AGENDA
ADVISORY COUNCIL ON STATE PROCUREMENT MEETING #042
WEDNESDAY, JUNE 5, 2019, 2:00 P.M.
TN TOWER – 3RD FLOOR, MULTI MEDIA ROOM

MINUTES OF MARCH 7, 2019 MEETING

MINUTES
ADVISORY COUNCIL ON STATE PROCUREMENT MEETING #041
THURSDAY MARCH 7, 2019 2:00 P.M.
TN TOWER – 3rd FLOOR – NASHVILLE ROOM

Members in Attendance:
Mike Perry, Buddy Lea, Bryan Chriske (designated by Comptroller Wilson to attend in Jason Mumpower's absence), Summer Carr, Ted Hayden, Michelle Lane, Brad Eskind

Members Participating by Phone:
Sean Newman

Others in Attendance:
Paul Krivacka, Alex Komisar, Jenny Young, Randy Dean, Jennifer Pfeiffer, Don Ivancic, Robin Hipes, Debi Moss, Kay Morgan, Christine Malone, Chris Salita, Andy Kidd, Trey Norris

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

II. **Announcement:** Mr. Perry announced that Bryan Chriske, Office of the Comptroller of the Treasury has been designated by Comptroller Wilson to attend in Jason Mumpower's place today.

III. **Minutes from the October 24, 2018 Meeting:** Mr. Perry asked if there were any corrections or additions to the minutes from the October 24, 2018 meeting. Seeing none, a motion was made by Mr. Buddy Lea, Assistant Commissioner, Department of Finance and Administration to accept the minutes as presented. The motion was seconded by Ms. Summer Carr, Assistant General Counsel, Department of Economic and Community Development. All members voted in favor – none opposed.

IV. **New Business:**

Mr. Perry asked Mr. Paul Krivacka, Lead Attorney/Director of Category Management, Central Procurement Office, to present the following New Business agenda items:

Mr. Krivacka noted that several agenda items could be grouped together in the interest of consolidating 24 items to get through the items more expeditiously, and asked if these items could be combined for discussion and approval purposes. Mr. Krivacka proposed consolidating items (2) and (3) together, items (6), (7), (8), and (9) together, items (13) and (14) together, and finally items (21), (22), and (23)

Mr. Perry stated that as to those items, the Commission would have a chance to request discussion on any individual items. There were no objections.

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

(1) Department of Revenue Registration

Mr. Krivacka summarized the following points with regard to the Department of Revenue Registration proposal:

- This proposal revises the Department of Revenue registration instructions so instead of directing respondents to an email address, respondents will now be directed to the Department's Revenue TN Taxpayer Access Point External Portal, which includes a questionnaire and other information to assist with the registration process (which is required by Tenn. Code Ann. § 12-3-306).

Seeing no discussion on agenda item (1), Buddy Lea, made a motion to recommend the Department of Revenue Registration proposal as presented to the Procurement Commission for approval. The motion was seconded by Mr. Bryan Chriske, Office of the Comptroller of the Treasury. All members voted in favor – none opposed.

Mr. Perry noted that Mr. Krivacka was proposing to take agenda items (2) and (3) together and asked if there was any opposition. Seeing none, Mr. Krivacka proceeded to present agenda item (2) and (3):

(2) *Procurement Procedures Manual of the CPO*, Sections 4.1., 5.4.6., and 5.4.7
(3) *Procurement Procedures Manual of the CPO*, Section 5.1.1

Mr. Krivacka summarized the following points with regard to the *Procurement Procedures Manual of the CPO*, Sections 4.1., 5.4.6., and 5.4.7 and *Procurement Procedures Manual of the CPO*, Section 5.1.1 proposal:

- Section 4.1. adds a new defined term for "Capital Project" – as defined by Item 2 of the Policy and Procedure of the State Building Commission. Although Capital Projects are under SBC (and not CPO) Policy, a Requisition is required for a Capital Project or Capital Project related purchase and this will point procurement professionals to the SBC Policy for more information.
- The CPO has revisited the Requisition and Purchase Order processes and to improve efficiencies, stay in sync with system enhancements, and reduce redundancies, this proposal revises 5.4.6. and 5.4.7. to remove the requirement that all purchases start with a requisition. A requisition is only required for those purchase types specifically enumerated in the Procurement Procedures Manual.
- Agencies still have the option to use the Requisition process if that is preferred for internal business purposes, but an agency will no longer be required to use the Requisition process by CPO policy, unless a Requisition is required by Section 5.4.6. This change will result in more direct Purchase Orders, which will shorten the procurement process time and improve efficiency.

- This proposal is a companion to the changes to the Direct Purchase Order. Since the workflow for External Approvers was previously built on requisitions, these approvals will now be captured on the Purchase Orders.
- This revision to Section 5.1.1. adds additional approvers to the list of approvals for which Electronic Signature or electronic approval shall be an acceptable form of approval on the Purchase Orders.

Mr. Perry stated that this is an important change from the User Groups to allow the State to maintain any necessary approvals on the Purchase Order side, but not require agencies to do a redundant requisition. It will eliminate a step and improve the efficiency of the process. Mr. Perry asked if anyone had any questions. Mr. Lea noted it was a good streamline of change.

Seeing no further discussion, Mr. Ted Hayden, Executive Director of Compliance, State of Tennessee Real Estate Asset Management made a motion to recommend agenda item (2) *Procurement Procedures Manual of the CPO*, Sections 4.1., 5.4.6., and 5.4.7 proposal and agenda item (3) *Procurement Procedures Manual of the CPO*, Section 5.1.1as presented to the Procurement Commission for approval. The motion was seconded by Mr. Lea. All members voted in favor – none opposed.

Mr. Krivacka stated that agenda items (4) through (9) are related and ask that these items be taken together. Mr. Perry asked if there was any objection to voting on items (4) through (9) as a single agenda item. Mr. Lea clarified that they are all about delegations, Mr. Krivacka agreed. Seeing none, Mr. Perry asked Mr. Krivacka to proceed to agenda items (4) through (9):

(4) Policy Number 2013-006, *Delegation of Authority Policy,* Section 4
(5) Delegated Grant Authority ("DGA") Template
(6) Rule Exception Request for the DA or DGA templates – AGSPRS version
(7) Rule Exception Request for the DA or DGA templates – Edison version
(8) Rule Exception Request – AGSPRS version
(9) Rule Exception Request – Edison version

Mr. Krivacka summarized the following points with regards to the (4) Policy Number 2013-006, *Delegation of Authority Policy,* Section 4, (5) Delegated Grant Authority ("DGA") Template, (6) Rule Exception Request for the DA or DGA templates – AGSPRS version, (7) Rule Exception Request for the DA or DGA templates – Edison version, (8) Rule Exception Request – AGSPRS version, and (9) Rule Exception Request – Edison version proposal:

- Agenda Items # 4 – 9 are all related.
- Agenda Item #4 changes the Delegation of Authority Policy to add the following: A DGA that contains ONLY federal funds and is in excess of twelve (12) months does not automatically require a rule exception request, unless there are changes requested by the State Agency to the pro forma or underlying contract template.
- The Grants Manager and COT have reviewed this issue and have determined that additional oversight is not required for multi-year delegations in those instances where there are only federal funds involved. This change will reduce the number of Rule Exception Requests ("RER"). It will streamline and improve cycle time for Grant review.

- Item #5 is a proposal that will add additional instructions to the DGA Template to clarify by including language that provides – "use the RER for the DA or DG Template to request any modification to this template that is not otherwise identified in the instructions."
- This proposal will also add a new line item to complete if the DGA covers only federal funds and is in excess of 12 months. This proposal will also provide an opportunity to justify a request to extend the DGA beyond 12 months. Capturing this justification on the DGA Template itself will eliminate the need to require a RER (unless of course there are changes made to the pro forma or underlying contract template).
- Item #6 is a proposed change to the RER for the DA and DGA Templates, the AGSPRS version. In coordination with the proposed changes to the Delegation of Authority Policy and DGA Template, this proposal will add the same instructional information to the RER for the DA or DGA.
- Item #7 is a proposed change to the RER for the DG and DGA Templates, the EDISON version. As CPO automates, those approval forms will then be in EDISON instead of going to the AGSPRS email. As the RER process is moving from a manual email process to a more automated one with workflow approvals routed and captured in Edison – this is the same clarification instruction change as to the current form but in a different version with the Edison routing process instructions instead of the AGSPRS email routing instructions.
- Item #8 is also a proposed change to the RER, the AGSPRS version. It will add a note to the standard RER that will provide "if the requested changes involve contracts under a delegation, please use the RER for the DA or DGA templates."
- Last, Item #9 is a proposed change to the RER, EDISON version. Just like the RER for the DA or DGA – this proposal will provide for two versions of the revision: one for the AGSPRS email process and one for the Edison automated workflow approval process.

Mr. Perry stated that this reflects an ongoing process CPO is going through to try and eliminate any manual forms, like rule exception requests, and using eforms. Putting those into EDISON and the ERP system, CPO will be able to track and approve them electronically. There will be more coming as the CPO works through the ten or twelve items that can be automated. Mr. Lea commented that this was excellent not only in expediting work flow, but also because it will capture trend data and manage by data all of these requests and amendments. Mr. Lea stated that being able to analyze data on an aggregate basis is a big improvement and he hopes to see more of that.

Seeing no further discussion on agenda items (4) through (9), Mr. Chriske made a motion to recommend the Policy Number 2013-006, Delegation of Authority Policy, Section 4, Delegated Grant Authority ("DGA") Template, Rule Exception Request for the DA or DGA templates – AGSPRS version, Rule Exception Request for the DA or DGA templates – Edison version, Rule Exception Request – AGSPRS version, Rule Exception Request – Edison version proposals as presented to the Procurement Commission for approval. The motion was seconded by Mr. Lea. All members voted in favor – none opposed.

Mr. Krivacka then proceeded to present agenda item (10):

(10) STS Pre-Approval Endorsement Request

Mr. Krivacka presented the following points with regard to the STS Pre-Approval Endorsement Request proposal:

- STS is in the process of revising its process for the STS endorsement requests moving to Service Now.
- This proposal is to revise the instructions by removing the it.abc@tn.gov email link and include a link to Service Now website. This proposal will also provide a placeholder for instructions to be placed on TEAMTTN. STS is working on instructions and guidance that will be ready before STS starts using ServiceNow. (Timing TBD - potentially end of March).

Seeing no discussion on agenda item (10), Mr. Lea made a motion to recommend STS Pre-Approval Endorsement Request proposal as presented to the Procurement Commission for approval. The motion was seconded by Mr. Hayden. All members voted in favor – none opposed.

Mr. Krivacka then proceeded to present agenda item (11):

(11) A.2. Definitions

Mr. Krivacka presented the following points with regard to the A.2. Definitions proposal:

- This proposed item will provide for a new section that will allow state agencies, the Central Procurement Office, or anyone else who is drafting a contract based on the FA template to include a definition section without one having to seek a RER.
- Instructions also be added to the FA Template Instructions, Considerations, and Options that this Definitions section may be removed if not applicable without one having to seek a RER.

Mr. Perry mentioned this is another example of a process improvement that eliminates another unnecessary step. Mr. Chriske confirmed this will also apply to the RV and No Cost. The agenda he had, on page 80, suggested it applied to the three. Mr. Krivacka reviewed page 80 of the agenda package and confirmed that Mr. Chriske was correct and that the proposal would apply to the FA, RV, and NC terms and conditions.

Seeing no further discussion on agenda item (11), Mr. Perry asked for a motion with changes as noted, ensuring it does apply to the RV, No Cost, and FA Template. Mr. Lea made a motion to recommend A.2. Definitions proposal as presented to the Procurement Commission for approval. The motion was seconded by Mrs. Carr. All members voted in favor – none opposed.

Mr. Krivacka then proceeded to present agenda item (12):

(12) B.#. Renewal Options

Mr. Krivacka presented the following points with regard to the B.#. Renewal Options proposal:

- This proposal will apply to the various template documents (e.g., FA and GR Templates).

- This proposal will add a new Renewal optional term to allow procurement professionals the flexibility to exercise multiple renewal options at once.
- Previously, renewal options were limited to 12 months each. (That option is still available, but this proposal adds a new optional renewal term for those instances where it is in the State's best interest to renew for a period of time longer than 12 months).

Mr. Lea stated he thought some of the rationale for this change was making a more competitive option available for longer contracts to improve the chances for getting better pricing from a vendor who knows they may have these renewal options as opposed to going to bat every year. Mr. Krivacka confirmed and explained that there are situations where allowing a renewal option that it is favorable to the State may result in better pricing and terms and conditions. There are those situations that under the standard language the State may be missing those opportunities, so this proposal will create some flexibility so that the State has better opportunities to get even better terms and conditions. Mr. Chriske asked if there was any basis for the twelve month option being the only option. Was this a Fiscal Review Committee requirement? Mr. Krivacka responded stating that that is a legacy practice that has been going on in government contracting for decades. There is not a legal requirement. The reality is that someone a long time ago decided a 12 month initial term and multiple 12 month terms was the way that government should do business, so this is a practice that has continued on for many years. Mr. Perry added that years ago the common practice was 12 month contracts period and that multi-year contracts were uncommon.

Seeing no further discussion on agenda item (12), Mr. Chriske made a motion to recommend B.#. Renewal Options proposal as presented to the Procurement Commission for approval. The motion was seconded by Mr. Lea. All members voted in favor – none opposed.

Mr. Krivacka stated that agenda items (13) and (14) are similar and ask that these items be taken together. Mr. Perry asked if there was any objection to voting on items (13) and (14) as a single agenda item. Seeing none, Mr. Perry asked Mr. Krivacka to proceed to agenda items (13) and (14):

(13) Family Educational Rights and Privacy Act ("FERPA") contract term
(14) Confidentiality of Records and Personally Identifiable Information contract terms

Mr. Krivacka presented the Family Educational Rights and Privacy Act ("FERPA") contract term and the Confidentiality of Records and Personally Identifiable Information contract terms proposals:

- Item #13 is a proposed change to the Family Education Rights and Privacy Act ("FERPA") contract term.
- This request revises the FERPA contract clause to add survival language stating that "the obligations set forth in this Section shall survive the termination of this Contract."
- This revision was requested by the Department of Education and will be added to all contract and grant contract templates, as applicable.
- Item #14 is a proposed change to the Confidentiality of Records and Personally Identifiable Information (PII) contract terms. When the FERPA survivability clause was brought to our attention by Education, the Subcommittee decided to take a look at the State's other confidentiality clauses. The Subcommittee determined that the State should do the same to its general confidentiality provision related to records and

property and PII contract terms. This proposal will add the same survivor language to those provisions as well.

Mr. Lea stated this it made sense that the protection of PII shouldn't be limited by the term of the State's contract as this would be arbitrary.

Seeing no further discussion on agenda items (13) and (14), Mr. Hayden made a motion to recommend Family Educational Rights and Privacy Act ("FERPA") contract term and Confidentiality of Records and Personally Identifiable Information contract terms proposals as presented to the Procurement Commission for approval. The motion was seconded by Mr. Lea. All members voted in favor – none opposed.

Mr. Krivacka then proceeded to present agenda item (15):

(15) Contractor Hosted Services Requirements contract term

Mr. Krivacka presented the following points with regard to the Contractor Hosted Services Requirements contract term proposal:

- This proposal will clarify that under the FedRAMP option, no additional funding will be allocated for these certifications.
- This proposal adds language that will condition these obligations "as applicable" to the CMS related data. The Bureau of TennCare has discretion to determine if this term is applicable or not.

Seeing no discussion on agenda item (15), Mr. Lea made a motion to recommend Contractor Hosted Services Requirements contract term proposal as presented to the Procurement Commission for approval. The motion was seconded by Mrs. Carr. All members voted in favor – none opposed.

Mr. Krivacka then proceeded to present agenda item (16):

(16) Force Majeure and State and Federal Compliance contract terms

Mr. Krivacka presented the following points with regard to the Force Majeure and State and Federal Compliance contract terms proposal:

- Item #16 is two changes to further clarify FA Template language. Advisory Council Member and Vendor Representative, Brad Eskind, brought this matter to the Subcommittee's attention; the Subcommittee agreed that further clarifications were, in fact, warranted.
- D.24. Force Majeure - upon notice to Contractor: (a) cease payment of the fees for the affected obligations
- This language change will put a finer point on things and clarify that the Force Majeure, the obligation to pay, relates to the affected services rather than the State's obligation to pay even where there is only a partial Force Majeure.
- D.25. State and Federal Compliance. This proposal provides that "The Contractor shall comply with all State and federal laws and regulations applicable to Contractor in its

performance of this Contract."

- The intent of this term has been to only apply to those laws related to the services or goods of the contractor verses State and federal laws that are wholly unrelated.

Seeing no discussion on agenda item (16), Mr. Lea made a motion to recommend Force Majeure and State and Federal Compliance contract terms proposal as presented to the Procurement Commission for approval. The motion was seconded by Mrs. Carr. All members voted in favor – none opposed.

Mr. Krivacka then proceeded to present agenda item (17):

(17) State of Tennessee Administrative Fee contract term

Mr. Krivacka presented the following points with regard to the State of Tennessee Administrative Fee contract term proposal:

- This proposal is a minor clarification, to wit, that the fee is based on the actual contract usage of Authorized Users, and not on the report.

Seeing no discussion on agenda item (17), Mr. Lea made a motion to recommend the proposed State of Tennessee Administrative Fee contract term proposal as presented to the Procurement Commission for approval. The motion was seconded by Mr. Hayden. All members voted in favor – none opposed.

Mr. Krivacka then proceeded to present agenda item (18):

(18) Tennessee Contractor License and Purchase of Materials for Highways or Roadways, Invitation to Bid terms

Mr. Krivacka presented the following points with regard to the Tennessee Contractor License and Purchase of Materials for Highways or Roadways, Invitation to Bid terms proposal:

- This change revises the Standard Terms of the Solicitation to add more descriptive text and qualifying language (even ones that do not involve Contractors License or Materials for Highways or Roadways).

Seeing no discussion on agenda item (18), Mr. Chriske made a motion to recommend Tennessee Contractor License and Purchase of Materials for Highways or Roadways, Invitation to Bid terms proposal as presented to the Procurement Commission for approval. The motion was seconded by Mr. Lea. All members voted in favor – none opposed.

Mr. Krivacka then proceeded to present agenda item (19):

(19) RFP and RFQ - Page Limit Removal

Mr. Krivacka presented the following points with regard to the RFP and RFQ - Page Limit Removal proposal:

- This request removes the page limit from the list of available mandatory response items.
- Previously there was some confusion over the language “should” and “must” and whether it was a recommendation or a requirement.
- The ability to still include a page limit remains, but this provision is removed from the list of mandatory items. This change is in line with the CPO’s general policy to encourage competition as much as possible.

Seeing no discussion on agenda item (19), Mr. Lea made a motion to recommend RFP and RFQ - Page Limit Removal proposal as presented to the Procurement Commission for approval. The motion was seconded by Mr. Chriske. All members voted in favor – none opposed.

Mr. Krivacka then proceeded to present agenda item (20):

(20) Interagency Agreement (“IA”) Model and Interagency Agreement – Grant Model (“IG”) Instructions

Mr. Krivacka presented the following points with regard to the Interagency Agreement (“IA”) Model and Interagency Agreement – Grant Model (“IG”) Instructions proposal:

- This proposal adds a list of schools with which the IA or IG is appropriate to use with (i.e., two Tennessee State agencies, neither of which has the separate legal capacity to contract or sue and be sued; (2) a Tennessee state agency and a member of the University of Tennessee or TBR educational systems).
- CPO and COT will be removed from approvals for these contracts. This will further improve cycle time. The likelihood of there being a serious financial risk is very low.

Mr. Lea asked if he was right in the specific amendment to the language where it lists these state institutions for higher education is also helpful for agencies to make sure that these are, in fact, state owned institutions as opposed to private institutions that happen to reside in Tennessee, like a Vanderbilt or Lipscomb. Mr. Krivacka confirmed.

Seeing no further discussion on agenda item (20), Mr. Hayden made a motion to recommend Interagency Agreement (“IA”) Model and Interagency Agreement – Grant Model (“IG”) Instructions proposal as presented to the Procurement Commission for approval. The motion was seconded by Mr. Lea. All members voted in favor – none opposed.

Mr. Krivacka stated that agenda items (21), (22), and (23) are related and ask that these items be taken together. Mr. Perry asked if there was any objection to voting on items (21), (22), and (23) as a single agenda item. Seeing none, Mr. Perry asked Mr. Krivacka to proceed to agenda items (21), (22), and (23):

(21) Grant Contract (GR) Template and Endowment Grant Model – Section E.#. Insurance
(22) D.27. State Interest in Equipment or Motor Vehicles
(23) C.5. Invoice Requirement Instructions, GR and GG Templates

Mr. Krivacka presented the Grant Contract (GR) Template and Endowment Grant Model – Section E.#. Insurance, D.27. State Interest in Equipment or Motor Vehicles and C.5. Invoice

Requirement Instructions, GR and GG Templates proposals:

- This proposal adds more insurance options than are currently available in the FA Template to the grant templates and models. (Crime Insurance, Sexual Molestation, etc.) This proposal was recommended by the CPO Risk Manager to include in Grant Contracts depending on the scope of services involved with a particular Grants Contract.
- The proposal related to State Interest in Equipment or Motor Vehicles was made at the request of TDOT and will remove the "State Interest in Equipment or Motor Vehicles" optional term. This identification is no longer used and not required.
- There was a numerated list of things that one had to do if the contract involved State interests in equipment of motor vehicles. As a practice, TDOT was not doing utilizing this term because it served no business purpose.
- The proposal related to Invoice Requirements is a minor clarification of instructions to give more flexibility than "no more often than monthly."
- Sometimes there are times when it is beneficial to the State to allow for more frequent invoicing.

Mr. Lea had a question on item #21 regarding the insurance requirements. He asked if in some cases, if this was a redefinition of the insurance limits and other cases it's the insertion of new types of insurance. He gave the example of when applicable, like sexual abuse and molestation insurance. Mr. Krivacka agreed. Mr. Lea asked if there were some contracts where we didn't have such insurance requirements and now we do as opposed to just a difference in coverage. Mr. Krivacka explained that before what we had as our default coverage was general commercial liability of a certain amount, usually a million dollars, automobile liability insurance, and workers compensation insurance. He explained that these are great coverages to have at a minimum, but they are, in some cases, inadequate. He went on to say, that sometimes you want crime insurance, molestation insurance if you are going to have a contractor a grantee who will have a role in taking care of elderly beneficiaries, children or others. So this is an improvement of the risk management of our grant contracts and other documents. Mr. Lea asked if the grantor agency had those options available to insert on their judgement where it applies. Mr. Krivacka confirmed and stated that agencies can consult with the CPO's Risk Manager. The Risk Manager can consult with AON, if necessary, to confirm the amounts of coverage and the types of coverage.

Seeing no discussion on agenda items (21), (22), and (23), Mr. Lea made a motion to recommend Grant Contract (GR) Template and Endowment Grant Model – Section E.#. Insurance, D.27. State Interest in Equipment or Motor Vehicles and C.5. Invoice Requirement Instructions, GR and GG Templates proposals as presented to the Procurement Commission for approval. The motion was seconded by Mr. Chriske. All members voted in favor – none opposed.

Mr. Krivacka then proceeded to present agenda item (24):

(24) TDOT – Optional E.#. Grant Templates

Mr. Krivacka presented the following points with regard to the TDOT – Optional E.#. Grant Templates proposal:

- TDOT needs to include these contract terms for its programs and has requested the addition of these optional terms to reduce the number of RERs it is required to submit in order to comply with applicable CPO rules and procedures.
- The Ban on Texting While Driving Justification proposal derives from the Executive Order 13513 and DOT Order 3902.10. TDOT receives funding via Federal Aviation Administration block grants (see example block grant enclosed, page 4), and the terms of the block grants require that any grant awarded by TDOT include this provision.
- The Spending on Education to Prevent Litter Justification proposal relates to requirements surrounding state funding that TDOT receives each year pursuant to Tenn. Code Ann. §§ 57-5-201 and 67-4-402 for the purpose of funding programs for the prevention and collection of litter and trash and matters related thereto. Accordingly, TDOT gives a Litter Grant to each of the 95 Tennessee counties each year. Each county is required by TDOT's Litter Grant program guidelines to allocate a certain minimum amount of the grant to be used for education of the public regarding litter prevention.
- The Long Range Planning Provisions Justification proposal relates to grants for the purpose of assisting Metropolitan Planning Organizations with their planning and coordination activities as assigned in the Unified Planning Work Program. The funds for these grants are from the Federal Highway Administration, which requires certain paragraphs to be referenced or included verbatim.

Seeing none on agenda item (24), Mr. Lea made a motion to recommend TDOT – Optional E.#. Grant Templates proposal as presented to the Procurement Commission for approval. The motion was seconded by Mr. Hayden. All members voted in favor – none opposed.

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

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; whereupon the March 7, 2019 Advisory Council meeting was adjourned.

SPECIAL CONTRACT REQUEST

REDLINE

Special Contract Request

This form should be utilized to facilitate contract and procurement requests that require the Chief Procurement Officer's prior approval and that of the Comptroller of the Treasury, as applicable.
NOT required for a contract with a federal, Tennessee, or Tennessee local government entity or a grant.
Route a completed request, as one file in PDF format, via e-mail attachment sent to: agsprs.agsprs@tn.gov.

APPROVED	**APPROVED**
CHIEF PROCUREMENT OFFICER **DATE**	**COMPTROLLER OF THE TREASURY** **DATE**

Approval of the SCR does not constitute approval of the final contract.

Request Tracking #	
1. Contracting Agency	
2. Type of Contract or Procurement Method	☐ **No Cost** ☐ **Revenue** ☐ **Sole Source** ☐ **Proprietary** ☐ **Competitive Negotiation** ☐ **Other** _____
3. Requestor Contact Information	
4. Brief Goods or Services Caption	
5. Description of the Goods or Services to be Acquired	
6. Proposed Contractor	
7. Name & Address of the Contractor's principal owner(s) *– NOT required for a TN state education institution*	
8. Proposed Contract Period *– with ALL options to extend exercised* ***The proposed contract start date shall follow the approval date of this request.***	**months**
9. Strategic Technology Solutions ("STS") Pre-Approval Endorsement Request *– information technology (N/A to THDA)*	☐ **Not Applicable** ☐ **Attached**
10. eHealth Pre-Approval Endorsement Request *– health-related professional, pharmaceutical, laboratory, or imaging*	☐ **Not Applicable** ☐ **Attached**
11. Human Resources Pre-Approval Endorsement Request *– contracts with an individual, state employee training, or services related to the employment of current or prospective state employees*	☐ **Not Applicable** ☐ **Attached**

Request Tracking #	
12. Are these goods or services currently available on a statewide contract? If YES, please explain why the current statewide contract is not being used for this procurement.	☐ **NO** ☐ **YES,**
13. Maximum Contract Cost – *with ALL options to extend exercised*	**$**
14. Was there an initial government estimate? If so, what amount?	☐ **NO** ☐ **YES, $**
15. Cost Determination Used- How did agency arrive at the estimate of expected costs?	
16. Explanation of Fair and Reasonable Price- Explain how agency determined that price is fair and reasonable	
17. Documentation of Discussions with Contractor- How did agency document discussions with Contractor? Attach documentation to this request as applicable.	
18. Explanation of Need for or requirement placed on the State to acquire the goods or services	
19. Proposed contract impact on current State operations	
20. Justification – Specifically explain why the goods or services should be acquired through the procurement method or contract type selected.	
For No Cost and Revenue Contracts Only	
21. What costs will the State incur as a result of this contract? If any, please explain.	
22. What is the total estimated revenue that the State would receive as a result of this contract?	
23. Could the State also contract with other parties interested in entering substantially the same agreement? Please explain.	☐ **NO** ☐ **YES**
24. Summary of State responsibilities under proposed contract	
For Sole Source and Proprietary Procurements Only	
25. Evidence of Contractor's experience & length of experience providing the goods or services to be procured.	
26. Has the contracting agency procured the subject goods or services before? If yes, provide the method used to purchase the goods or services and the name and address of the contractor.	☐ **NO** ☐ **YES,** **Method:** **Name/Address:**
27. Contractor selection process and efforts to identify reasonable, competitive, procurement alternatives	

Request Tracking #	
Signature Required for all Special Contract Requests	
Signature of Agency head or authorized designee, title of signatory, and date (the authorized designee may sign his or her own name if indicated on the Signature Certification and Authorization document) Signature: Date:	

SPECIAL CONTRACT REQUEST

CLEAN

Special Contract Request

This form should be utilized to facilitate contract and procurement requests that require the Chief Procurement Officer's prior approval and that of the Comptroller of the Treasury, as applicable.
NOT required for a contract with a federal, Tennessee, or Tennessee local government entity or a grant.
Route a completed request, as one file in PDF format, via e-mail attachment sent to: agsprs.agsprs@tn.gov.

APPROVED	**APPROVED**
CHIEF PROCUREMENT OFFICER **DATE**	**COMPTROLLER OF THE TREASURY** **DATE**

Approval of the SCR does not constitute approval of the final contract.

Request Tracking #	
1. Contracting Agency	
2. Type of Contract or Procurement Method	☐ **No Cost** ☐ **Revenue** ☐ **Sole Source** ☐ **Proprietary** ☐ **Competitive Negotiation** ☐ **Other** _____
3. Requestor Contact Information	
4. Brief Goods or Services Caption	
5. Description of the Goods or Services to be Acquired	
6. Proposed Contractor	
7. Name & Address of the Contractor's principal owner(s) *– NOT required for a TN state education institution*	
8. Proposed Contract Period – *with ALL options to extend exercised* ***The proposed contract start date shall follow the approval date of this request.***	**months**
9. Strategic Technology Solutions ("STS") Pre-Approval Endorsement Request *– information technology (N/A to THDA)*	☐ **Not Applicable** ☐ **Attached**
10. eHealth Pre-Approval Endorsement Request *– health-related professional, pharmaceutical, laboratory, or imaging*	☐ **Not Applicable** ☐ **Attached**
11. Human Resources Pre-Approval Endorsement Request *– contracts with an individual, state employee training, or services related to the employment of current or prospective state employees*	☐ **Not Applicable** ☐ **Attached**

Request Tracking #	
12. Are these goods or services currently available on a statewide contract? If YES, please explain why the current statewide contract is not being used for this procurement.	☐ **NO** ☐ **YES,**
13. Maximum Contract Cost – *with ALL options to extend exercised*	**$**
14. Was there an initial government estimate? If so, what amount?	☐ **NO** ☐ **YES, $**
15. Cost Determination Used- How did agency arrive at the estimate of expected costs?	
16. Explanation of Fair and Reasonable Price- Explain how agency determined that price is fair and reasonable	
17. Documentation of Discussions with Contractor- How did agency document discussions with Contractor? Attach documentation to this request as applicable.	
18. Explanation of Need for or requirement placed on the State to acquire the goods or services	
19. Proposed contract impact on current State operations	
20. Justification – Specifically explain why the goods or services should be acquired through the procurement method or contract type selected.	
For No Cost and Revenue Contracts Only	
21. What costs will the State incur as a result of this contract? If any, please explain.	
22. What is the total estimated revenue that the State would receive as a result of this contract?	
23. Could the State also contract with other parties interested in entering substantially the same agreement? Please explain.	☐ **NO** ☐ **YES**
24. Summary of State responsibilities under proposed contract	
For Sole Source and Proprietary Procurements Only	
25. Evidence of Contractor's experience & length of experience providing the goods or services to be procured.	
26. Has the contracting agency procured the subject goods or services before? If yes, provide the method used to purchase the goods or services and the name and address of the contractor.	☐ **NO** ☐ **YES,** **Method:** **Name/Address:**
27. Contractor selection process and efforts to identify reasonable, competitive, procurement alternatives	

Request Tracking #	
Signature Required for all Special Contract Requests	
Signature of Agency head or authorized designee, title of signatory, and date (the authorized designee may sign his or her own name if indicated on the Signature Certification and Authorization document) Signature: Date:	

D.18. ANNUAL AND FINAL REPORTS GRANT CONTRACT (“GR”) AND GOVERNMENTAL GRANT (“GG”) TEMPLATE

REDLINE

Request: **Revise the "Annual and Final Reports" contract term in the Grant Contract ("GR") Template and Governmental Grant ("GG") Template as follows:**

D.18. Annual and Final Reports. The Grantee shall submit, within three (3) months of the conclusion of each year of the Term, an annual report. For grant contracts with a term of less than one (1) year, the Grantee shall submit a final report within three (3) months of the conclusion of the Term. For grant contracts with multiyear terms, the final report will take the place of the annual report for the final year of the Term. The Grantee shall submit annual and final reports to the Grantor State Agency ~~and the Department of Finance and Administration ("F&A")~~. ~~Send electronic copies of annual and final reports to F&A at~~ fa.audit@tn.gov. ~~.~~ At minimum, annual and final reports shall include: (a) the Grantee's name; (b) the Grant Contract's Edison identification number, Term, and total amount; (c) a narrative section that describes the program's goals, outcomes, successes and setbacks, whether the Grantee used benchmarks or indicators to determine progress, and whether any proposed activities were not completed; and (d) other relevant details requested by the Grantor State Agency. Annual and final report documents to be completed by the Grantee shall appear on the Grantor State Agency's website or as an attachment to the Grant Contract.

D.18. ANNUAL AND FINAL REPORTS GRANT CONTRACT (“GR”) AND GOVERNMENTAL GRANT (“GG”) TEMPLATE

CLEAN

Request: **Revise the "Annual and Final Reports" contract term in the Grant Contract ("GR") Template and Governmental Grant ("GG") Template as follows:**

D.18. Annual and Final Reports. The Grantee shall submit, within three (3) months of the conclusion of each year of the Term, an annual report. For grant contracts with a term of less than one (1) year, the Grantee shall submit a final report within three (3) months of the conclusion of the Term. For grant contracts with multiyear terms, the final report will take the place of the annual report for the final year of the Term. The Grantee shall submit annual and final reports to the Grantor State Agency. At minimum, annual and final reports shall include: (a) the Grantee's name; (b) the Grant Contract's Edison identification number, Term, and total amount; (c) a narrative section that describes the program's goals, outcomes, successes and setbacks, whether the Grantee used benchmarks or indicators to determine progress, and whether any proposed activities were not completed; and (d) other relevant details requested by the Grantor State Agency. Annual and final report documents to be completed by the Grantee shall appear on the Grantor State Agency's website or as an attachment to the Grant Contract.

RFQ AND RFP TEMPLATES – SECTIONS C.1. THROUGH C.3

REDLINE

REQUEST: **Change the font color of C.1. through C3. of the RFQ and RFP Templates to red font to indicate the option to delete or revise the requirements as appropriate.**

RFQ Template - ATTACHMENT C:

Response Page # (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	

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RFP ATTACHMENT 6.2. — SECTION C

TECHNICAL RESPONSE & EVALUATION GUIDE

SECTION C: TECHNICAL QUALIFICATIONS, EXPERIENCE & APPROACH. The Respondent must address all items (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.

A Proposal Evaluation Team, made up of three 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 score as indicated.

RESPONDENT LEGAL ENTITY NAME:					
Response Page # (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		NUMBER	

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RESPONDENT LEGAL ENTITY NAME:					
Response Page # (Respondent completes)	**Item Ref.**	**Section C— Technical Qualifications, Experience & Approach Items**	**Item Score**	**Evaluation Factor**	**Raw Weighted Score**
		understanding of the State's requirements and project schedule.			
	C.2.	Provide a narrative that illustrates how the Respondent will complete the 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 completion of the scope of services, and accomplish required objectives within the State's project schedule.		**NUMBER**	

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RFQ AND RFP TEMPLATES – SECTIONS C.1. THROUGH C.3

CLEAN

REQUEST: **Change the font color of C.1. through C3. of the RFQ and RFP Templates to red font to indicate the option to delete or revise the requirements as appropriate.**

RFQ Template - ATTACHMENT C:

Response Page # (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**	

RFP ATTACHMENT 6.2. — SECTION C

TECHNICAL RESPONSE & EVALUATION GUIDE

SECTION C: TECHNICAL QUALIFICATIONS, EXPERIENCE & APPROACH. The Respondent must address all items (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.

A Proposal Evaluation Team, made up of three 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 score as indicated.

RESPONDENT LEGAL ENTITY NAME:	

Response Page # (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		**NUMBER**	

RESPONDENT LEGAL ENTITY NAME:					
Response Page # (Respondent completes)	**Item Ref.**	**Section C— Technical Qualifications, Experience & Approach Items**	**Item Score**	**Evaluation Factor**	**Raw Weighted Score**
		understanding of the State's requirements and project schedule.			
	C.2.	Provide a narrative that illustrates how the Respondent will complete the 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 completion of the scope of services, and accomplish required objectives within the State's project schedule.		**NUMBER**	

RFQ AND RFP TEMPLATES – SECTION B.16

REDLINE

REQUEST: **Revise the Request for Qualifications ("RFQ") and Request for Proposals ("RFP") Templates at Section B.16. as follows:**

RFQ TEMPLATE:

	B.16.	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: (a) the name, title, telephone number and e-mail address of the State contact responsible for the contract at issue; (b) the name of the procuring State agency; (c) a brief description of the contract's specification for goods or scope of services; (d) the contract term; and (e) the contract number. ~~NOTES:~~ ~~• Current or prior contracts with the State are not a prerequisite and are not required for the maximum evaluation score, and the existence of such contracts with the State will not automatically result in the addition or deduction of evaluation points.~~ ~~• Each evaluator will generally consider the results of inquiries by the State regarding all contracts responsive to Section B.16 of this RFQ.~~

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RFP TEMPLATE:

	B.16.	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 (5) year period. If so, provide the following information for all of the current and completed contracts: (a) the name, title, telephone number and e-mail address of the State contact knowledgeable about the contract; (b) the procuring State agency name; (c) a brief description of the contract's scope of services; (d) the contract period; and (e) the contract number. ~~NOTES:~~ ~~• Current or prior contracts with the State are not a prerequisite and are not required for the maximum evaluation score, and the existence of such contracts with the State will not automatically result in the addition or deduction of evaluation points.~~ ~~• Each evaluator will generally consider the results of inquiries by the State regarding all contracts noted.~~

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RFQ AND RFP TEMPLATES – SECTION B.16

CLEAN

REQUEST: **Revise the Request for Qualifications ("RFQ") and Request for Proposals ("RFP") Templates at Section B.16. as follows:**

RFQ TEMPLATE:

	B.16.	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: (a) the name, title, telephone number and e-mail address of the State contact responsible for the contract at issue; (b) the name of the procuring State agency; (c) a brief description of the contract's specification for goods or scope of services; (d) the contract term; and (e) the contract number.

RFP TEMPLATE:

	B.16.	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 (5) year period. If so, provide the following information for all of the current and completed contracts: (a) the name, title, telephone number and e-mail address of the State contact knowledgeable about the contract; (b) the procuring State agency name; (c) a brief description of the contract's scope of services; (d) the contract period; and (e) the contract number.

INFORMAL PURCHASES MODEL

REDLINE

INFORMAL PURCHASES MODEL

State Agencies may utilize their Informal Purchase authority when the total value of a contract or purchase will cost less than such amounts approved by the Procurement Commission. The use of this model is optional and serves as a guide for recording Informal Purchases quotes when such are permitted by all applicable laws, policies, and procedures. Add, delete, or revise information below the checklist as applicable.

☐ Total Dollar Value ≤ $50,000 for agencies with Delegated Purchasing Authority (no procurement shall be artificially divided or split to fall within this amount). Please see the "Local Purchases" section of the *Procurement Procedures Manual of the Central Procurement Office* available on the CPO Library Page: https://www.tn.gov/generalservices/procurement/central-procurement-office--cpo-/library-.html for more information.

☐ Due diligence performed (such as benchmarking of pricing, ensuring that terms, conditions, and pricing are in the State's best interests, etc. Note all due diligence performed by procurement professionals must be documented for informal purchases from $10,000.01 to $50,000.~~)~~

☐ Goods or services are not available from an existing Statewide Contract or Agency Term Contract (if so, prior Chief Procurement Officer approval must be obtained).

☐ Goods or services actively solicited from minority-owned, woman-owned, ~~Tennessee~~ service-disabled veteran owned, businesses owned by persons with disabilities, and small businesses. Please contact the Governor's Office of Diversity Business Enterprise https://www.tn.gov/generalservices/procurement/central-procurement-office--cpo-/governor-s-office-of-diversity-business-enterprise--godbe--.html for assistance.

☐ Procurement professionals are encouraged to use competitive methods whenever practicable.

☐ All purchases exceeding $10,000 based upon three (3) competitive quotes, when practicable.

☐ Signed and dated confirmation of quotes, as required, for all procurements exceeding $10,000. (Fax or e-mail confirmation is acceptable as written confirmation of quotes on informal purchases not exceeding $50,000 for State Agencies procuring under a Delegated Purchase Authority.)

☐ All applicable Terms and Conditions included when quotes are solicited. Please see the CPO Job Aid "Terms & Conditions" available on TEAM TN at: https://www.teamtn.gov/cpo/learning-development/cpo-job-aids.html for assistance or the "Terms and Conditions for PO's" available on TEAM TN at: https://www.teamtn.gov/cpo/resources.html.

☐ Notice of Intent to Award sent to all Respondents after the State has completed evaluation of all responses. Please see the "Notice of Intent to Award Model" available on TEAM TN at: https://www.teamtn.gov/cpo/resources.html.

STATE OF TENNESSEE

Agency Header Information

Informal Purchases – Request for Quotes

Date: Reference Number:

Please complete the information below and send this Request for Quotes to:

State Procurement Professional Name & Title
Email: xxxx@tn.gov
Phone: (XXX) XXX-XXXX
Fax: (XXX) XXX-XXXX

All Responses are due by:

Please provide a quote for the following line(s) and return this document by email or fax:

Line	Qty.	Unit of Measure (UOM)	Description	Unit Price Per Line	Total Line Amount (QTY x UOM)
Total Quote Amount					

The State prefers to award a single contract for all line items; however, separate awards may be made by each line item.

With respect to goods, delivery shall be F.O.B. The term F.O.B. destination shall mean delivered and unloaded in-house or on-site service, with all charges for transportation and unloading prepaid by the respondent.

Ship F.O.B. Destination Address:

I (We) propose to furnish and deliver any and all of the goods and/or services named in this Request for Quotes, and for which I (we) have set prices in my (our) offering.

1. Company Name: _____
2. Edison Supplier Number: _____
3. Print Contact Person Name: _____
4. Title: _____
5. Phone Number: _____
6. Email Address: _____
7. Date: _____
8. Number of days the quote is valid: (please circle) 30 – 60 – 90 – N/A
9. Payment terms, including Cash Discount offered: _____
10. Delivery time, after receipt of order: _____

Signature of Respondent: _____

Thank You!

INFORMAL PURCHASES MODEL

CLEAN

INFORMAL PURCHASES MODEL

State Agencies may utilize their Informal Purchase authority when the total value of a contract or purchase will cost less than such amounts approved by the Procurement Commission. The use of this model is optional and serves as a guide for recording Informal Purchases quotes when such are permitted by all applicable laws, policies, and procedures. Add, delete, or revise information below the checklist as applicable.

- ☐ Total Dollar Value ≤ $50,000 for agencies with Delegated Purchasing Authority (no procurement shall be artificially divided or split to fall within this amount). Please see the "Local Purchases" section of the *Procurement Procedures Manual of the Central Procurement Office* available on the CPO Library Page: https://www.tn.gov/generalservices/procurement/central-procurement-office--cpo-/library-.html for more information.
- ☐ Due diligence performed (such as benchmarking of pricing, ensuring that terms, conditions, and pricing are in the State's best interests, etc. Note all due diligence performed by procurement professionals must be documented for informal purchases from $10,000.01 to $50,000.
- ☐ Goods or services are not available from an existing Statewide Contract or Agency Term Contract (if so, prior Chief Procurement Officer approval must be obtained).
- ☐ Goods or services actively solicited from minority-owned, woman-owned, service-disabled veteran owned, businesses owned by persons with disabilities, and small businesses. Please contact the Governor's Office of Diversity Business Enterprise https://www.tn.gov/generalservices/procurement/central-procurement-office--cpo-/governor-s-office-of-diversity-business-enterprise--godbe--.html for assistance.
- ☐ Procurement professionals are encouraged to use competitive methods whenever practicable.
- ☐ All purchases exceeding $10,000 based upon three (3) competitive quotes, when practicable.
- ☐ Signed and dated confirmation of quotes, as required, for all procurements exceeding $10,000. (Fax or e-mail confirmation is acceptable as written confirmation of quotes on informal purchases not exceeding $50,000 for State Agencies procuring under a Delegated Purchase Authority.)
- ☐ All applicable Terms and Conditions included when quotes are solicited. Please see the CPO Job Aid "Terms & Conditions" available on TEAM TN at: https://www.teamtn.gov/cpo/learning-development/cpo-job-aids.html for assistance or the "Terms and Conditions for PO's" available on TEAM TN at: https://www.teamtn.gov/cpo/resources.html.
- ☐ Notice of Intent to Award sent to all Respondents after the State has completed evaluation of all responses. Please see the "Notice of Intent to Award Model" available on TEAM TN at: https://www.teamtn.gov/cpo/resources.html.

STATE OF TENNESSEE

Agency Header Information

Informal Purchases – Request for Quotes

Date: Reference Number:

Please complete the information below and send this Request for Quotes to:

State Procurement Professional Name & Title
Email: xxxx@tn.gov
Phone: (XXX) XXX-XXXX
Fax: (XXX) XXX-XXXX

All Responses are due by:

Please provide a quote for the following line(s) and return this document by email or fax:

Line	Qty.	Unit of Measure (UOM)	Description	Unit Price Per Line	Total Line Amount (QTY x UOM)
Total Quote Amount					

The State prefers to award a single contract for all line items; however, separate awards may be made by each line item.

With respect to goods, delivery shall be F.O.B. The term F.O.B. destination shall mean delivered and unloaded in-house or on-site service, with all charges for transportation and unloading prepaid by the respondent.

Ship F.O.B. Destination Address:

I (We) propose to furnish and deliver any and all of the goods and/or services named in this Request for Quotes, and for which I (we) have set prices in my (our) offering.

1. Company Name: _____
2. Edison Supplier Number: _____
3. Print Contact Person Name: _____
4. Title: _____
5. Phone Number: _____
6. Email Address: _____
7. Date: _____
8. Number of days the quote is valid: (please circle) 30 – 60 – 90 – N/A
9. Payment terms, including Cash Discount offered: _____
10. Delivery time, after receipt of order: _____

Signature of Respondent: _____

Thank You!

GLOBAL – EFORMS INSTRUCTION CHANGE

REQUEST: Global request to modify the instructions as functionality becomes available for all formal request documents.

Request to capture approvals in Edison workflow, instead of outside of Edison, and to submit requests in Edison, instead of utilizing the Agsprs.agsprs@tn.gov CPO email address.

Request to also add reference to Job Aids or any additional instructional information to assist with the transition as applicable.

LIMITATION OF CONTRACTOR'S LIABILITY

REDLINE

REQUEST: **Revise the the Fee for Goods or Services (FA) Template at section D.18. and term in the Configurator as follows:**

Limitation of Contractor's Liability. In accordance with Tenn. Code Ann. § 12-3-701, the Contractor's liability for all claims arising under this Contract shall be limited to an amount equal to two (2) times the Maximum Liability amount detailed in Section C.1. and as may be amended, PROVIDED THAT in no event shall this Section limit the liability of the Contractor for: (i) intellectual property or any Contractor indemnity obligations for infringement for third-party intellectual property rights; (ii) any claims covered by any specific provision in the Contract providing for liquidated damages; or (iii) any claims for intentional torts, criminal acts, fraudulent conduct, or acts or omissions that result in personal injuries or death. For clarity, except as otherwise expressly set forth in this Section, Contractor's indemnification obligations and other remedies available under this Contract are subject to the limitations on liability set forth in this Section.

LIMITATION OF CONTRACTOR'S LIABILITY

CLEAN

REQUEST: Revise the the Fee for Goods or Services (FA) Template at section D.18. and term in the Configurator as follows:

Limitation of Contractor's Liability. In accordance with Tenn. Code Ann. § 12-3-701, the Contractor's liability for all claims arising under this Contract shall be limited to an amount equal to two (2) times the Maximum Liability amount detailed in Section C.1. and as may be amended, PROVIDED THAT in no event shall this Section limit the liability of the Contractor for: (i) intellectual property or any Contractor indemnity obligations for infringement for third-party intellectual property rights; (ii) any claims covered by any specific provision in the Contract providing for liquidated damages; or (iii) any claims for intentional torts, criminal acts, fraudulent conduct, or acts or omissions that result in personal injuries or death. For clarity, except as otherwise expressly set forth in this Section, Contractor's indemnification obligations and other remedies available under this Contract are subject to the limitations on liability set forth in this Section.

E.#. INTELLECTUAL PROPERTY INDEMNITY

REDLINE

REQUEST: **Add the following option to the Fee for Goods or Services (FA) Contract Template and Configurator:**

Intellectual Property Indemnity

This Section shall be used for all contracts involving computers, software, or technology related goods or services. Add the following Section as appropriate. If unsure whether the Section is applicable, consult the CPO legal team.

Option 1

E.#. Intellectual Property Indemnity. The Contractor agrees to indemnify and hold harmless the State of Tennessee as well as its officers, agents, and employees from and against any and all claims or suits which may be brought against the State concerning or arising out of any claim of an alleged patent, copyright, trade secret or other intellectual property infringement. In any such claim or action brought against the State, the Contractor shall satisfy and indemnify the State for the amount of any settlement or final judgment, and the Contractor shall be responsible for all legal or other fees or expenses incurred by the State arising from any such claim. The State shall give the Contractor notice of any such claim or suit, however, the failure of the State to give such notice shall only relieve Contractor of its obligations under this Section to the extent Contractor can demonstrate actual prejudice arising from the State's failure to give notice. This Section shall not grant the Contractor, through its attorneys, the right to represent the State of Tennessee in any legal matter, as provided in Tenn. Code Ann. § 8-6-106.

Option 2

E.#. Intellectual Property Indemnity. The Contractor agrees to indemnify and hold harmless the State of Tennessee as well as its officers, agents, and employees from and against any and all claims or suits which may be brought against the State concerning or arising out of any claim of an alleged patent, copyright, trade secret or other intellectual property infringement. In any such claim or action brought against the State, the Contractor shall satisfy and indemnify the State for the amount of any settlement or final judgment, and the Contractor shall be responsible for all legal or other fees or expenses incurred by the State arising from any such claim. The State shall give the Contractor notice of any such claim or suit, however, the failure of the State to give such notice shall only relieve Contractor of its obligations under this Section to the extent Contractor can demonstrate actual prejudice arising from the State's failure to give notice. This Section shall not grant the Contractor, through its attorneys, the right to represent the State of Tennessee in any legal matter, as provided in Tenn. Code Ann. § 8-6-106.

In addition to the above indemnity, if the State's use of any deliverable, or any portion thereof, provided under this Contract, is or is likely to be enjoined by order of a court of competent jurisdiction as such an infringement or unauthorized use, the Contractor, at its expense, shall: (x) procure for the State the continued use of such deliverable; (y) replace such deliverable with a non-infringing counterpart; or (z) modify such deliverable so it becomes non-infringing; provided that, if (y) or (z) is the option chosen by the Contractor, the replacement or modified deliverable must be capable of performing substantially the same function. Notwithstanding the foregoing, the State retains the right to terminate the Contract in accordance with Section D.6 hereunder in the event of such infringement or unauthorized use, and any such exercise of these allowable options by Contractor shall not relieve Contractor of its indemnity obligations under this Section.

The forgoing indemnity does not apply to the extent that the infringement arises from the State's: (i) use of the deliverable not in accordance with instructions, documentations, or specifications ("Misuse"); (ii) alteration, modification or revision of the Deliverables not expressly authorized by the Contractor ("Alteration"); (iii) failure to use or implement corrections or enhancements to the Deliverables made available by the Contractor to the State at no additional cost to the State, except where such failure to use or implement corrections or enhancements is a result of State's termination in accordance with the preceding paragraph; or (iv) combination of the Deliverables with materials not provided, specified, or approved by the Contractor.

E.#. INTELLECTUAL PROPERTY INDEMNITY

CLEAN

REQUEST: Add the following option to the Fee for Goods or Services (FA) Contract Template and Configurator:

Intellectual Property Indemnity

This Section shall be used for all contracts involving computers, software, or technology related goods or services. Add the following Section as appropriate. If unsure whether the Section is applicable, consult the CPO legal team.

Option 1

E.#. Intellectual Property Indemnity. The Contractor agrees to indemnify and hold harmless the State of Tennessee as well as its officers, agents, and employees from and against any and all claims or suits which may be brought against the State concerning or arising out of any claim of an alleged patent, copyright, trade secret or other intellectual property infringement. In any such claim or action brought against the State, the Contractor shall satisfy and indemnify the State for the amount of any settlement or final judgment, and the Contractor shall be responsible for all legal or other fees or expenses incurred by the State arising from any such claim. The State shall give the Contractor notice of any such claim or suit, however, the failure of the State to give such notice shall only relieve Contractor of its obligations under this Section to the extent Contractor can demonstrate actual prejudice arising from the State's failure to give notice. This Section shall not grant the Contractor, through its attorneys, the right to represent the State of Tennessee in any legal matter, as provided in Tenn. Code Ann. § 8-6-106.

Option 2

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In addition to the above indemnity, if the State's use of any deliverable, or any portion thereof, provided under this Contract, is or is likely to be enjoined by order of a court of competent jurisdiction as such an infringement or unauthorized use, the Contractor, at its expense, shall: (x) procure for the State the continued use of such deliverable; (y) replace such deliverable with a non-infringing counterpart; or (z) modify such deliverable so it becomes non-infringing; provided that, if (y) or (z) is the option chosen by the Contractor, the replacement or modified deliverable must be capable of performing substantially the same function. Notwithstanding the foregoing, the State retains the right to terminate the Contract in accordance with Section D.6 hereunder in the event of such infringement or unauthorized use, and any such exercise of these allowable options by Contractor shall not relieve Contractor of its indemnity obligations under this Section.

The forgoing indemnity does not apply to the extent that the infringement arises from the State's: (i) use of the deliverable not in accordance with instructions, documentations, or specifications ("Misuse"); (ii) alteration, modification or revision of the Deliverables not expressly authorized by the Contractor ("Alteration"); (iii) failure to use or implement corrections or enhancements to the Deliverables made available by the Contractor to the State at no additional cost to the State, except where such failure to use or implement corrections or enhancements is a result of State's termination in accordance with the preceding paragraph; or (iv) combination of the Deliverables with materials not provided, specified, or approved by the Contractor.

RFP TEMPLATE – NEGOTIATIONS

REDLINE

REQUEST: **Revise the Request for Proposals ("RFP") Template at the following sections:**

Default Language:

5.3.5. Notwithstanding the foregoing, the State may, at its sole discretion, entertain limited terms and conditions or pricing negotiations 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 evaluations or negatively impact the competitive nature of the RFP and contractor selection process.

Optional Language:

ALTERNATE LANGUAGE IF ~~REDLINES~~ TERMS AND CONDITIONS NEGOTIATIONS ALLOWED - CPO USE ONLY

Option: Clarifications and Negotiations.

For CPO USE ONLY. Note: Negotiations (pricing or terms and conditions negotiations) shall not be utilized by a state agency unless such procurement is performed by the Ce~~o~~entral P~~p~~rocurement O~~o~~ffice. (See Tenn. Code Ann. § 4-56-108(a)(8).

Add the following section as 5.2.3. and renumber subsequent sections accordingly.

5.2.3. Clarifications and Negotiations: The State reserves the right to award a contract on the basis of initial responses received, therefore, each response shall contain the Respondent's best terms and conditions from a technical and cost standpoint. The State reserves the right to conduct clarifications or negotiations with one or more Respondents. All communications, clarifications, and negotiations shall be conducted in a manner that supports fairness in response improvement.

5.2.3.1. 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 rounds. Each clarification sought by the State may be unique to an individual Respondent, provided that the process is conducted in a manner that supports fairness in response improvement.

5.2.3.2. Negotiations: The State may elect to negotiate with one or more Respondents by requesting revised responses, negotiating costs, or finalizing contract terms and conditions. The State reserves the right to conduct multiple negotiation rounds or no negotiations at all.

5.2.3.3. Cost Negotiations: All Respondents, selected for negotiation by the State, 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 reduce their pricing to target prices, but no Respondent is allowed to increase prices.

5.2.3.4. If the State determines that it is unable to successfully negotiate terms and conditions of a contract with the apparent best evaluated Respondent, the State reserves the right to bypass the apparent best evaluated Respondent and enter into terms and conditions contract negotiations with the next apparent best evaluated Respondent.

RFP TEMPLATE – NEGOTIATIONS

CLEAN

REQUEST: Revise the Request for Proposals ("RFP") Template at the following sections:

Default Language:

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Optional Language:

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PROCUREMENT PROCEDURES MANUAL SECTION 5.12. NEGOTIATION

REDLINE

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

5.12. *Negotiation*.

As appropriate, e~~E~~ach solicitation should include provisions governing negotiation with one or more respondents. Pre-award negotiations may be conducted with respondents who are within the competitive range. Negotiations should be conducted in a manner that is fair to the respondent or respondents selected for further negotiation. Negotiation rounds, including by way of example only, an initial round of target price negotiation, additional rounds of negotiation, culminating in a BAFO round of negotiation, may be had if it is beneficial to the State. Only the Central Procurement Office may engage in target price, additional rounds of negotiation, or BAFO negotiations. Neither target price, additional rounds of negotiation, nor BAFO responses can be requested until after responses are evaluated. Once target pricing, additional rounds of negotiation, or BAFO responses are received ~~, with respect to a RFP or other solicitation method involving an evaluation committee,~~ the responses should be evaluated ~~evaluation committee should evaluate it~~ in the same manner as the original response criteria. ~~With respect to an ITB or other solicitation method not involving an evaluation committee,~~ Tthe solicitation coordinator is responsible for analyzing and tabulating all target pricing, additional negotiation responses, or BAFO responses.

Negotiations may be conducted with a select group of respondents based on an established competitive range or with just the apparent awarded respondent. The solicitation coordinator may conduct multiple negotiation rounds if doing so is in the State's best interests. There is no minimum number of negotiation rounds and there are no limitations to how many rounds of negotiations must be conducted.

~~-~~If the State exercises its right to enter into negotiations, it may identify areas of a proposal 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 identified issues during negotiations. All responsive respondents or selected competitive range respondents will be given equivalent information with respect to cost negotiations. By their very nature, single respondent negotiations will not involve making all information as part of the negotiation available to other respondents who were not selected for further negotiation.

All cost negotiations will be documented for the procurement file. Additionally, the solicitation coordinator should conduct target pricing and other price or service level pricing, market considerations, benchmarks, budget availability, industry standards or

other method that does not reveal individual respondent pricing. During negotiations rounds, respondents are not obligated to meet or beat target prices, but will not be allowed to increase prices. All communications, clarifications and negotiations shall be conducted in a manner that supports fairness in response improvement. Note that each clarification sought by the State may be unique to an individual Proposer.

5.12.1. Competitive Range.

Given the number of responses and the broad range of competitiveness of responses, it may not be practicable to engage in negotiations with each and every respondent. In the event of multiple responses and the State's needs for negotiating a contract on terms and conditions in the State's best interests, it may be necessary to shorten the list of respondents to a "competitive range" and only negotiate with one or more respondents within the competitive range. The competitive range should be established based on the following guiding principles:

- Price.
- Cost of Ownership.
- Responses that appear to provide the best value based on:
    - Evaluation criteria in the solicitation
    - Product specifications
    - Information provided by the vendors
- Responses most likely to provide greater value after negotiations based on the same criteria.
- Respondent scores.

The solicitation coordinator, in conjunction with the requesting agency as appropriate, may wish to consider establishing in the solicitation a minimum score that a respondent must achieve before the respondent will be considered in the competitive range and thus eligible for additional negotiation.

5.12.1.1. Negotiation with Single Respondent versus Multi-party Negotiation.

Factors a solicitation coordinator should consider when electing to negotiate with just the highest evaluated respondent instead of engaging in multi-party negotiations include:

- The expected dollar value of the award and length of contract.
- The complexity of the acquisition and the variety and complexity of offered solutions, in terms of impact on the likely breadth and depth of the discussions.
- The resources available to conduct discussions vs. the expected variable administrative costs of discussions.
- The impact on lead-time for award vs. the need for timely delivery.
- The extent to which discussions with additional respondents would likely provide diminishing returns.
- The disparity in pricing between the lowest priced respondent and the other respondents, with respect to an ITB.
- The disparity in pricing between the highest rated respondent and the other respondents, with respect to all other solicitation methods.

5.12.2. Target Price Negotiations.

Target pricing gives responsive and responsible respondents an opportunity to improve upon their responses by offering more competitive pricing. Proposers are not obligated to meet or beat target prices but will not be allowed to increase overall prices. All communications, clarifications and negotiations shall be conducted in a manner that supports fairness in the proposal improvement and does not reveal individual respondent pricing.

The target price is reached by considering factors such as the current/last contract price paid for an item, benchmarks, industry standards, budgets, raw materials that influence the pricing of the product, or market trends.

Once the initial responses have been received, the solicitation coordinator should:

- Determine the lowest proposed cost for each line item as applicable.

- Compare the lowest proposed cost for each line item against current/past contract price and other benchmarks.

- Determine a unique target %, as opposed to a flat % off, for the least cost supplier that will guide proposer pricing towards the ideal purchase price.

- Calculate the target price for each line item in a spreadsheet.

- Evaluate whether or not there is a price reasonableness to the target price for each line item and for the total target price overall.

- Send standard language and target price bidding spreadsheet to respondents deemed responsible and responsive.

- Receive target cost proposals.

- Determine if target price negotiation resulted in improved cost proposals.

If the receipt of target price proposals did not result in one or more cost proposals at or below the State's target price, the solicitation coordinator should evaluate whether an additional round of target price negotiation will result in one or more cost proposals at or below the State's target price.

5.12.3. Best and Final Offer (BAFO) Negotiations.

The best and final offer (BAFO) negotiation is an optional step to help obtain improvements in the scope of work or the most cost effective pricing available. The BAFO process may be useful when:

- No single response addresses all the specifications.

- The cost submitted by all respondents is too high (e.g., exceeds the State's estimate of expected costs, budget, etc.).

- The scores of two or more respondents are very close after the initial evaluation.

- All respondents submitted responses that are unclear or deficient in one or more areas.

5.12.3.1. Procedures for the use of the BAFO process.

The following rules shall apply to BAFO negotiations:

- The solicitation coordinator ~~, with respect to an ITB, or the evaluation committee, with respect to all other solicitation methods,~~ should determine if the BAFO process will be conducted and which respondents are within the competitive range for receipt of the State's BAFO request.

- The solicitation coordinator ~~, with respect to an ITB, or the evaluation committee, with respect to all other solicitation methods,~~ may restrict the BAFO negotiations to a single respondent or engage in a multi-party BAFO negotiation.

- BAFO's are best conducted using only those respondents within the competitive range. Any respondent deemed non-responsive or non-responsible or not within the competitive range may be excluded from participation, which shall be documented in the solicitation file.

- The content of the BAFO request may come from questions proposed by the solicitation coordinator, with respect to an ITB, or the solicitation coordinator in consult with the evaluation committee, with respect to all other solicitation methods.

- The solicitation coordinator ~~, with respect to an ITB, or the evaluation committee, with respect to all other solicitation methods,~~ may request that a proposer readdress important aspects of the proposal such as but not limited to implementation schedule, level of support, amount of resources proposed, terms and conditions or cost.

- The solicitation coordinator will dispatch the BAFO request stating the elements to be covered and defining the date and time the BAFO must be returned.

- All communication to and from respondents regarding the BAFO solicitation shall be coordinated by the solicitation coordinator.

- All responses to the BAFO shall be returned to the solicitation coordinator.

- BAFO's submitted after the deadline shall not be considered. Only the original and most recently submitted responses may be considered for evaluation.

5.12.3.2. *Content and structure of Solicitations utilizing a BAFO Process*.

All solicitations utilizing a BAFO process shall contain the following:

- Best and final solicitations shall contain specific information on what is being requested. Enhanced core components of the solicitation may be solicited; however, the integrity of the scope of the original solicitation must be maintained. Respondents may be asked to provide additional clarification to specific sections of their response and to rework their proposal content or cost proposal.

- Best and final solicitations shall include submission requirements with time lines.

- Best and final solicitations shall contain specifics on how the offers will be evaluated and outline the process that will be used to determine the successful proposer.

- The solicitation coordinator with respect to an ITB or the evaluation committee with respect to all other solicitation methods ~~will~~ may evaluate submissions of the BAFO and rescore the original response based entirely on the content of the BAFO submission.

- Respondents are not required to submit a BAFO and may submit a written response stating that their response remains as originally submitted.

- Requests for best and final offers shall not identify either the current rank of any of the respondents or the lowest costs currently proposed.

- Respondents may be requested to make an oral presentation regarding their BAFO.

- The solicitation coordinator ~~with respect to an ITB or the evaluation committee with respect to all other solicitation methods~~ will have full discretion to accept or reject any information submitted in a BAFO.

5.12.3.3. Scoring of BAFOs.

- The solicitation coordinator~~, with respect to an ITB, or the evaluation committee, with respect to all other solicitation methods~~, should score the responses after receipt of the BAFO responses.

- All scoring worksheets (e.g., original evaluation scores, best and final scores, etc.) should be retained for inclusion in the procurement file. Scores for the BAFO responses should be entered into a new score sheet/summary worksheet by the solicitation coordinator.

PROCUREMENT PROCEDURES MANUAL SECTION 5.12. NEGOTIATION

CLEAN

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