the State Agency Approver should not report to the Cardholder whose transactions he or she is reviewing. A State Agency Approver has the following responsibilities:

- Review Cardholder transactions to ensure that purchases made were:
  - For the use and benefit of the State of Tennessee;
  - Necessary for the official duties of the agency;
  - Made in accordance with CPO policies and procedures;
  - For goods or services actually received.
- If a State Agency Approver is in doubt about any of the above, the State Agency Approver should immediately question the Cardholder and seek advice from the State Agency P-Card Program Coordinator or the Statewide P-Card Program Administrator.
- Immediately inform the State Agency P-Card Program Coordinator of any misuse, abuse or fraudulent use of a P-Card.
- If the Cardholder is unavailable for questioning, the State Agency P-Card Program Coordinator or the Statewide P-Card Program Administration Team may adjust the Cardholder's STL to one dollar (\$1.00). The State Agency Approver shall notify the State Agency P-Card Program Coordinator of Cardholder transfers or terminations. Advanced notice is required if the State Agency Approver is aware of impending personnel actions.
- Review, certify, and forward Cardholder transaction log pages, receipts or cycle statements in accordance with this Policy.

## **5.7. Cardholders.**

An important participant in the P-Card Program is the Cardholder. The Cardholder is a key element in making the P-Card Program successful.

### **5.7.1. Cardholder Responsibilities.**

The State is responsible for payment to the Bank. Therefore, P-Cards are issued to the State and assigned on its behalf to specific Cardholders. No credit checks will be performed on individual employees nor will account activity be reported to credit rating agencies. Cardholders have the following duties and responsibilities as a condition for being issued a P-Card:

- Reading and becoming familiar with this Policy;
- Attending and passing Cardholder / Approver training course;
- Signing Cardholder / Approver agreement;
- Being responsible for all purchases made on the P-Card; and



- Adhering to this Policy and other applicable rules, policies, and procedures.

### **5.7.2 Cardholder Misuse.**

Each Cardholder is responsible for the purchases made on the P-Card that is assigned to them. Cardholders are required to adhere to applicable CPO rules, policies, procedures, and this Policy.

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

### **5.8. Virtual P-Card Users.**

Virtual P-Card Users are critical to the P-Card Program's success. A User has authority to make purchases utilizing his or her Agency's local purchase authority and to make purchases from a Statewide Contract or Agency Term Contract for official State business. State Agency employees with an e-procurement or buyer role in Edison are eligible to be Users. Users must complete training on reconciliation procedures before initiating any Transactions with a Virtual P-Card.

## **6. P-CARD SECURITY.**

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

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

### **6.1. Lost or Stolen Cards.**

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

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

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

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

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

#### **6.2. Separation from Employment.**

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

#### **6.3. Purchasing Rules.**

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

#### **6.4. Tax Exemption.**

Purchases made in Tennessee and for the use and benefit of the State of Tennessee are exempt from Tennessee sales tax. Cardholders should obtain an exemption certificate and present it to each supplier. This form is available on the Department of Revenue web site at <http://www.tn.gov/revenue/forms/sales/index.shtml> in the "Sales and Use Tax Forms - Exemptions" section. Purchases made in other states may be subject to that state's sales tax. The Cardholder must be diligent when dealing with the supplier regarding taxes. If the supplier cannot deduct the sales tax because of pre-set controls within its computer systems or will not honor the exemption, the Cardholder may continue with the purchase but must note the refusal on the receipt. In the event a Cardholder is inappropriately charged for sales tax, he or she shall seek a credit refund of any sales taxes to the P-Card account.

#### **6.5. Credits.**



If a Cardholder returns merchandise, a credit should be issued to the Cardholder's P-Card and a credit receipt obtained. Under no circumstances should a Cardholder receive cash or a credit voucher. The Cardholder or State Agency Approver is responsible for reviewing the Online Banking Program to ensure that credits are received and, if not, file the appropriate paperwork for disputed items. Cardholders should avoid Suppliers with restrictive merchandise return policies.

#### **6.6. Disputing Transactions.**

If there is a problem with a Transaction, the Cardholder must first attempt to reach a resolution directly with the Supplier. In most cases, disputes can be resolved between the Cardholder and the Supplier. The Supplier will usually issue a credit.

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

If a Bank Statement contains a Transaction that needs to be disputed, the Cardholder should contact the Bank's Customer Service to initiate the dispute process, and contact his or her State Agency P-Card Program Coordinator to ensure the disputed transaction has been documented. If the dispute cannot be resolved between the Cardholder and the Bank, the Cardholder shall immediately notify his or her State Agency P-Card Program Coordinator.

#### **6.7. Declined Purchase Transactions.**

On occasion, a Cardholder's purchase transaction may be declined. Cardholders should contact the Bank's Customer Service to determine the reason for the decline before contacting their State Agency P-Card Program Coordinator for assistance.

Common reasons for declines include:

- MCC is restricted from the Purchasing Card;
- The Cardholders has exceeded the STL, daily limit or monthly limit; or
- Invalid expiration.

### **7. CARD ISSUANCE AND CANCELLATION.**

The State Agency P-Card Program Coordinator is responsible for issuing all P-Cards within his or her Agency. State Agency P-Card Program Coordinators have authority to terminate a Cardholder's status as a Cardholder and cancel P-Cards. The Statewide P-Card Program Administrator should be notified of any P-Card cancellations.

#### **7.1. P-Card Issuance.**

Purchasing Cards are issued following:

- Completion of the Cardholder Application;
- Completion and approval of a Cardholder profile;

- Completion of P-Card training; and
- Completion of the Cardholder Agreement.

## **7.2. P-Card Cancellation.**

P-Cards shall be cancelled by the following:

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

If a P-Card is cancelled, it shall be destroyed. The Statewide P-Card Program Administrator shall be notified of all P-Card cancellations.

## **8. P-CARD PROGRAM TRAINING.**

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

## **9. INTERNAL CONTROLS.**

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

### **9.1. Duty of State Agencies.**

Each State Agency must establish an internal control structure that ensures compliance with the State's procurement laws, CPO rules, policies and procedures, this Policy, and the terms and conditions of P-Card established by the Bank. The State Agency Fiscal Director is responsible for developing and reviewing this Policy, the State Agency's internal P-Card Procedures, as applicable, and ensuring that sound accounting practices and internal policies are in place and enforced. All State Agencies should ensure that the following principles are carried out in their programs:

- Separation of duties between ordering cards (State Agency P-Card Program Coordinators), making Transactions (Cardholders and Users), and review or approval of Transactions for payment (Cardholder Supervisors or Cardholder Approvers);
- Independent review of the P-Card Account maintenance activity at least monthly if the State Agency P-Card Program Coordinator is also a Cardholder or User.

- Limits on the number of Cardholders assigned to a Cardholder Supervisor in order to ensure adequate review of business need and documentation for each Transaction;
- Provision for annual independent audit or review of the Agency's P-Card program by the State Agency P-Card Program Coordinator, State Agency Internal Audit unit, or other business unit assigned State Agency audit responsibilities. Reviews must include adequacy of:
  - Internal policies and procedures, as applicable;
  - Cardholder spending limits;
  - Monthly reconciliation procedures; and
  - Documentation for Transactions; and
- Protocol for establishing a designated State Agency Central Fiscal Office P-Card and any alternate Central Fiscal Office P-Cards, including which Central Fiscal Office P-Card is primary and which alternate Central Fiscal Office P-Card is secondary and circumstances (e.g., unavailability of the primary Central Fiscal Office P-Card, etc.) under which an alternate Central Fiscal Office P-Card may be used.

**9.2. State Agency P-Card Procedures.**

Each State Agency may develop its own internal procedures to carry out the intent and purpose of this Policy and to address unique State Agency complexities or risk factors. If a State Agency chooses not to develop its own internal procedures then the State Agency must follow this Policy and coordinate State Agency Employee roles with the Statewide P-Card Program Administration Team.

**9.3. Card Management and Reconciliation Systems.**

All Transaction reconciliations will be completed in Edison unless the Central Procurement Office approves an alternate method of reconciliation.

**9.4. Merchant Category Code Restrictions.**

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

- The Statewide P-Card Program Administration Team manages the State-identified MCC groups that contain codes associated with suppliers that provide goods or services that are prohibited for purchase using the P-Card.
- Although Transactions at unauthorized MCCs are blocked at the point-of-sale, they are occasionally forced through. These Transactions are subject to audit.
- The CPO's Compliance Team will conduct periodic audits of Transactions with restricted MCC suppliers.
- State Agencies may request activation of additional MCCs for inclusion in a State-authorized group or creation of a new MCC group to meet specific needs. A Cardholder's State Agency P-Card Program Coordinator should

ensure that Cardholder profiles permit only those MCC groups that a Cardholder needs to meet his or her job requirements.

#### **9.5. Cardholder Spending Limits and Utilization.**

The State Agency Fiscal Director may establish a Single Transaction Limit (STL) of up to the ten thousand dollar (\$10,000) maximum for Cardholders as he or she determines appropriate taking into account the State Agency's overall needs. Each State Agency Fiscal Director may also establish one (1) designated State Agency Central Fiscal Office P-Card with a STL of up to the fifty thousand dollar (\$50,000) maximum. Each State Agency Fiscal Director may also establish up to two (2) alternate designated State Agency Central Fiscal Office P-Cards with a STL of up to the fifty thousand dollar (\$50,000) maximum. If the transaction amount exceeds ten thousand dollars (\$10,000), then Cardholders and State Agency Fiscal Directors should consult the *Procurement Procedures Manual of the Central Procurement Office* with respect to contract and purchase order requirements and exemptions from contract and purchase order requirements. The State Agency Fiscal Director should also determine the total maximum per Cycle Limit for each Cardholder based on the individual's position and unique purchasing needs, and the State Agency's budget to ensure payment in full monthly.

Imposing spending limits enables management to provide Cardholders with the purchasing power to perform their jobs without exposing the State to unnecessary risk. Spending limits should be based on the Cardholder's job responsibilities. Cardholder spending limits must be reviewed at least annually to determine if actual usage is consistent with spending limits. Increases or decreases to monthly spending limits may be made by the State Agency Fiscal Director as needed for Cardholder Cycle Limits, a single transaction limit of up to ten thousand dollars (\$10,000) for a Cardholder and up to fifty thousand dollars (\$50,000) for a Central Fiscal Office P-Card. Cardholders are prohibited from splitting a single purchase between one or more P-Cards or between a Card transaction and a purchase order to circumvent the STL or CPO rules, policies or procedures. Each State Agency is required to perform a review of spending limits at least annually in order to determine if each Cardholder's spending limit is adequate and appropriate.

#### **9.6. Dormant Cards.**

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

### **10. DOCUMENTATION AND ACCOUNTING.**

#### **10.1. Documentation.**



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

Regardless of the Transaction reconciliation method, Cardholders should provide invoices or receipts for all Transactions. Invoices or receipts shall include:

- The Supplier's name, location, and contact information;
- Line item details, including quantity, description, unit price, and total price; and
- A line showing that the State was not charged for sales tax.

#### **10.2. Receipts.**

- It is the Cardholder's responsibility to obtain itemized receipts and any other pertinent backup documentation. Other documentation may include shipping documents and bills of lading. This information will be used by the Agency to validate and reconcile charges.
- For online purchases that do not provide a downloadable receipt, a screen shot of the receipt information can serve as a receipt.
- In lieu of obtaining physical receipts, the Cardholder may also take a picture of the receipt with his or her mobile device and save the receipt electronically.
- If a Cardholder loses a receipt and a duplicate cannot be obtained, the Cardholder should follow his or her State Agency's internal procedures for lost receipts. Cardholders who lose receipts and resort to their Agency's internal procedures for lost receipts more than three (3) times during a fiscal year may have their P-Card privileges suspended.
- The amount on the receipt and the amount of the charge to the Cardholder's P-Card account must match. Any discrepancies in amounts should be resolved with the Supplier and an explanation regarding the resolution should be made on the receipt or other backup documentation. It is not sufficient to change the amount on the receipt only.
- The Cardholder and the Cardholder Supervisor shall document all missing receipts.
- Credits may be processed without a receipt, but the Cardholder must provide an explanation of the credit.

#### **10.3. Reconciliation.**

- Cardholders should perform reconciliation in Edison as often as possible or at a minimum on a weekly basis.
- After completing the weekly reconciliation process, the Cardholder must forward signed and dated receipts to his or her State Agency Approver. Dated receipts may be in an electronic format as long as they include an electronic signature and are legible. This should also occur on a weekly basis.

#### **10.4. Allocation to the Chart of Accounts.**

Timely allocation of charges to the chart of accounts is essential to ensure compliance with State accounting and budgetary policies. The State Agency must ensure that all transactions are allocated to the chart of accounts before the end of the billing cycle.

#### **10.5. Records Retention Requirements.**

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

#### **10.6. Internal Revenue Service 1099 Reporting.**

In 2011, the Internal Revenue Service announced changes to the Internal Revenue Code, Section 6050W, which shifted the burden of payment reporting requirements from the purchaser to the Supplier's bank when the P-Card is the payment method for a reportable transaction. Because of the shift in responsibility, participants in the P-Card Program are no longer required to report total P-Card transactions in excess of six hundred dollars (\$600) with certain Suppliers. Reporting for all other payment methods, including checks, Automated Clearing House, or other means, will remain the responsibility of the State Agency making payment. Cardholders should consult the tax specialists at their State Agency for further information or details regarding Internal Revenue Service 1099 reporting requirements.

### **11. PROHIBITED PURCHASES AND TRANSACTIONS.**

#### **11.1. Prohibited Purchases.**

Cardholders are prohibited from using a physical P-Card for the following types of purchases, payments, or transactions:

- Goods or services not directly related to job responsibilities or other official State of Tennessee business, i.e., personal purchases;
- Cash withdrawals, including ATM or debit withdrawals;
- Travel expenses;
- Telephone billings;
- Political publications of any sort;
- Utility billings and connection fees;
- Payments to another State Agency;
- Rental of passenger vehicles of any kind;
- Artifacts for historical or commemorative purposes (except for the State Museum);
- An employee's moving expenses;
- Purchases of any motor vehicle fuel for any vehicle or equipment leased from the Department of General Services' Division of Motor Vehicle Management ("MVM");



- Back orders or partial shipments—goods or services must be in stock or otherwise available and ready to be shipped or delivered at the time of purchase;
- Purchases made using a P-Card or other account by someone other than the Cardholder or account holder;
- Service awards for state employees;
- Awards for private citizens;
- Honoraria expenses;
- Insurance policies;
- Gift cards or gift certificates; and
- Any goods or services related to political activity as defined under “The Little Hatch Act,” Tenn. Code Ann. §§ 2-19-201 through 208.

State Agencies may request an exception from this paragraph by submitting a P-Card exception request in the form of a memorandum signed by the Fiscal Director to the Statewide P-Card Program Administrator at [p.card@tn.gov](mailto:p.card@tn.gov).

### **11.2. Personal Purchases Prohibited.**

As provided in Sections 3.1, 5.7 and 11.1, Cardholders are prohibited from using a P-Card for the purchase of any goods or services not directly related to job responsibilities or other official State business. Intentional use of a P-Card for any purposes other than State business will result in disciplinary action, up to and including termination from State employment or criminal prosecution. Under Tenn. Code Ann. § 39-16-402, State employees who intentionally or knowingly use a P-Card or a Virtual P-Card for personal purchases commit a Class E felony.

### **11.3. Split Charges Prohibited.**

Tenn. Code Ann. § 12-3-503(b) and CPO Policy Number 2013-003 authorize State Agencies to make a purchase without soliciting quotes or proposals from multiple suppliers when the total value of the purchase is ten thousand dollars (\$10,000) or less. Cardholders are prohibited by Tenn. Code Ann. § 12-3-503(b)(2) from splitting a transaction between two or more transactions on a single account, two or more transactions on multiple accounts, or two or more transactions using the P-Card and a purchase order, in order to circumvent the STL imposed on the P-Card. The maximum STL for P-Card purchases using a physical P-Card is ten thousand dollars (\$10,000) unless a State Agency has designated a lower STL in its internal P-Card Procedures or has an approved exception from the Statewide P-Card Program Administrator.

### **11.4. Payment of Sales and Use Tax.**

Tenn. Code Ann. § 67-6-329(a) provides that all sales of services and tangible personal property made to the State of Tennessee are exempted from sales and use taxes. Cardholders should provide each supplier with an exemption certificate, as described in Section 6.4. Cardholders are responsible for ensuring that suppliers do not charge tax or provide a credit for inadvertent charges.

- If taxes are charged, the Cardholder must contact the supplier to obtain a credit to the account.

- Suppliers may only credit the State's P-Card Account and may not refund erroneously paid taxes through other means, including cash, gift cards, or store credit.
- The Cardholder is required to maintain documentation of his or her attempts to obtain credit for any Tennessee Sales and Use Tax charged to the P-Card Account in error.

## **12. PURCHASES RESERVED FOR THE DESIGNATED STATE AGENCY CENTRAL FISCAL OFFICE CARDHOLDER.**

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

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

## **13. DECLARED EMERGENCIES AND NATURAL DISASTERS.**

Tenn. Comp. R. & Regs. 0690-03-01-.05(5) authorizes the CPO or delegated State Agencies to forego standard procurement requirements to meet emergencies arising from unforeseen causes. If an emergency affecting the health or safety of any person occurs when CPO personnel are not available, any State Agency is authorized to contract for necessary goods or services and obtain "after the fact" emergency purchase authorization. All requests for "after the fact" emergency purchase authorization shall comply with CPO rules, policies, and procedures.

## **14. ENCOURAGED USE OF P-CARDS.**

### **14.1. Statewide and Agency Term Contracts.**

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

### **14.2. Utilization of Diversity Suppliers.**

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

## **15. SURCHARGES AND CONVENIENCE FEES.**

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

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

The maximum allowable surcharge is four percent (4%) and must be shown as a line item on the detailed invoice or receipt. Whenever a Supplier charges a surcharge, the following rules apply:

- The Supplier must have provided Visa and its bank at least thirty (30) days notification of their intent to impose surcharges;
- The fact that the Supplier imposes surcharges must be clearly posted on the door and at point-of-sale for physical locations and on web sites when sales are made via the internet; and
- The Supplier must inform the Cardholder or User:
  - Of the exact percent of the surcharge;
  - That the Supplier is the entity assessing the surcharge;
  - That surcharges are applicable on credit transactions only; and
  - That the surcharge is not greater than what the supplier pays to Visa.

For any Transaction where the Supplier has charged a surcharge, a Cardholder or User must obtain a copy of the acknowledgement letter sent to the Supplier by Visa authorizing the Supplier to impose a surcharge. A copy on file with the State Agency P-Card Program Coordinator will be sufficient.

# **STATE AGENCY P-CARD PROCEDURES MODEL**

**REDLINE VERSION**

## STATE AGENCY P-CARD PROCEDURES MODEL

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Instructions: Replace or otherwise address red instructional text as indicated. The following text serves as a guide and is intended to have the flexibility to adjust to each State Agency's specific needs. Submit completed procedures in a digital file (DOC format) to: [P.Card@tn.gov](mailto:P.Card@tn.gov) and copy to: [COT.CPC@cot.tn.gov](mailto:COT.CPC@cot.tn.gov). If completed procedures are not submitted, the State Agency must follow the Statewide Policy and coordinate State Agency Employee roles with the Statewide P-Card Program Administration Team.

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**State Agency Name**  
State Agency Purchasing Card Procedures  
Effective: **Date**

### 1. Overview.

It is the **State Agency Name**'s policy to use the State of Tennessee's Purchasing Card for official state government purchases. The Statewide P-Card Program Administrator has authority to oversee administration of the P-Card program in **State Agency Name**. These State Agency Purchasing Card Procedures ("State Agency Procedures") govern aspects of the State Agency's P-Card program that are not addressed by the Statewide Policy.

### 2. Definitions.

"Agency Term Contract" means a State Agency contract in which a source or sources of supply are established for a specified period of time at an agreed upon unit price or prices.

"Bank" means the entity issuing the State's P-Card, or any of its subsidiaries as the context may require.

"Cardholder" means the State Agency employee who is issued a physical P-Card to initiate payments on behalf of the State.

"Cardholder Agreement" means the document signed by the Cardholder to verify that he or she completed P-Card training, received a copy of ~~the P-Card Policy~~, and understands the P-Card Policy.

"Cardholder Application" means the application completed by the Cardholder that is approved by the Cardholder Supervisor and the State Agency P-Card Program Coordinator that is required before a P-Card Account will be assigned to a Cardholder.

"Cardholder Supervisor" means the State Agency employee with supervisory authority over the Cardholder.

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

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

“Cycle (Credit) Limit” means the spending limit that restricts the total value of purchases a Cardholder can make in one billing cycle.

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

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

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

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

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

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

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

“Single Transaction Limit” or “STL” means the maximum dollar limit, per purchase transaction, that can be assigned to the physical P-Card. The STL is assigned per Cardholder at the discretion of the Agency Fiscal Director. Per Statewide Policy, the maximum STL that can be assigned to any individual physical P-Card is ten thousand dollars (\$10,000) without approval by the Statewide P-Card Program Administrator. These State Agency Procedures establish the STL for physical P-Cards as **Number (\$ #)** and up to fifty thousand dollars (\$50,000) for the designated State Agency Central Fiscal Office P-Card.

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



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

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

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

“State Agency Procedures” shall mean the internal procedures of the State Agency, as approved by the Central Procurement Office and the Comptroller of the Treasury, that govern issuance of a P-Card or authorization to use a Virtual P-Card and documentation, supervision, approval, or reconciliation of Transactions.

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

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

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

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

“Statewide Policy” means the Central Procurement Office’s Policy Number 2015-010, the Statewide Purchasing Card Policy and Procedures.

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

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

“Virtual Purchasing Card” or “Virtual P-Card” means the unique credit card account number, embedded within Edison, which is assigned to a State Agency for payment to suppliers authorized to accept P-Card as the form of payment for approved Edison purchase orders.

“Virtual P-Card User” or “User” means the State Agency employee who has a buyer or e-procurement role in Edison, has undergone training on reconciliation, and is authorized to use a Virtual P-Card to initiate payment transactions on behalf of the State.

### 3. Types of Accounts.

#### 3.1. P-Card Accounts.

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

If your agency has already implemented the Virtual P-Card, please delete the [reserved] language in the Virtual P-Cards sections below.

#### 3.2. Virtual P-Cards. [Reserved]

Virtual P-Cards are cardless accounts that allow **State Agency Name** to pay for approved, Edison purchase order transactions initiated by Virtual P-Card Users. A Virtual P-Card may be used for payments to any supplier that is registered in the State's supplier registration system whose payment method has been activated to "P-Card" in Edison. There is no STL for purchases made with a Virtual P-Card. The Bank determines the Cycle Limit for Virtual P-Cards.

### 4. Records Retention Requirements.

Records Disposition Authority (RDA) SW23 applies to all P-Card documents and is available at <http://www.tnsos.net/rmd/rda/index.php>. Under RDA SW23, **State Agency Name** must maintain all documents related to issuance and use of P-Cards for five (5) years.

SW23 provides:

- P-Card documents may be maintained in either paper or electronic format, so long as the electronic content has been verified for completeness, accuracy, and usability; and
- At the end of the five-year period, the documents must be destroyed.

Describe your Agency's process for maintaining and destroying P-Card documents; include whether documents will be maintained in paper format, electronic format, or both.

### 5. P-Card Program Roles and Responsibilities.

#### 5.1. State Agency P-Card Program Coordinator.

The State Agency P-Card Program Coordinator is the main point of contact between **State Agency Name** and the Statewide P-Card Program Administration Team. **State Agency Name's** P-Card Program Coordinator's responsibilities include:

- Providing the Statewide P-Card Program Administrator written notice within one (1) business day of any changes in status of the State Agency P-Card Program Coordinator;

- Collaborating with the **State Agency Name's** [insert title of the person who serves as the Agency's Fiscal Director] to develop these Procedures and ensure it addresses procedures unique to **State Agency Name**;
- Working with **State Agency Name** management to determine appropriate Cardholder spending limits based on budget restrictions, job requirements, historical spending patterns, and overall procurement practices;
- Evaluating Cardholder spending limits against actual usage at least annually;
- Terminating a Cardholder's status as a Cardholder and cancelling P-Cards;
- Ensuring all P-Card transactions are verified and approved at least weekly and comply with the statewide and agency-wide reconciliation procedures for accuracy and timeliness—;
- Ensuring that Transactions are reconciled and supported by adequate documentation, including use of Edison or Online Banking Program, as appropriate;
- Immediately informing the Statewide P-Card Program Administrator of any misuse, abuse or fraudulent use of a P-Card; and
- **Add other, non-conflicting responsibilities to reflect your Agency's needs.**

#### **5.2. Cardholder Supervisors.**

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

- Carefully reviewing all documentation to ensure that it meets the minimum requirements as set forth in the Statewide Policy before approving P-Card Transactions;
- Approving or rejecting all Transactions within the scheduled timeframe;
- Ensuring that all documentation is submitted according to the Statewide Policy and State Agency Procedures;
- Maintaining knowledge of the Statewide Policy and State Agency Procedures;
- Requesting reasonable spending limits in accordance with the **and** Statewide Policy and State Agency Procedures; **and**
- **Add other, non-conflicting responsibilities to reflect your Agency's needs.**

**Any one Agency may have several Cardholder Supervisors.**

#### **5.3. State Agency Reconciler.**

The State Agency Reconciler is the **State Agency Name** employee responsible for all the functions associated with post-purchase processing of P-Card Transactions including account allocation and providing a business purpose when required. A Reconciler CANNOT make purchases using the P-Card belonging to a Cardholder for whom he or she reconciles.

#### **5.4. State Agency Approver.**

This role may be performed by the Cardholder Supervisor. Determine and describe how your Agency will address the State Agency Approver role. The information below should be moved into the appropriate section if your Agency will assign this role to Cardholder Supervisors only.

The State Agency Approver is the **State Agency Name** employee who approves purchases made by the Cardholder to which he or she is assigned. The State Agency Approver is responsible for ensuring authorized and appropriate P-Card use and correct allocation of expenditures in accordance with policies of the Department of Finance and Administration, Division of Accounts. State Agency Approvers should also review receipts where appropriate to ensure compliance with the Statewide Policy (available online at <http://www.tn.gov/generalservices/topic/education-library>), State Agency Procedures, and Department of Finance and Administration, Division of Accounts policies (available online at <http://www.tn.gov/finance/topic/fa-policyinfo>). No Cardholder may approve his or her own P-Card transactions nor may he or she direct someone else to approve P-Card transactions in a manner that could violate the Statewide Policy, State Agency Procedures, or Department of Finance and Administration, Division of Accounts, policies. The State Agency Approver should not report to the Cardholder whose transactions he or she is reviewing. A State Agency Approver has the following responsibilities.

- Review Cardholder transactions to ensure that purchases made were:
  - For the use and benefit of the State;
  - Necessary for the official duties of the Agency;
  - Made in accordance with CPO policies and procedures; and
  - For goods or services actually received.
- If a State Agency Approver is in doubt about any of the above, he or she should immediately question the Cardholder and seek advice from the **State Agency Name's** P-Card Program Coordinator. **Elaborate on this process as needed. Note that if the Cardholder is unavailable for questioning, the Agency P-Card Coordinator or the Statewide P-Card Administration Team may adjust the Cardholder's STL to one dollar (\$1.00).**
- Review, certify, and approve P-Card Transactions in accordance with these State Agency Procedures.
- Immediately inform the Agency P-Card Program Coordinator of any misuse, abuse or fraudulent use of a P-Card.
- Notify the Agency P-Card Program Coordinator of Cardholder transfers or terminations. **Elaborate on this process as needed. Note that the Statewide Policy requires advanced notice if the State Agency Approver is aware of impending personnel actions.**

#### **5.5. Cardholders.**

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

- Reading and becoming familiar with the Statewide Policy and State Agency Procedures;
- Attending and passing the Cardholder / Approver training course;
- Signing the Cardholder / Approver agreement;

- Being responsible for all purchases made on the P-Card;
- Adhering to the Statewide Policy, State Agency Procedures, and other applicable policies and procedures; and
- Add other, non-conflicting duties and responsibilities to reflect your Agency's needs.

Only the authorized Cardholder whose name appears on the face of the P-Card shall use the card. Neither the P-Card nor the account number that appears on the card may be given to anyone other than the supplier from whom the Cardholder is making a purchase. Add other, non-conflicting information on the Cardholder's responsibility to protect the security of the P-Card as needed.

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

#### **5.6. Virtual P-Card Users.** [Reserved]

A Virtual P-Card User has authority to make purchases utilizing State Agency Name's local purchase authority and to make purchases from a Statewide Contract or Agency Term Contract for official State business. Describe your Agency's eligibility requirements for Users and the training Users must complete before initiating any Transactions with a Virtual P-Card. Minimum eligibility requirement: e-procurement or buyer role in Edison. Minimum training requirement: training on reconciliation procedures.

### **6. P-Card Issuance and Cancellation.**

State Agency Name's P-Card Program Coordinator is responsible for issuing all P-Cards within the Agency and for deactivating P-Cards as necessary.

#### **6.1. P-Card Issuance.**

The State Agency P-Card Program Coordinator shall not issue a P-Card until the prospective Cardholder completes, in the following order, the Cardholder Application, the Cardholder profile, P-Card training, and the Cardholder Agreement. The Cardholder Agreement is evidence that the Cardholder completed P-Card training and received a copy of the Statewide Policy. Add further details on the P-Card issuance process in your Agency as needed. When creating Cardholder profiles, your Agency's P-Card Program Coordinator should ensure that a profile permits only those MCC groups that the particular Cardholder needs to meet his or her job requirements.

#### **6.2. P-Card Cancellation.**

—The State Agency P-Card Program Coordinator has authority to terminate a Cardholder's status as a Cardholder and cancel P-Cards. ~~Add further information about your Agency's process for destroying~~ —cancelled P-Cards as needed.

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P-Cards shall be cancelled when any of the following occur:

- Cardholder's separation from employment for any reason;
- Cardholder's job status changes such that he or she no longer requires a P-Card;
- Cardholder reports the loss or theft of the P-Card;
- Cardholder misuses the P-Card; or
- Untimely ~~approval of confirming or disputing~~ transactions. ~~Add details on what your Agency will consider untimely.~~
- ~~Add other, non-conflicting grounds for cancellation as needed.~~

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## 7. P-Card Use.

### 7.1. P-Card Processing Cycle.

The typical cycle for P-Card use is:

- An individual Cardholder, with State Agency approved spending limits, initiates a purchase using a P-Card;
- The individual Cardholder retains an original, legible copy of the purchase's receipt for use in reconciliation;
- Transactions are typically posted in the Edison P-Card module within 24-72 hours after the purchase is made;
- The Cardholder will log into the Edison P-Card module ~~[insert how frequently transaction review will occur in your Agency; minimum requirement is weekly]~~ to review transactions and account coding and take necessary action to correct errors in the purchase details;
- ~~The Cardholder or his or her State Agency Approver or Cardholder Supervisor confirms or disputes Transactions posted to the card account;~~
- ~~The credit line is replenished for the amount of the Transactions;~~
- The Cardholder will receive a ~~hard-copy or electronic~~ Bank statement monthly;
- The ~~hard-copy or electronic~~ Bank statement and ~~original~~-receipts will be sent to the State Agency Reconciler for final reconciliation;
- The State Agency Reconciler will reconcile all Transactions by ~~[specify your Agency's reconciliation process, including how frequently reconciliation will occur; under section 9.3 of the Statewide Policy, reconciliation be completed in Edison unless the CPO approves an alternate method]; and~~

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- The State Agency Reconciler prepares all documentation for retention by [specify your Agency's record retention process; refer to section 4 for record retention requirements].

#### **7.2. Purchasing Rules.**

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

#### **7.3. Credits.**

If a Cardholder returns merchandise, a credit should be issued to the Cardholder's P-Card and a credit receipt obtained. Under no circumstances should a Cardholder receive cash or a credit voucher. The Cardholder ~~or State Agency Approver or Cardholder Supervisor~~ is responsible for reviewing the Online Banking Program to ensure that credits are received and, if not, file the appropriate paperwork for disputed items. Cardholders should avoid Suppliers with restrictive merchandise return policies.

#### **7.4. Disputing Transactions.**

If there is a problem with a Transaction, the Cardholder must first attempt to reach a resolution directly with the Supplier. In most cases, disputes can be resolved between the Cardholder and the Supplier. The Supplier will usually issue a credit.

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

If a Bank Statement contains a Transaction that needs to be disputed, the Cardholder should contact the Bank's Customer Service to initiate the dispute process, and contact **State Agency Name's** P-Card Program Coordinator to ensure the disputed transaction has been documented. If the dispute cannot be resolved between the Cardholder and the Bank, the Cardholder shall immediately notify the **State Agency Name's** P-Card Program Coordinator and [describe your Agency's process for disputing a transaction under these circumstances].

#### **7.5. Declined Purchase Transactions.**

On occasion, a Cardholder's purchase transaction may be declined. Cardholders should contact the Bank's Customer Service to determine the reason for the decline before contacting **State Agency Name's** P-Card Program Coordinator for assistance.

#### **7.6. Lost or Stolen P-Cards.**

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

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

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

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

Upon notifying the Bank of a lost, stolen, or compromised P-Card, outstanding authorizations will be confirmed and further use of the P-Card will be blocked by the Bank. Neither the State nor the Cardholder will be responsible for fraudulent charges made to a promptly reported lost or stolen card.

#### **7.7. Cardholder Transfer or Separation from Employment.**

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

### **8. Internal Controls.**

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

Your State Agency must establish an internal control structure that ensures compliance with the State's procurement laws, CPO rules, policies and procedures, the Statewide Policy, and the terms and conditions of P-Card established by the Bank. ~~In the event that your Agency's P-Card Coordinator is also a Cardholder, the internal control structure shall include independent review of the Coordinator's P-Card Account activity at least monthly.~~ The State Agency employee who serves as the Agency's Fiscal Director is responsible for developing and reviewing the State Agency Procedures and ensuring that sound accounting practices and internal controls are in place and enforced.

**8.1. Annual Review of *State Agency Name's* P-Card Program.**

The Statewide Policy requires each State Agency to have an independent review of the Agency's P-Card program each year. Describe how this annual, internal, independent review will occur in your Agency, including who will perform the review (State Agency's P-Card Coordinator, State Agency's internal audit unit, or other business unit assigned State Agency audit responsibilities) and what the review will consist of. At minimum, the review shall evaluate the adequacy of the State Agency P-Card program's: (a) State Agency Procedures; (b) Cardholder spending limits; (c) monthly reconciliation procedures; and (d) documentation for Transactions. Include results of the review in your Agency's annual risk assessment.

If your State Agency has a designated State Agency Central Fiscal Office P-Card then the protocol for establishing the card needs to be addressed either in your procedures or as an addendum to your procedures. If included in the procedures, modify section 8.2. Cardholder Spending Limits and P-Card use below to address your agency's protocol for establishing a designated State Agency Central Fiscal Office P-Card and any alternate Central Fiscal Office P-Cards, including which Central Fiscal Office P-Card is primary and which is alternate.

**8.2. Cardholder Spending Limits and P-Card Use.**

The *State Agency Name* employee who serves as the Agency's Fiscal Director may establish a Single Transaction Limit (STL) of up to the ten thousand dollars (\$10,000) maximum for Cardholders as he or she determines appropriate taking into account the State Agency's overall needs.

The *State Agency Name* employee who serves as the Agency's Fiscal Director may also establish a Single Transaction Limit (STL) of up to the fifty thousand dollars (\$50,000) maximum for Central Fiscal Office P-Cards as he or she determines appropriate taking into account the State Agency's overall needs.

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Add details related to the protocol for establishing a designated State Agency Central Fiscal Office P-Card and any alternate Central Fiscal Office P-Cards, including which is primary and which are alternates. Include any circumstances (e.g., unavailability of the primary Central Fiscal Office P-Card) under which an alternate Central Fiscal Office P-Card may be used.

The State Agency Fiscal Director should also determine the total maximum per Cycle Limit for each Cardholder based on the individual's position and unique purchasing needs, and the State Agency's budget to ensure payment in full monthly.

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State Agency Name's P-Card Program Coordinator will review Cardholder spending limits [insert frequency of review; minimum is annually] to determine if actual usage is consistent with spending limits. Cardholders are prohibited from splitting a single purchase between one or more P-Cards or between a Card transaction and a purchase order to circumvent the STL or CPO rules, policies or procedures.

### **8.3. Dormant Cards.**

When a P-Card has not been used for length of time, it will be considered inactive. Describe how your Agency will respond when a P-Card is deemed inactive. The CPO recommends reducing the Cycle Limit of any P-Card that has not been used within twelve (12) complete cycles to one dollar (\$1). When a P-Card has not been used for length of time, State Agency Name's P-Card Program Coordinator will conduct a review to determine if the Cardholder still needs a P-Card. Add further details about the review of dormant cards as needed.

## **9. Documentation, Reconciliation, and Accounting.**

### **9.1. Documentation**

Describe your Agency's procedures for documentation of Transactions. At minimum, your procedures shall require Cardholders to provide invoices or receipts (either electronic or hard copy format) for all Transactions. Invoices or receipts shall include: (a) the Supplier's name, location, and contact information; (b) line item details, including quantity, description, unit price, and total price; and (c) a line showing the State was not charged for sales tax. If your Agency decides to use logs as a form of documentation, specify procedures for maintaining logs. Include procedures for lost receipts and describe any consequences if a Cardholder loses receipts more than three (3) times during a fiscal year. Consult section 10.2 of the Statewide Policy for further guidance receipts.

### **9.2. Reconciliation.**

Reconciliation of Transactions is performed in Edison. Note that reconciliation cannot be performed manually unless your Agency has obtained approval from the CPO. Cardholders will reconcile Transactions [insert frequency; minimum requirements under

the Statewide Policy: weekly]. Add further, non-conflicting information about reconciliation to reflect your Agency's needs.

**9.3. Allocation to the Chart of Accounts.**

—Describe your Agency's procedures for allocation of charges to the chart of accounts. The procedures must ensure: (a) compliance with State accounting and budgetary policies; —and (b) all Transactions are allocated to the chart of accounts before the end of the monthly reconciliation cycle.

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**10. Prohibited Purchases and Transactions.**

**10.1. Prohibited Purchases.**

Cardholders are prohibited from using a physical P-Card for the following types of purchases, payments, or transactions:

- Goods or services not directly related to job responsibilities or other official State of Tennessee business, i.e., personal purchases;
- Cash withdrawals, including ATM or debit withdrawals;
- Travel expenses;
- Telephone billings;
- Political publications of any sort;
- Utility billings and connection fees;
- Payments to another State Agency;
- Rental of passenger vehicles of any kind;
- Artifacts for historical or commemorative purposes (except for the State Museum);
- An employee's moving expenses;
- Purchases of any motor vehicle fuel for any vehicle of equipment leased from the Department of General Services' Division of Motor Vehicle Management ("MVM");
- Back orders or partial shipments—goods or services must be in stock or otherwise available at the time of purchase;
- Purchases made using a P-Card or other account by someone other than the Cardholder or account holder;
- Service awards for state employees;
- Awards for private citizens;
- Honoraria expenses;
- Insurance policies;
- Gift cards or gift certificates; and



- Any goods or services related to political activity as defined under “The Little Hatch Act,” Tenn. Code Ann. §§ 2-19-201 through 208.

• State Agencies may request an exception from this paragraph by submitting a P-Card exception request in the form of a memorandum signed by the Fiscal Director to the Statewide P-Card Program Administrator at p.card@tn.gov.

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As provided above, Cardholders are prohibited from using a P-Card for the purchase of any goods or services not directly related to job responsibilities or other official State business. Intentional use of a P-Card for any purposes other than State business will result in disciplinary action, up to and including termination from State employment or criminal prosecution.

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### **10.2. Split Purchases Prohibited.**

Tenn. Code Ann. § 12-3-503(b) and CPO Policy Number 2013-003 authorize State Agencies to make a purchase without soliciting quotes or proposals from multiple Suppliers when the total value of the purchase is ten thousand dollars (\$10,000) or less. Cardholders are prohibited by Tenn. Code Ann. § 12-3-503(b)(2) from splitting a transaction between two or more transactions on a single account, two or more transactions on multiple accounts, or two or more transactions using the P-Card and a purchase order, in order to circumvent the STL imposed on the P-Card. **The STL for P-Card purchases using a physical P-Card is ten thousand dollars (\$10,000), unless your State Agency designates a lower STL in its State Agency Procedures, and up to fifty thousand dollars (\$50,000) for a Central Fiscal Office P-Card.**

### **10.3. Payment of Sales and Use Tax.**

Under Tenn. Code Ann. § 67-6-329(a), purchases made in Tennessee and for the use and benefit of the State of Tennessee are exempt from Tennessee sales tax. Cardholders should obtain an exemption certificate from the Department of Revenue website and present it to each Supplier. Purchases made in other states may be subject to that state’s sales tax. The Cardholder must be diligent when dealing with the Supplier regarding taxes.

- If the Supplier cannot deduct the sales tax because of pre-set controls within its computer systems or will not honor the exemption, the Cardholder may continue with the purchase but must note the refusal on the receipt or invoice.
- In the event a Cardholder is inappropriately charged for sales tax, he or she shall seek a credit refund of any sales taxes to the P-Card account. Suppliers may only credit the State’s P-Card Account and may not refund erroneously paid taxes through other means, including cash, gift cards, or store credit.
- The Cardholder is required to maintain documentation of his or her attempts to obtain credit for any Tennessee Sales and Use Tax charged to the P-Card Account in error. **Add further, non-conflicting information about documentation of attempts to obtain credit as needed.**



**11. Purchases Reserved for the Designated State Agency Name Central Fiscal Office Cardholder**

Only the person(s) designated by State Agency Name's [title of Agency employee who serves as the Agency's Fiscal Director and or budget director or officer] as Central Fiscal P-Cardholders may use his or her individual P-Card for the following types of purchases:

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

**12. Surcharges and Convenience Fees.**

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

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

The maximum allowable Visa-mandated surcharge is four percent (4%) and must be shown as a line item on the detailed invoice or receipt. Whenever a Supplier charges a surcharge, the following rules apply:

- The Supplier must have provided Visa and its bank at least thirty (30) days notification of their intent to impose surcharges;
- The fact that the Supplier imposes surcharges must be clearly posted on the door and at point-of-sale for physical locations and on web sites when sales are made via the internet; and
- The Supplier must inform the Cardholder or User:
  - Of the exact percent of the surcharge;
  - That the Supplier is the entity assessing the surcharge;
  - That surcharges are applicable on credit transactions only; and
  - That the surcharge is not greater than what the supplier pays to Visa.

For any Transaction where the Supplier has charged a surcharge, a Cardholder or User must obtain a copy of the acknowledgement letter sent to the Supplier by Visa authorizing the Supplier to impose a surcharge. A copy on file with the State Agency Name's P-Card Program Coordinator will be sufficient.

**STATE AGENCY P-CARD PROCEDURES  
MODEL**

**CLEAN VERSION**

## STATE AGENCY P-CARD PROCEDURES MODEL

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Instructions: Replace or otherwise address red instructional text as indicated. The following text serves as a guide and is intended to have the flexibility to adjust to each State Agency's specific needs. Submit completed procedures in a digital file (DOC format) to: [P.Card@tn.gov](mailto:P.Card@tn.gov) and copy to: [COT.CPC@cot.tn.gov](mailto:COT.CPC@cot.tn.gov). If completed procedures are not submitted, the State Agency must follow the Statewide Policy and coordinate State Agency Employee roles with the Statewide P-Card Program Administration Team.

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State Agency Name

State Agency Purchasing Card Procedures

Effective: Date

### 1. Overview.

It is the State Agency Name's policy to use the State of Tennessee's Purchasing Card for official state government purchases. The Statewide P-Card Program Administrator has authority to oversee administration of the P-Card program in State Agency Name. These State Agency Purchasing Card Procedures ("State Agency Procedures") govern aspects of the State Agency's P-Card program that are not addressed by the Statewide Policy.

### 2. Definitions.

"Agency Term Contract" means a State Agency contract in which a source or sources of supply are established for a specified period of time at an agreed upon unit price or prices.

"Bank" means the entity issuing the State's P-Card, or any of its subsidiaries as the context may require.

"Cardholder" means the State Agency employee who is issued a physical P-Card to initiate payments on behalf of the State.

"Cardholder Agreement" means the document signed by the Cardholder to verify that he or she completed P-Card training, received a copy of and understands the P-Card Policy.

"Cardholder Application" means the application completed by the Cardholder that is approved by the Cardholder Supervisor and the State Agency P-Card Program Coordinator that is required before a P-Card Account will be assigned to a Cardholder.

"Cardholder Supervisor" means the State Agency employee with supervisory authority over the Cardholder.

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

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

“Cycle (Credit) Limit” means the spending limit that restricts the total value of purchases a Cardholder can make in one billing cycle.

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

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

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

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

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

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

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

“Single Transaction Limit” or “STL” means the maximum dollar limit, per purchase transaction, that can be assigned to the physical P-Card. The STL is assigned per Cardholder at the discretion of the Agency Fiscal Director. Per Statewide Policy, the maximum STL that can be assigned to any individual physical P-Card is ten thousand dollars (\$10,000) without approval by the Statewide P-Card Program Administrator. These State Agency Procedures establish the STL for physical P-Cards as **Number** (\$ #) and up to fifty thousand dollars (\$50,000) for the designated State Agency Central Fiscal Office P-Card.

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

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

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

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

“State Agency Procedures” shall mean the internal procedures of the State Agency, as approved by the Central Procurement Office and the Comptroller of the Treasury, that govern issuance of a P-Card or authorization to use a Virtual P-Card and documentation, supervision, approval, or reconciliation of Transactions.

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

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

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

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

“Statewide Policy” means the Central Procurement Office’s Policy Number 2015-010, the Statewide Purchasing Card Policy and Procedures.

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

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

“Virtual Purchasing Card” or “Virtual P-Card” means the unique credit card account number, embedded within Edison, which is assigned to a State Agency for payment to suppliers authorized to accept P-Card as the form of payment for approved Edison purchase orders.

“Virtual P-Card User” or “User” means the State Agency employee who has a buyer or e-procurement role in Edison, has undergone training on reconciliation, and is authorized to use a Virtual P-Card to initiate payment transactions on behalf of the State.

### 3. Types of Accounts.

#### 3.1. P-Card Accounts.

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

If your agency has already implemented the Virtual P-Card, please delete the [reserved] language in the Virtual P-Cards sections below.

#### 3.2. Virtual P-Cards. [Reserved]

Virtual P-Cards are cardless accounts that allow **State Agency Name** to pay for approved, Edison purchase order transactions initiated by Virtual P-Card Users. A Virtual P-Card may be used for payments to any supplier that is registered in the State's supplier registration system whose payment method has been activated to "P-Card" in Edison. There is no STL for purchases made with a Virtual P-Card. The Bank determines the Cycle Limit for Virtual P-Cards.

### 4. Records Retention Requirements.

Records Disposition Authority (RDA) SW23 applies to all P-Card documents and is available at <http://www.tnsos.net/rmd/rda/index.php>. Under RDA SW23, **State Agency Name** must maintain all documents related to issuance and use of P-Cards for five (5) years.

SW23 provides:

- P-Card documents may be maintained in either paper or electronic format, so long as the electronic content has been verified for completeness, accuracy, and usability; and
- At the end of the five-year period, the documents must be destroyed.

**Describe your Agency's process for maintaining and destroying P-Card documents; include whether documents will be maintained in paper format, electronic format, or both.**

### 5. P-Card Program Roles and Responsibilities.

#### 5.1. State Agency P-Card Program Coordinator.

The State Agency P-Card Program Coordinator is the main point of contact between **State Agency Name** and the Statewide P-Card Program Administration Team. **State Agency Name's** P-Card Program Coordinator's responsibilities include:

- Providing the Statewide P-Card Program Administrator written notice within one (1) business day of any changes in status of the State Agency P-Card Program Coordinator;



- Collaborating with the **State Agency Name**'s [insert title of the person who serves as the Agency's Fiscal Director] to develop these Procedures and ensure it addresses procedures unique to **State Agency Name**;
- Working with **State Agency Name** management to determine appropriate Cardholder spending limits based on budget restrictions, job requirements, historical spending patterns, and overall procurement practices;
- Evaluating Cardholder spending limits against actual usage at least annually;
- Terminating a Cardholder's status as a Cardholder and cancelling P-Cards;
- Ensuring all P-Card transactions are verified and approved at least weekly and comply with the statewide and agency-wide reconciliation procedures for accuracy and timeliness;
- Ensuring that Transactions are reconciled and supported by adequate documentation, including use of Edison or Online Banking Program, as appropriate;
- Immediately informing the Statewide P-Card Program Administrator of any misuse, abuse or fraudulent use of a P-Card; and
- **Add other, non-conflicting responsibilities to reflect your Agency's needs.**

#### **5.2. Cardholder Supervisors.**

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

- Carefully reviewing all documentation to ensure that it meets the minimum requirements as set forth in the Statewide Policy before approving P-Card Transactions;
  - Approving or rejecting all Transactions within the scheduled timeframe;
  - Ensuring that all documentation is submitted according to the Statewide Policy and State Agency Procedures;
  - Maintaining knowledge of the Statewide Policy and State Agency Procedures;
  - Requesting reasonable spending limits in accordance with the Statewide Policy and State Agency Procedures; **and**
  - **Add other, non-conflicting responsibilities to reflect your Agency's needs.**
- Any one Agency may have several Cardholder Supervisors.**

#### **5.3. State Agency Reconciler.**

The State Agency Reconciler is the **State Agency Name** employee responsible for all the functions associated with post-purchase processing of P-Card Transactions including account allocation and providing a business purpose when required. A Reconciler CANNOT make purchases using the P-Card belonging to a Cardholder for whom he or she reconciles.

#### **5.4. State Agency Approver.**

This role may be performed by the Cardholder Supervisor. Determine and describe how your Agency will address the State Agency Approver role. The information below should be moved into the appropriate section if your Agency will assign this role to Cardholder Supervisors only.

The State Agency Approver is the **State Agency Name** employee who approves purchases made by the Cardholder to which he or she is assigned. The State Agency Approver is responsible for ensuring authorized and appropriate P-Card use and correct allocation of expenditures in accordance with policies of the Department of Finance and Administration, Division of Accounts. State Agency Approvers should also review receipts where appropriate to ensure compliance with the Statewide Policy (available online at <http://www.tn.gov/generalservices/topic/education-library>), State Agency Procedures, and Department of Finance and Administration, Division of Accounts policies (available online at <http://www.tn.gov/finance/topic/fa-policyinfo>). No Cardholder may approve his or her own P-Card transactions nor may he or she direct someone else to approve P-Card transactions in a manner that could violate the Statewide Policy, State Agency Procedures, or Department of Finance and Administration, Division of Accounts policies. The State Agency Approver should not report to the Cardholder whose transactions he or she is reviewing. A State Agency Approver has the following responsibilities.

- Review Cardholder transactions to ensure that purchases made were:
  - For the use and benefit of the State;
  - Necessary for the official duties of the Agency;
  - Made in accordance with CPO policies and procedures; and
  - For goods or services actually received.
- If a State Agency Approver is in doubt about any of the above, he or she should immediately question the Cardholder and seek advice from the **State Agency Name's** P-Card Program Coordinator. **Elaborate on this process as needed. Note that if the Cardholder is unavailable for questioning, the Agency P-Card Coordinator or the Statewide P-Card Administration Team may adjust the Cardholder's STL to one dollar (\$1.00).**
- Review, certify, and approve P-Card Transactions in accordance with these State Agency Procedures.
- Immediately inform the Agency P-Card Program Coordinator of any misuse, abuse or fraudulent use of a P-Card.
- Notify the Agency P-Card Program Coordinator of Cardholder transfers or terminations. **Elaborate on this process as needed. Note that the Statewide Policy requires advanced notice if the State Agency Approver is aware of impending personnel actions.**

### **5.5. Cardholders.**

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

- Reading and becoming familiar with the Statewide Policy and State Agency Procedures;
- Attending and passing the Cardholder / Approver training course;
- Signing the Cardholder / Approver agreement;

- Being responsible for all purchases made on the P-Card;
- Adhering to the Statewide Policy, State Agency Procedures, and other applicable policies and procedures; and
- Add other, non-conflicting duties and responsibilities to reflect your Agency's needs.

Only the authorized Cardholder whose name appears on the face of the P-Card shall use the card. Neither the P-Card nor the account number that appears on the card may be given to anyone other than the supplier from whom the Cardholder is making a purchase. Add other, non-conflicting information on the Cardholder's responsibility to protect the security of the P-Card as needed.

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

#### **5.6. Virtual P-Card Users.** [Reserved]

A Virtual P-Card User has authority to make purchases utilizing State Agency Name's local purchase authority and to make purchases from a Statewide Contract or Agency Term Contract for official State business. Describe your Agency's eligibility requirements for Users and the training Users must complete before initiating any Transactions with a Virtual P-Card. Minimum eligibility requirement: e-procurement or buyer role in Edison. Minimum training requirement: training on reconciliation procedures.

### **6. P-Card Issuance and Cancellation.**

State Agency Name's P-Card Program Coordinator is responsible for issuing all P-Cards within the Agency and for deactivating P-Cards as necessary.

#### **6.1. P-Card Issuance.**

The State Agency P-Card Program Coordinator shall not issue a P-Card until the prospective Cardholder completes, in the following order, the Cardholder Application, the Cardholder profile, P-Card training, and the Cardholder Agreement. The Cardholder Agreement is evidence that the Cardholder completed P-Card training and received a copy of the Statewide Policy. Add further details on the P-Card issuance process in your Agency as needed. When creating Cardholder profiles, your Agency's P-Card Program Coordinator should ensure that a profile permits only those MCC groups that the particular Cardholder needs to meet his or her job requirements.

#### **6.2. P-Card Cancellation.**

The State Agency P-Card Program Coordinator has authority to terminate a Cardholder's status as a Cardholder and cancel P-Cards. *Add further information about your Agency's process for destroying cancelled P-Cards as needed.*

P-Cards shall be cancelled when any of the following occur:

- Cardholder's separation from employment for any reason;
- Cardholder's job status changes such that he or she no longer requires a P-Card;
- Cardholder reports the loss or theft of the P-Card;
- Cardholder misuses the P-Card; or
- Untimely confirming or disputing transactions. *Add details on what your Agency will consider untimely.*
- *Add other, non-conflicting grounds for cancellation as needed.*

## 7. P-Card Use.

### 7.1. P-Card Processing Cycle.

The typical cycle for P-Card use is:

- An individual Cardholder , with State Agency approved spending limits, initiates a purchase using a P-Card;
- The individual Cardholder retains an original, legible copy of the purchase's receipt for use in reconciliation;
- Transactions are typically posted in the Edison P-Card module within 24-72 hours after the purchase is made;
- The Cardholder will log into the Edison P-Card module *[insert how frequently transaction review will occur in your Agency; minimum requirement is weekly]* to review transactions and account coding and take necessary action to correct errors in the purchase details;
- The Cardholder or his or her *State Agency Approver or Cardholder Supervisor* confirms or disputes Transactions posted to the card account;
- The credit line is replenished for the amount of the Transactions;
- The Cardholder will receive a *hard-copy or electronic* Bank statement monthly;
- The *hard-copy or electronic* Bank statement and receipts will be sent to the State Agency Reconciler for final reconciliation;
- The State Agency Reconciler will reconcile all Transactions by *[specify your Agency's reconciliation process, including how frequently reconciliation will occur; under section 9.3 of the Statewide Policy, reconciliation be completed in Edison unless the CPO approves an alternate method];* and
- The State Agency Reconciler prepares all documentation for retention by *[specify your Agency's record retention process; refer to section 4 for record retention requirements].*



### **7.2. *Purchasing Rules.***

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

### **7.3. *Credits.***

If a Cardholder returns merchandise, a credit should be issued to the Cardholder's P-Card and a credit receipt obtained. Under no circumstances should a Cardholder receive cash or a credit voucher. The Cardholder is responsible for reviewing the Online Banking Program to ensure that credits are received and, if not, file the appropriate paperwork for disputed items. Cardholders should avoid Suppliers with restrictive merchandise return policies.

### **7.4. *Disputing Transactions.***

If there is a problem with a Transaction, the Cardholder must first attempt to reach a resolution directly with the Supplier. In most cases, disputes can be resolved between the Cardholder and the Supplier. The Supplier will usually issue a credit.

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

If a Bank Statement contains a Transaction that needs to be disputed, the Cardholder should contact the Bank's Customer Service to initiate the dispute process, and contact **State Agency Name's** P-Card Program Coordinator to ensure the disputed transaction has been documented. If the dispute cannot be resolved between the Cardholder and the Bank, the Cardholder shall immediately notify the **State Agency Name's** P-Card Program Coordinator and **[describe your Agency's process for disputing a transaction under these circumstances]**.

### **7.5. *Declined Purchase Transactions.***

On occasion, a Cardholder's purchase transaction may be declined. Cardholders should contact the Bank's Customer Service to determine the reason for the decline before contacting **State Agency Name's** P-Card Program Coordinator for assistance.

### **7.6. *Lost or Stolen P-Cards.***

If a P-Card is lost, stolen, or the card information has been compromised, the Cardholder must immediately contact the Bank's **Customer Service**. Upon such notification, outstanding authorizations will be confirmed and the Bank will cancel the P-Card (further use of the P-Card will be blocked by the Bank). Neither the State nor the Cardholder will

be responsible for fraudulent charges made to a promptly reported lost or stolen card. At the time of the notification, the Bank may request the following information:

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

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

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

**7.7. *Cardholder Transfer or Separation from Employment.***

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

**8. Internal Controls.**

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

Your State Agency must establish an internal control structure that ensures compliance with the State's procurement laws, CPO rules, policies and procedures, the Statewide Policy, and the terms and conditions of P-Card established by the Bank. The State Agency employee who serves as the Agency's Fiscal Director is responsible for developing and reviewing the State Agency Procedures and ensuring that sound accounting practices and internal controls are in place and enforced.



**8.1. Annual Review of *State Agency Name*'s P-Card Program.**

The Statewide Policy requires each State Agency to have an independent review of the Agency's P-Card program each year. Describe how this annual, internal, independent review will occur in your Agency, including who will perform the review (State Agency's P-Card Coordinator, State Agency's internal audit unit, or other business unit assigned State Agency audit responsibilities) and what the review will consist of. At minimum, the review shall evaluate the adequacy of the State Agency P-Card program's: (a) State Agency Procedures; (b) Cardholder spending limits; (c) monthly reconciliation procedures; and (d) documentation for Transactions. Include results of the review in your Agency's annual risk assessment.

If your State Agency has a designated State Agency Central Fiscal Office P-Card then the protocol for establishing the card needs to be addressed either in your procedures or as an addendum to your procedures. If included in the procedures, modify section 8.2. Cardholder Spending Limits and P-Card use below to address your agency's protocol for establishing a designated State Agency Central Fiscal Office P-Card and any alternate Central Fiscal Office P-Cards, including which Central Fiscal Office P-Card is primary and which is alternate.

**8.2. Cardholder Spending Limits and P-Card Use.**

The *State Agency Name* employee who serves as the Agency's Fiscal Director may establish a Single Transaction Limit (STL) of up to the ten thousand dollars (\$10,000) maximum for Cardholders as he or she determines appropriate taking into account the State Agency's overall needs.

The *State Agency Name* employee who serves as the Agency's Fiscal Director may also establish a Single Transaction Limit (STL) of up to the fifty thousand dollars (\$50,000) maximum for Central Fiscal Office P-Cards as he or she determines appropriate taking into account the State Agency's overall needs.

Add details related to the protocol for establishing a designated State Agency Central Fiscal Office P-Card and any alternate Central Fiscal Office P-Cards, including which is primary and which are alternates. Include any circumstances (e.g., unavailability of the primary Central Fiscal Office P-Card) under which an alternate Central Fiscal Office P-Card may be used.

The State Agency Fiscal Director should also determine the total maximum per Cycle Limit for each Cardholder based on the individual's position and unique purchasing needs, and the State Agency's budget to ensure payment in full monthly.

State Agency Name's P-Card Program Coordinator will review Cardholder spending limits [insert frequency of review; minimum is annually] to determine if actual usage is

consistent with spending limits. Cardholders are prohibited from splitting a single purchase between one or more P-Cards or between a Card transaction and a purchase order to circumvent the STL or CPO rules, policies or procedures.

### **8.3. *Dormant Cards.***

When a P-Card has not been used for **length of time**, it will be considered inactive. Describe how your Agency will respond when a P-Card is deemed inactive. **The CPO recommends reducing the Cycle Limit of any P-Card that has not been used within twelve (12) complete cycles to one dollar (\$1).** When a P-Card has not been used for **length of time**, **State Agency Name's** P-Card Program Coordinator will conduct a review to determine if the Cardholder still needs a P-Card. **Add further details about the review of dormant cards as needed.**

## **9. Documentation, Reconciliation, and Accounting.**

### **9.1. *Documentation***

Describe your Agency's procedures for documentation of Transactions. At minimum, your procedures shall require Cardholders to provide invoices or receipts (either electronic or hard copy format) for all Transactions. Invoices or receipts shall include: (a) the Supplier's name, location, and contact information; (b) line item details, including quantity, description, unit price, and total price; and (c) a line showing the State was not charged for sales tax. If your Agency decides to use logs as a form of documentation, specify procedures for maintaining logs. Include procedures for lost receipts and describe any consequences if a Cardholder loses receipts more than three (3) times during a fiscal year. Consult section 10.2 of the Statewide Policy for further guidance receipts.

### **9.2. *Reconciliation.***

Reconciliation of Transactions is performed in Edison. Note that reconciliation cannot be performed manually unless your Agency has obtained approval from the CPO. Cardholders will reconcile Transactions [insert frequency; minimum requirements under the Statewide Policy: weekly]. Add further, non-conflicting information about reconciliation to reflect your Agency's needs.

### **9.3. *Allocation to the Chart of Accounts.***

Describe your Agency's procedures for allocation of charges to the chart of accounts. The procedures must ensure: (a) compliance with State accounting and budgetary policies; and (b) all Transactions are allocated to the chart of accounts before the end of the monthly reconciliation cycle.

## **10. Prohibited Purchases and Transactions.**

### ***10.1. Prohibited Purchases.***

Cardholders are prohibited from using a physical P-Card for the following types of purchases, payments, or transactions:

- Goods or services not directly related to job responsibilities or other official State of Tennessee business, i.e., personal purchases;
- Cash withdrawals, including ATM or debit withdrawals;
- Travel expenses;
- Telephone billings;
- Political publications of any sort;
- Utility billings and connection fees;
- Payments to another State Agency;
- Rental of passenger vehicles of any kind;
- Artifacts for historical or commemorative purposes (except for the State Museum);
- An employee's moving expenses;
- Purchases of any motor vehicle fuel for any vehicle of equipment leased from the Department of General Services' Division of Motor Vehicle Management ("MVM");
- Back orders or partial shipments—goods or services must be in stock or otherwise available at the time of purchase;
- Purchases made using a P-Card or other account by someone other than the Cardholder or account holder;
- Service awards for state employees;
- Awards for private citizens;
- Honoraria expenses;
- Insurance policies;
- Gift cards or gift certificates; and
- Any goods or services related to political activity as defined under "The Little Hatch Act," Tenn. Code Ann. §§ 2-19-201 through 208.

State Agencies may request an exception from this paragraph by submitting a P-Card exception request in the form of a memorandum signed by the Fiscal Director to the Statewide P-Card Program Administrator at [p.card@tn.gov](mailto:p.card@tn.gov).

As provided above, Cardholders are prohibited from using a P-Card for the purchase of any goods or services not directly related to job responsibilities or other official State business. Intentional use of a P-Card for any purposes other than State business will result in disciplinary action, up to and including termination from State employment or criminal prosecution.

### ***10.2. Split Purchases Prohibited.***

Tenn. Code Ann. § 12-3-503(b) and CPO Policy Number 2013-003 authorize State Agencies to make a purchase without soliciting quotes or proposals from multiple Suppliers when the total value of the purchase is ten thousand dollars (\$10,000) or less. Cardholders are prohibited by Tenn. Code Ann. § 12-3-503(b)(2) from splitting a transaction between two or more transactions on a single account, two or more transactions on multiple accounts, or two or more transactions using the P-Card and a purchase order, in order to circumvent the STL imposed on the P-Card. **The STL for P-Card purchases using a physical P-Card is ten thousand dollars (\$10,000), unless your State Agency designates a lower STL in its State Agency Procedures, and up to fifty thousand dollars (\$50,000) for a Central Fiscal Office P-Card.**

### ***10.3. Payment of Sales and Use Tax.***

Under Tenn. Code Ann. § 67-6-329(a), purchases made in Tennessee and for the use and benefit of the State of Tennessee are exempt from Tennessee sales tax. Cardholders should obtain an exemption certificate from the Department of Revenue website and present it to each Supplier. Purchases made in other states may be subject to that state's sales tax. The Cardholder must be diligent when dealing with the Supplier regarding taxes.

- If the Supplier cannot deduct the sales tax because of pre-set controls within its computer systems or will not honor the exemption, the Cardholder may continue with the purchase but must note the refusal on the receipt or invoice.
- In the event a Cardholder is inappropriately charged for sales tax, he or she shall seek a credit refund of any sales taxes to the P-Card account. Suppliers may only credit the State's P-Card Account and may not refund erroneously paid taxes through other means, including cash, gift cards, or store credit.
- The Cardholder is required to maintain documentation of his or her attempts to obtain credit for any Tennessee Sales and Use Tax charged to the P-Card Account in error. **Add further, non-conflicting information about documentation of attempts to obtain credit as needed.**

## **11. Purchases Reserved for the Designated **State Agency Name** Central Fiscal Office Cardholder**

Only the person(s) designated by **State Agency Name's** [title of Agency employee who serves as the Agency's Fiscal Director and or budget director or officer] as Central Fiscal P-Cardholders may use his or her individual P-Card for the following types of purchases:

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

## **12. Surcharges and Convenience Fees.**

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

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

The maximum allowable Visa-mandated surcharge is four percent (4%) and must be shown as a line item on the detailed invoice or receipt. Whenever a Supplier charges a surcharge, the following rules apply:

- The Supplier must have provided Visa and its bank at least thirty (30) days notification of their intent to impose surcharges;
- The fact that the Supplier imposes surcharges must be clearly posted on the door and at point-of-sale for physical locations and on web sites when sales are made via the internet; and
- The Supplier must inform the Cardholder or User:
  - Of the exact percent of the surcharge;
  - That the Supplier is the entity assessing the surcharge;
  - That surcharges are applicable on credit transactions only; and
  - That the surcharge is not greater than what the supplier pays to Visa.

For any Transaction where the Supplier has charged a surcharge, a Cardholder or User must obtain a copy of the acknowledgement letter sent to the Supplier by Visa authorizing the Supplier to impose a surcharge. A copy on file with the **State Agency Name**’s P-Card Program Coordinator will be sufficient.

**HR PRE-APPROVAL ENDORSEMENT  
REQUEST**

**REDLINE VERSION**





## HR Pre-Approval Endorsement Request E-Mail Transmittal

**TO :** [Brigitte Tubbs-Jones, Employment Law Counsel](#)  
Department of Human Resources  
E-mail : [DOHR.Contracts@tn.gov](mailto:DOHR.Contracts@tn.gov)

**FROM :**  
E-mail : \_\_\_\_\_

**DATE :**

**RE :** Request for Human Resources Pre-Approval Endorsement

|  |
|--|
| <b>Applicable RFS #</b>                                  |
| <b>Human Resources Endorsement Signature &amp; Date:</b> |
| <hr/> <b>Department of Human Resources</b>               |

Department of Human Resources (HR) pre-approval endorsement is required pursuant to procurement regulations pertaining to contracts with an individual; contracts that involve training State employees (except training pursuant to an information technology system procurement); or services relating to the employment of current or prospective state employees (interviewing, screening, evaluating, *et cetera*). This request seeks to ensure that HR is aware of and has an opportunity to review the procurement detailed below and in the attached document(s). This requirement applies to any procurement method regardless of dollar amount.

Please indicate HR endorsement of the described procurement (with the appropriate signature above), and return this document via e-mail at your earliest convenience.

|  |  |
|--|--|
| <b>Contracting Agency</b>  |  |
| <b>Agency Contact</b> (name, phone, e-mail)  |  |
| <b>Attachments Supporting Request</b> (as applicable – copies without signatures acceptable)   |  |
| <input type="checkbox"/> Solicitation Document<br><input type="checkbox"/> Special Contract Request<br><input type="checkbox"/> Amendment Request<br><input type="checkbox"/> Proposed contract or amendment |  |
| <b>Subject HR Service Description</b> (Brief summary of HR services involved. As applicable, identify the contract and solicitation sections related to the HR services.)                                    |  |

**HR PRE-APPROVAL ENDORSEMENT  
REQUEST**

**CLEAN VERSION**

