



STATE OF TENNESSEE
DEPARTMENT OF HEALTH

**REQUEST FOR PROPOSALS # 34353-14917
AMENDMENT # 3
FOR PROJECT MANAGEMENT SERVICES
CONTRACTOR**

DATE: DECEMBER 2, 2016

RFP # 34353-14917 IS AMENDED AS FOLLOWS:

1. **This RFP Schedule of Events updates and confirms scheduled RFP dates. Any event, time, or date containing revised or new text is highlighted.**

EVENT	TIME (central time zone)	DATE
1. RFP Issued		CONFIRMED
2. Disability Accommodation Request Deadline	2:00 p.m.	CONFIRMED
3. Pre-response Conference	2:30 p.m.	CONFIRMED
4. Notice of Intent to Respond Deadline	2:00 p.m.	CONFIRMED
5. Written "Questions & Comments" Deadline	2:00 p.m.	CONFIRMED
6. State Response to Written "Questions & Comments"		December 2, 2016
7. Response Deadline	2:00 p.m.	January 6, 2017
8. State Completion of Technical Response Evaluations		January 12, 2017
9. State Opening & Scoring of Cost Proposals	2:00 p.m.	January 13, 2017
10. State Notice of Intent to Award Released and RFP Files Opened for Public Inspection	2:00 p.m.	January 20, 2017
11. End of Open File Period		January 27, 2017
12. FNS Review of Contract		March 13, 2017
13. State sends contract to Contractor for signature		March 14, 2017
14. Contractor Signature Deadline	2:00 p.m.	March 16, 2017

2. **State responses to questions and comments in the table below amend and clarify this RFP.**

Any restatement of RFP text in the Question/Comment column shall NOT be construed as a change in the actual wording of the RFP document.

QUESTION / COMMENT	STATE RESPONSE
<p>1 The RFP in Attachment 1, Task 1.1, states the following: "Should the MIS T&I and EBT project become a two-stage project, the Contractor must attend both the MIS implementation initiation meeting and the EBT implementation initiation meeting." Can the second implementation initiation meeting/initiation meeting memorandum be priced as an option?</p>	<p>No, the second initiation meeting and memorandum cannot be priced as an option.</p>
<p>2 The RFP in Attachment 1, Tasks 2.2 and 2.3, requires PMSC participation in both the DFDD and DTSD formal document walk-throughs. Does the State wish for the PMSC to participate in these sessions onsite or can participation be performed remotely?</p>	<p>The PMSC may choose to participate onsite or remotely.</p>
<p>3 The RFP in Attachment 1, Task 3.3, identifies the requirements of the MIS T&I Contractor but is silent on the requirements of the EBT contractor. Does the State not expect for the PMSC to manage the interface certification test which the EBT contractor should support, ensure adequate training and materials are provided by the EBT contractor, and ensure that the EBT system provides all functionality and processing required to fully support the Program until UAT is complete?</p>	<p>The QA will have the responsibility for the retailer certification testing of EBT. Please see QA RFP 34353-14717 that is available on CPO's website.</p>
<p>4 The RFP in Attachment 1, Section I General Responsibilities, states the following: "The Contractor shall collect and compile all comments on the other project contractor deliverables and assist the State in preparing the response/disposition for said deliverables." A list of the QA contractor deliverables can be found in the published QA RFP. The QA RFP in section 2.2 also notes the Plans and Deliverables to be submitted by the MIS T&I contractor and EBT Contractor in support of the project. Can the PMSC expect that these deliverables as listed will be those that will require comment collection and compilation? If there will be additional Plans and Deliverables, can the State provide this full list? Does the State wish for the PMSC to also review the other project contractor deliverables or only collect and compile all of the comments?</p>	<p>Yes, all deliverables from the other contractors are to be collected and compiled by the PMSC.</p> <p>It is not anticipated that there will additional deliverables.</p> <p>Yes, the State wishes the PMSC to also review the other project contractor deliverables. The last sentence of the last paragraph under I. General Responsibilities states: "The Contractor shall make recommendations to the State when deliverables have been satisfactorily completed by a project contractor so that corresponding charges can be paid."</p>
<p>5 The RFP in Attachment 1, Task 4, states that the PMSC shall monitor the pilot test. What is the State's expectation in terms of onsite support from the PMSC for the duration of</p>	<p>The PMSC is not expected to be onsite for the pilot test.</p>

QUESTION / COMMENT	STATE RESPONSE
pilot?	
6 The RFP in Attachment 1, Task 6.2, states that the “Contractor shall manage and track the performance of all deliverables in the MIS and EBT project on a dedicated project website which is accessible to the State for viewing and commenting”. Will the State establish this project website?	The State may make SharePoint available to the Contractor, but it is expected the Contractor will provide a website in the event the State is unable to offer SharePoint as an option. The State cannot confirm whether or not SharePoint will be an option at this moment.
7 The RFP in Attachment 1, Task 6.2, states that the “contractor shall review deliverable comments submitted by all project contractors and make corrections as appropriate”. This requirement is unclear. Is this stating again the requirement (noted in section 1.b) that the “contractor shall collect and compile all comments on the other project contractor deliverables and assist the State in preparing the response/disposition for said deliverables” or is the PMSC required to make corrections to contractor deliverables?	Yes, it is again stating the requirement noted in Attachment 1, General Responsibilities, 1.b.
8 The RFP in Attachment 1, Task 3.4, requires PMSC assistance with the assessment and readiness for pilot. However, this same assistance is not requested with regards to rollout. Does the State expect the PMSC to assess and certify the systems’ readiness for pilot as a part of task 4?	The State does not expect the PMSC to assess and certify readiness for Rollout. The readiness for Rollout is certified by the QA (See QA RFP 34347-14717, Task 7).
9 The RFP is silent with regards to the PMSC monitoring/assisting the State with activities related to preparing for the new MIS and EBT systems (i.e., designing card/brochure, updating vendor agreements and P&Ps, creating training materials, clinic readiness, etc.). Is it the State’s intention to manage and conduct these activities without PMSC support?	Reference Attachment 1, General Responsibilities, 1.a and b. The State expects the PMSC to “oversee and manage the design, development and implementation”. The State considers all “activities” to be a part of these phases.
10 The RFP is silent with regards to IAPDUs. Will the State prepare the FNS required IAPDUs or does the State desire for the PMSC to prepare these documents (2017, 2018 and closeout) during the course of the project?	Yes, the State expects the PMSC to prepare the IAPDUs as a part of the General Responsibilities and as a part of the 3 rd paragraph of Task 6 Recurring Tasks and Deliverables “The Contractor shall provide the State, quarterly, with a summary status report to support the State’s reporting to USDA/FNS.”
11 The RFP, Deliverables 12 and 13, requires the PMSC to convene and conduct the system rollout initiation meeting and the system post implementation meeting. Is it the State’s intent for the PMSC to not support or facilitate activities during the rollout (i.e., onsite rollout support or remotely via the facilitation of weekly rollout status meetings)?	The PMSC’s role during the Rollout is to be onsite to convene and conduct the Rollout Initiation Meeting. The PMSC’s role during Rollout is further detailed in Task 5.1. After the Initiation meeting,- these activities may be accomplished remotely or onsite.
12 In Attachment A, no role is identified for the EBT contractor in either Phase 2 System	Yes, the EBT contractor will participate in these 2

QUESTION / COMMENT	STATE RESPONSE
Design and Phase 3 System, Transfer, Modification and Testing. In order to ensure the EBT system meets the State's need and is able to interface with the MIS it is recommended that the EBT contractor participate in these tasks. Please confirm the EBT contractor's participation in these two system phases.	System Phases.
13 RFP Section 6.2, item B-17 requires references from individuals "who are <u>not</u> current or former State employees." Are we correct that this refers to Tennessee employees only?	Yes
14 The proposal due date is at the end of the first week on the New Year. In order to provide time off for our employees during the holidays we are requesting a two week extension of the due date to January 20, 2017.	The State is on a tight timeline and cannot grant an extension. The holiday season was considered when determining the existing schedule.
15 Will the PMSC be allowed to select resources for MIS T&I, QA and EBT Tasks, with the full disclosure the PMSC does not have direct or indirect prior relationship with them. Reason: Risk of meeting the timeline is owned by the PMSC. If the resources/vendor for this project are not selected to PMSC's then we would have to own the risk of their competency and ability to perform the duties.	No, the State will bear the responsibility for approving the resources of the other vendors. The PMSC will not be allowed to select the resources for the other vendors. The schedules will be mutually agreed upon by the MIS T&I; the EBT, the QA, the PMSC contractors and the State. The PMSC is the lead in keeping the project on schedule once it has been established.
16 PMSC is responsible for oversight of various contractors involved for successful delivery of the project. In a situation where a contractor For Eg: QA vendor is under performing and PMSC reports this to the Advisory council as a result of which QA vendor is terminated. Will Tennessee Department of Health indemnify us from this vendor?	The State will not indemnify any contractor during this project. However, the State will ultimately bear responsibility for assuring that the underperforming contractor meets its contractual obligations.
17 Can the PMSC be comprised of more than 1 individual?	Yes
18 At any given point are we allowed to replace our Program/Project Manager? Or is it up to PMSC's discretion to allocate different resources at different phases of the project Situation: our employee gives us 2-3 weeks notice and wants to leave our company.	Replacement of key personnel is allowable but must be pre-approved by the State.
19 Is the CPS team part of the ITSD team?	There is no "CPS team". CPS is the Central Processing Site which is housed in our Strategic Technology Solutions (STS) location.
20 Is the estimated \$720,000 budget exclusively for PMSC or is this budget for all the contractors involved? i.e. inclusive of QA Contractor, MIS T&I, EBT Contractor	For the PMSC only.
21 What is your budget for PMSC?	\$720,000 See RFP Page 1.1.2.

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22 Our firm has been in business for 2 years with employees who have 12-13 years of consulting experience some of which have been at state agencies as a sub-contractor. Are we qualified to apply?	We do not have sufficient information about your firm to answer your question. Your response/application will be reviewed if you meet the minimal requirements listed in RFP Attachment 6.2, Section A. Your application will then be scored up to 70 points based on how your firm responds to the questions in RFP Attachment 6.2, Sections B. and C. Finally, up to 30 points will be awarded on the basis of the cost in your proposal. If you feel you are competitive in these regards, you are certainly invited to apply.
23 The total duration of the project mentioned in proposed schedule in section A is from April 2017 to November 2018 (20 months) but in 'Term of Contract' page 46 section B it says it will be effective from April 2017 and extend for a period of 43 months. Can you please clarify what is this additional duration for?	The proposed schedule (20 months) represents the State's target project time line. The term of the contract allows for any unanticipated delays, and also allows that it cannot surpass the federal deadline of October, 2020.
24 Is the contractor required to be 100% onsite for entire duration of the contract?	No
25 Does the contractor have to be responsible for defining the requirements of the TIP report?	No
26 The change order work shall not exceed 7% of the sum of milestone payment rates. In that case will there be requirement freeze to avoid scope creep? If not, then is 720k a rough order estimate or an exact fixed budget that has to be met?	The \$720,000 is an estimate based upon recent PMSC contracts.
27 As per payment terms, Invoices are to be raised 30 days after the delivery of goods/services. Please clarify the 'Net' terms of payment disbursement.	The Pro Forma contract does not reference "Net" terms of payment disbursement. The State's payment terms can be found in Section C of the Pro Forma contract.
28 C7. Mentions payments may be reduced on basis of audits conducted by State. What is the audit process? What is the audit frequency?	An audit can be done if the State feels it has cause. Uniform Guidance (i.e., the Super Circular) requires an independent audit if the vendor spends more than \$750,000 in federal funds and a copy of the audit is sent to the State for follow up.
29 For this contract, are we allowed to use our own templates or will the templates be provided by TDH?	For reporting, the State will approve templates. For the Pro Forma, only the State's template as provided will be used.
30 What is your MPI solution? Is this developed by Netsmart?	This question has no bearing to this RFP. The question relates to the MIS T&I RFP which has not been posted yet. However, attached to these questions and answers is a "DRAFT" of the current MIS T&I RFP which may help to answer your questions. Please note that this RFP is for managerial services. It does not require expertise on the intricacies of the State's Management Information System (MIS).

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31 Is your MPI solution stand alone?	<p>This question has no bearing to this RFP. The question relates to the MIS T&I RFP which has not been posted yet. However, attached to these questions and answers is a "DRAFT" of the current MIS T&I RFP which may help to answer your questions.</p> <p>Please note that this RFP is for managerial services. It does not require expertise on the intricacies of the State's Management Information System (MIS).</p>
32 Is your MPI solution able to handle PDQ queries from external sources?	<p>This question has no bearing to this RFP. The question relates to the MIS T&I RFP which has not been posted yet. However, attached to these questions and answers is a "DRAFT" of the current MIS T&I RFP which may help to answer your questions.</p> <p>Please note that this RFP is for managerial services. It does not require expertise on the intricacies of the State's Management Information System (MIS).</p>
33 Have you finalized the vendor for your new clinic application? If yes, can you please disclose the software & vendor.	No. The RFP for the MIS T&I has not been posted yet, but a "DRAFT" copy is attached.
34 Is your clinic application same as the EMR?	<p>This question has no bearing to this RFP. The question relates to the MIS T&I RFP which has not been posted yet. However, attached to these questions and answers is a "DRAFT" of the current MIS T&I RFP which may help to answer your questions.</p> <p>Please note that this RFP is for managerial services. It does not require expertise on the intricacies of the State's Management Information System (MIS).</p>
35 Who is your EMR vendor?	<p>This question has no bearing to this RFP. The question relates to the MIS T&I RFP which has not been posted yet. However, attached to these questions and answers is a "DRAFT" of the current MIS T&I RFP which may help to answer your questions.</p> <p>Please note that this RFP is for managerial services. It does not require expertise on the intricacies of the State's Management Information System (MIS).</p>
36 Are all modules of the practice management system from the same vendor? If yes, who? If no can you, please list them?	<p>This question has no bearing to this RFP. The question relates to the MIS T&I RFP which has not been posted yet. However, attached to these questions and answers is a "DRAFT" of the current MIS T&I RFP which may help to answer your questions.</p> <p>Please note that this RFP is for managerial</p>

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	services. It does not require expertise on the intricacies of the State's Management Information System (MIS).
37 What relational database will this application be using?	<p>This question has no bearing to this RFP. The question relates to the MIS T&I RFP which has not been posted yet. However, attached to these questions and answers is a "DRAFT" of the current MIS T&I RFP which may help to answer your questions.</p> <p>Please note that this RFP is for managerial services. It does not require expertise on the intricacies of the State's Management Information System (MIS).</p>
38 Just to confirm the Disaster Recovery set up is Active – Passive?	<p>This question has no bearing to this RFP. The question relates to the MIS T&I RFP which has not been posted yet. However, attached to these questions and answers is a "DRAFT" of the current MIS T&I RFP which may help to answer your questions.</p> <p>Please note that this RFP is for managerial services. It does not require expertise on the intricacies of the State's Management Information System (MIS).</p>
39 Will the environment be single tenant or multi-tenant?	<p>This question has no bearing to this RFP. The question relates to the MIS T&I RFP which has not been posted yet. However, attached to these questions and answers is a "DRAFT" of the current MIS T&I RFP which may help to answer your questions.</p> <p>Please note that this RFP is for managerial services. It does not require expertise on the intricacies of the State's Management Information System (MIS).</p>
40 Do you have a HL7 Integration engine that communicates with various applications? Such as Cloverleaf, Mirth, Iguana, Intersystems?	<p>This question has no bearing to this RFP. The question relates to the MIS T&I RFP which has not been posted yet. However, attached to these questions and answers is a "DRAFT" of the current MIS T&I RFP which may help to answer your questions.</p> <p>Please note that this RFP is for managerial services. It does not require expertise on the intricacies of the State's Management Information System (MIS).</p>
41 Will your EMR be connected to any of the local RHIO's (regional health information organizations)?	<p>This question has no bearing to this RFP. The question relates to the MIS T&I RFP which has not been posted yet. However, attached to these questions and answers is a "DRAFT" of the current MIS T&I RFP which may help to answer your questions.</p> <p>Please note that this RFP is for managerial</p>

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	services. It does not require expertise on the intricacies of the State's Management Information System (MIS).
42 RFP, Section 1 - The PMSC is responsible for developing a work plan with the team (#3) and monitoring tasks and T&I, eWIC, and QA performance. Will each contractor be maintaining their own work plan, updating the % complete for tasks?	Yes, each contractor will create and maintain their project work plan. The PMSC will create and maintain the Master Integrated Project Work Plan for all contractors and the project.
43 Contract, Section B - The project schedule estimates that the project transition will occur in November 2018, but the PMSC contract term ends in October 2020 (43 months). Will the State please explain the difference in timeframes? Please clarify how long status reporting would continue after project transition.	The proposed schedule (20 months) represents the State's target project time line. The term of the contract allows for any unanticipated delays, and also allows that it cannot surpass the federal deadline of October, 2020. Status reports will be expected until the project is deemed complete by the State.
44 Attachment 1, Task 2.1 - How many weeks/trips are expected for joint design sessions?	It is planned for 3 weeks. Cannot say at this time if it will be three consecutive weeks.
45 Attachment 1, Task 2.2 - Is the DFDD formal walk through expected to occur by webinar or on-site? If on-site, is the PMSC expected to attend on-site or is attendance by phone an option?	Onsite or remote are both acceptable.
46 Attachment 1, Task 2.3 - Is the DTSD formal walk through expected to occur by webinar or on-site? If on-site, is the PMSC expected to attend on-site or is attendance by phone an option?	Onsite or remote are both acceptable.
47 Attachment 1, Task 4.2 - Who will create the Pilot Test Plan?	The MIS T&I Contractor.
48 In Section C, Item Reference Number C.4 requires Respondents to provide details about "specific experience with Project Management Services for WIC MIS T&I project implementation or transfer/implementation" and does not specifically ask for a technical approach. Could the government clarify whether it is seeking, and will only rate, the Respondent's experience with WIC MIS T&I experience and not the Respondent's technical approach? How will the government rate a Respondent's response that provides a narrative with the experience in the Task Areas in the Task Plan in similar projects but that are not specifically in the WIC MIS T&I domain?	The State will rate the Respondent's experience with WIC MIS T & I experience in Section C.4. The Respondent's technical approach will be rated in Sections C.1., C.2., and C.3.
49 In Section C, Item Reference Number C.5 requires Respondents to provide details about "specific experience with WIC EBT	The State will rate the Respondent's experience with WIC EBT implementation in Section C.5. The Respondent's technical approach will be rated in

QUESTION / COMMENT	STATE RESPONSE
<p>implementations when serving as the Project Management Services Contractor” and does not specifically ask for a technical approach. Could the government clarify whether it is seeking, and will only rate, the Respondent’s experience with WIC EBT implementation experience and not the Respondent’s technical approach? How will the government rate a Respondent’s response that provides a narrative with the experience in the Task Areas in the Task Plan in similar projects but that are not specifically in the WIC EBT implementation domain?</p>	<p>Sections C.1., C.2., and C.3.</p>
<p>50 For response item B17, can customer reference be for project teams and team members before they joined the proposing company?</p>	<p>No</p>
<p>51 Can you please provide and update on the status of the contracting for the EBT and MIS T&I contractors?</p>	<p>The EBT award is intended for Xerox. The MIS T&I RFP has not been posted yet.</p>
<p>52 Do you foresee that that the timing for the EBT and MIS T&I contractor awards will affect the Proposed Schedule on page 11 of this RFP? If so, can you please provide an updated Proposed Schedule?</p>	<p>The State does not anticipate the “Proposed Schedule” changing significantly.</p>
<p>53 Please clarify responsibilities for development of the Pilot test plan.</p>	<p>MIS T&I will develop the Pilot Test Plan.</p>
<p>54 Describe the number, role and extent (e.g., estimated hours per week) that State/local agency resources are committed to the project team.</p>	<p>The State has no dedicated schedule of hours per week but will support the project with adequate resources and time as needed.</p>
<p>55 The RFP appears to indicate the PMSC may be located onsite at TDH facilities or may be located remotely and visit TDH facilities for meetings, JAD sessions, etc. Is this correct or is the PMSC to have a continuous onsite presence for the duration of the contract?</p>	<p>This is correct. There is no requirement for continuous onsite presence of the PMSC.</p>
<p>56 Several places throughout the RFP, make it clear that the PMSC is responsible for the performance of other vendors (MIS T&I vendor, QA vendor, and EBT vendor.....e.g., “Maintain responsibility for ensuring that all vendors have performed their contractual obligations to the satisfaction of the State.”) Other RFP language notes that the PMSC is responsible to ‘monitor’ the performance of these peer vendors.</p> <ul style="list-style-type: none"> • Does the PMSC bear full responsibility for these other vendors meeting their contractual obligations to the State? • If the PMSC is truly responsible for these 	<p>No, the PMSC does not bear full responsibility for other vendors. The PMSC monitors and advises the State, but the State will bear full responsibility for the other contractual obligations.</p> <p>The PMSC is only responsible for its deliverables.</p> <p>No SLAs will exist between contractors.</p>

QUESTION / COMMENT	STATE RESPONSE
<p>peer vendors meeting their contractual obligations, what penalties apply to the <u>PMSC</u> if the MIS, EBT or QA vendors do NOT meet their contractual obligations?</p> <ul style="list-style-type: none"> • Will there be specific SLA's in the MIS/EBT/QA contracts? If so, can the state share these SLA's that the PMSC will be responsible for ensuring are met by the MIS/EBT/QA vendors? 	
<p>57 The POP is also confusing. The schedule defined in the RFP shows the longest schedule being from April 2017 through November 2018 but the terms of the pro forma contract say the contract will be for 43 months. Can you clarify?</p>	<p>The proposed schedule (20 months) represents the State's target project time line. The term of the contract allows for any unanticipated delays, and also allows that it cannot surpass the federal deadline of October 1, 2020.</p>
<p>58 If the scheduled activities extend significantly beyond November 2018 through decisions of the state, how will the PMSC be compensated for this additional support as all requested costs are fixed price attached to specific deliverables? I.e., if the schedule is extended due to a larger than reasonable number of JAD sessions, significant UAT findings that require multiple UAT cycles, etc.</p>	<p>The PMSC will be paid by Deliverable.</p>
<p>59 Could the State please clarify the warranty requirement outlined in Section A.7 of the Pro Forma contract? If the contract is for a period of 43 months, then would the warranty be for a period of no less than 43 months from the date of acceptance?</p>	<p>The State requires the Contractor warrants that the services provided will be done in a timely professional matter as described in the contract. That warranty must extend at least 43 months from the stated Effective Date of the contract.</p>
<p>60 Can we see a copy of the MIS T&I and EBT Contracts so we can better understand their requirements?</p>	<p>Yes. The State has attached the draft versions of the MIS and EBT contracts, see Attachment A and B. Please note these are draft versions and may change.</p>

3. Add the following as RFP section Attachment 6.6. Pro Forma Contract, Section D.32. and renumber any subsequent sections as necessary:

D.32. Insurance. Contractor shall provide the State a certificate of insurance ("COI") evidencing the coverages and amounts specified below. The COI shall be provided ten (10) business days prior to the Effective Date and again upon renewal or replacement of coverages required by this Contract. If insurance expires during the Term, the State must receive a new COI at least thirty (30) calendar days prior to the insurance's expiration date. If the Contractor loses insurance coverage, does not renew coverage, or for any reason becomes uninsured during the Term, the Contractor shall notify the State immediately.

The COI shall be on a form approved by the Tennessee Department of Commerce and Insurance ("TDCI") and signed by an authorized representative of the insurer. The COI shall list each insurer's national association of insurance commissioners (also known as NAIC) number and list the State of Tennessee, Risk Manager, 312 Rosa L. Parks Ave., 3rd floor Central Procurement Office, Nashville, TN 37243 in the certificate holder section. At any time, the State may require the Contractor to provide a valid COI detailing coverage description; insurance company; policy number; exceptions; exclusions; policy effective date; policy expiration date; limits of liability; and

the name and address of insured. The Contractor's failure to maintain or submit evidence of insurance coverage is considered a material breach of this Contract.

If the Contractor desires to self-insure, then a COI will not be required to prove coverage. In place of the COI, the Contractor must provide a certificate of self-insurance or a letter on the Contractor's letterhead detailing its coverage, liability policy amounts, and proof of funds to reasonably cover such expenses. Compliance with Tenn. Code Ann. § 50-6-405 and the rules of the TDCI is required for the Contractor to self-insure workers' compensation.

All insurance companies must be: (a) acceptable to the State; (b) authorized by the TDCI to transact business in the State of Tennessee; and (c) rated A- VII or better by A. M. Best. The Contractor shall provide the State evidence that all subcontractors maintain the required insurance or that the subcontractors are included under the Contractor's policy.

The Contractor agrees to name the State as an additional insured on any insurance policies with the exception of workers' compensation (employer liability) and professional liability (errors and omissions) ("Professional Liability") insurance. Also, all policies shall contain an endorsement for a waiver of subrogation in favor of the State.

The deductible and any premiums are the Contractor's sole responsibility. Any deductible over fifty thousand dollars (\$50,000) must be approved by the State. The Contractor agrees that the insurance requirements specified in this Section do not reduce any liability the Contractor has assumed under this Contract including any indemnification or hold harmless requirements. The State agrees that it shall give written notice to the Contractor as soon as practicable after the State becomes aware of any claim asserted or made against the State, but in no event later than thirty (30) calendar days after the State becomes aware of such claim. The failure of the State to give notice shall only relieve the Contractor of its obligations under this Section to the extent that the Contractor can demonstrate actual prejudice arising from the failure to give notice. This Section shall not grant the Contractor or its insurer, through its attorneys, the right to represent the State in any legal matter, as the right to represent the State is governed by Tenn. Code Ann. § 8-6-106.

All coverage required shall be on a primary basis and noncontributory with any other insurance coverage or self-insurance carried by the State. The State reserves the right to amend or require additional endorsements, types of coverage, and higher or lower limits of coverage depending on the nature of the work. Purchases or contracts involving any hazardous activity or equipment, tenant, concessionaire and lease agreements, alcohol sales, cyber-liability risks, environmental risks, special motorized equipment, or property may require customized insurance requirements (e.g. umbrella liability insurance) in addition to the general requirements listed below.

To achieve the required coverage levels, a combination of a specific policy written with an umbrella policy covering liabilities above stated limits is acceptable (For example: If appropriate limits are two million dollars (\$2,000,000) per occurrence and two million dollars (\$2,000,000) aggregate, acceptable coverage would include a specific policy covering one million dollars (\$1,000,000) per occurrence and one million dollars (\$1,000,000) aggregate written with an umbrella policy for one million dollars (\$1,000,000) per occurrence and one million dollars (\$1,000,000) aggregate. If the deficient underlying policy is for coverage area without aggregate limits (generally Automobile Liability and Employers' Liability Accident), Contractor shall provide a copy of the umbrella insurance policy documents to ensure that no aggregate limit applies to the umbrella policy for that coverage area as well.

a. Commercial General Liability Insurance

- 1) The Contractor shall maintain commercial general liability insurance, which shall be written on an Insurance Services Office, Inc. (also known as ISO) occurrence form (or a substitute form providing equivalent coverage) and shall cover liability arising from property damage, premises/operations, independent contractors, contractual liability, completed operations/products, personal and advertising

injury, and liability assumed under an insured contract (including the tort liability of another assumed in a business contract).

- 2) The Contractor shall maintain bodily injury/property damage with a combined single limit not less than one million dollars (\$1,000,000) per occurrence and two million dollars (\$2,000,000) aggregate for bodily injury and property damage, including products and completed operations coverage with an aggregate limit of at least two million dollars (\$2,000,000).

b. Workers' Compensation and Employer Liability Insurance

- 1) For Contractors statutorily required to carry workers' compensation and employer liability insurance, the Contractor shall maintain:
 - i. Workers' compensation in an amount not less than one million dollars (\$1,000,000) including employer liability of one million dollars (\$1,000,000) per accident for bodily injury by accident, one million dollars (\$1,000,000) policy limit by disease, and one million dollars (\$1,000,000) per employee for bodily injury by disease.
- 2) If the Contractor certifies that it is exempt from the requirements of Tenn. Code Ann. §§ 50-6-101 – 103, then the Contractor shall furnish written proof of such exemption for one or more of the following reasons:
 - i. The Contractor employs fewer than five (5) employees;
 - ii. The Contractor is a sole proprietor;
 - iii. The Contractor is in the construction business or trades with no employees;
 - iv. The Contractor is in the coal mining industry with no employees;
 - v. The Contractor is a state or local government; or
 - vi. The Contractor self-insures its workers' compensation and is in compliance with the TDCI rules and Tenn. Code Ann. § 50-6-405.

c. Automobile Liability Insurance

- 1) The Contractor shall maintain automobile liability insurance which shall cover liability arising out of any automobile (including owned, leased, hired, and non-owned automobiles).
- 2) The Contractor shall maintain bodily injury/property damage with a limit not less than one million dollars (\$1,000,000) per occurrence or combined single limit.

d. Professional Liability Insurance

- 1) Professional liability insurance shall be written on an occurrence basis. This coverage may be written on a claims-made basis but must include an extended reporting period or "tail coverage" of at least two (2) years after the Term;
- 2) Any professional liability insurance policy shall have a limit not less than one million dollars (\$1,000,000) per claim and two million dollars (\$2,000,000) in the aggregate; and

- 3) If the Contract involves the provision of services by medical professionals, a policy limit not less than two million (\$2,000,000) per claim and three million dollars (\$3,000,000) in the aggregate for medical malpractice insurance.
4. **RFP Amendment Effective Date.** The revisions set forth herein shall be effective upon release. All other terms and conditions of this RFP not expressly amended herein shall remain in full force and effect.