

difficulty, materials or equipment required. The payment rates include, but are not limited to, all applicable taxes, fees, overheads, and all other direct and indirect costs incurred or to be incurred by the Contractor.

The Contractor is not entitled to be paid the maximum liability for any period under the Contract or any extensions of the Contract for work not requested by the State. The maximum liability represents available funds for payment to the Contractor and does not guarantee payment of any such funds to the Contractor under this Contract unless the State requests work and the Contractor performs said work. In which case, the Contractor shall be paid in accordance with the payment rates detailed in Section C.3. The State is under no obligation to request work from the Contractor in any specific dollar amounts or to request any work at all from the Contractor during any period of this Contract.

- C.2. **Compensation Firm.** The payment rates and the maximum liability of the State under this Contract are firm for the duration of the Contract and are not subject to escalation for any reason unless amended.
- C.3. **Payment Methodology.** The Contractor shall be compensated based on the payment rates herein for units of service authorized by the State in a total amount not to exceed the Contract Maximum Liability established in Section C.1.
- a. The Contractor's compensation shall be contingent upon the satisfactory completion of units, milestones, or increments of service defined in Section A.
 - b. The Contractor shall be compensated for said units, milestones, or increments of service based upon the following payment rates:

i. Transition-In Services (Contract Section A.5)

Service Description	Amount (per compensable increment) (07/01/11 – 09/30/11)
Completion of the requirements to Establish the Portal Program Management Office at Contract Sections: A.5.d.(2) – Contractor Portal Program Management Office, A.5.d.(3) – Staffing to Execute Baseline Services, A.5.d.(4) – Prepare the Portal Transition-In Level-3 Schedule. Payable upon State's written approval of A.5.d – Establish the Portal Program Management Office per the requirement at A.5.c (2) – Approval of Transition-In Requirements.	\$ 0.00
Completion of the requirements to Implement the Portal Program Management Plan at Contract Sections: A.5.e (2)(b) – Develop the Staffing Management Plan, A.5.e (2)(c) – Develop the Communication Management Plan, A.5.e (2)(d) – Develop the Risk Management Plan, A.5.e (2)(e) – Develop the Issue and Action Item Management Plan, A.5.e (2)(f) – Develop the Configuration Management Plan, A.5.e (2)(g) – Issue Resolution / Defect Management, A.5.e (2)(h) – Develop the Quality Management Plan, A.5.e (2)(i) – Develop the Test Management Plan,	\$ 0.00 TO BE PAID OUT IN INCREMENTS OF 1/10 TH OF THE DOLLAR AMOUNT LISTED ABOVE: \$ 0.00 EACH

<p>A.5.e (2)(j) – Develop the Change Control Plan, A.5.e (2)(k) – Develop the Enterprise Portal Marketing Plan 1/10th of the amount for this Transition Services Fixed Price component is payable upon State's written approval of each of the requirements listed above for A.5.e – Implement the Portal Program Management Plan per the requirement at A.5.c (2) – Approval of Transition-In Requirements.</p>	
<p>Completion of the requirements to Conduct Familiarization and Transition Applications Operations and Maintenance at Contract Sections: A.5.f.(1) – Familiarization with the Portal Applications, A.5.f.(2) – Edit and Test Source Code. Payable upon State's written approval of A.5.f – Conduct Familiarization and Transition Applications Operations and Maintenance per the requirement at A.5.c (2) – Approval of Transition-In Requirements.</p>	\$ 0.00
<p>Completion of the requirements to Conduct Familiarization and Transition Portal Customer Service at Contract Sections: A.5.g.(1) – Familiarization with Customer Service Process and Procedures, A.5.g.(2) – Implement a Web-based Customer Satisfaction Survey. Payable upon State's written approval of A.5.g – Conduct Familiarization and Transition Portal customer Service per the requirement at A.5.c.(2) – Approval of Transition-In Requirements.</p>	\$ 0.00
<p>Completion of the requirements for Compliance with Payment Card Industry Data Security Standard at Contract Sections: A.5.h.(1) – External Payment Engine, A.5.h.(2) – PCI DSS Compliance Assessment. Payable upon State's written approval of A.5.h – Compliance with Payment Card Industry Data Security Standard per the requirement at A.5.c.(2) – Approval of Transition-In Requirements.</p>	\$ 0.00

(1) The State will compensate the Contractor for Transition-In Services upon the completion of each body of work detailed above as indicated by the State's written approval of all required tasks and deliverables.

ii. **Portal Program Management (Contract Section A.6)**

Service Description	Amount (per compensable increment)				
	Year 1 (04/01/11 - 03/31/12)	Year 2 (04/01/12 - 03/31/13)	Year 3 (04/01/13 - 03/31/14)	Year 4 (04/01/14 - 03/31/15)	Year 5 (04/01/15 - 03/31/16)
Portal Program Management	\$ 22,000.00 per month				

(1) Compensation to the Contractor for Portal Program Management shall begin at the start date of the Contract, and the Contractor shall invoice the State for the first payment following the end of the first month of the Contract.

iii. **Applications Operation and Maintenance (Contract Section A.7).** There are three compensation categories under Applications Operation and Maintenance: Transaction Based Application Support; Non-Transaction Based Application Support; and Subscription Services. Detailed descriptions of these categories follow:

(1) **Transaction Based Application Support (Contract Section A.7.m.(1)(a).** The State will compensate the Contractor as follows for the operation and maintenance of Transaction Based Portal Applications. For additional information concerning Transaction Based applications, see Contract Attachment B, Current Portal Contractor Supported Applications.

Service Description	Amount (per compensable increment)				
	Year 1 (04/01/11 - 03/31/12)	Year 2 (04/01/12 - 03/31/13)	Year 3 (04/01/13 - 03/31/14)	Year 4 (04/01/14 - 03/31/15)	Year 5 (04/01/15 - 03/31/16)
Professional License Renewals	\$ 2.00 per trans- action				
Events Setup & Registration	\$ 1.50 per trans- action				
First Lady's Shop	\$ 1.00 per trans- action				
Executive Residence Donation Site	\$ 1.00 per trans- action				
Health Licensing Renewal	\$ 3.50 per trans- action				
Prevailing Wage	\$ 4.00 per trans- action				
Case Management & Review	\$ 1.00 per trans- action				

Service Description	Amount (per compensable increment)				
	Year 1 (04/01/11 – 03/31/12)	Year 2 (04/01/12 – 03/31/13)	Year 3 (04/01/13 – 03/31/14)	Year 4 (04/01/14 – 03/31/15)	Year 5 (04/01/15 – 03/31/16)
Workers Comp Filing	\$ 1.50 per trans- action				
County and City Business Tax	\$ 1.00 per trans- action				
Consumer Use Tax	\$ 1.00 per trans- action				
Online Tax Debit	\$ 0.75 per trans- action				
Franchise & Excise Tax	\$ 2.50 per trans- action				
Individual Income Tax (Hall Tax)	\$ 2.50 per trans- action				
Business Registration Tax	\$ 2.50 per trans- action				
Professional Privilege Tax Filing	\$ 1.50 per trans- action				
Interactive Vehicle Title & Registration	\$ 1.00 per trans- action				
Sales Tax	\$ 1.00 per trans- action				
Renew Vehicle Tags (see Contract Section C.3.b.iii.(1)(e) below)	\$ 1.00 per trans- action				
Professional Privilege Tax Batch Filings	\$ 1.00 per trans- action				
Franchise & Excise Long Form	\$ 1.00 per trans- action				
Status of Moving Vehicle Record	\$ 1.00 per trans- action				
Driver License Duplicates	\$ 1.50 per trans- action				
Driver License Reinstatements and Reinstatement Inquiries	\$ 1.00 per trans- action				
Driver License Renewals	\$ 2.50 per trans- action				

Service Description	Amount (per compensable increment)				
	Year 1 (04/01/11 – 03/31/12)	Year 2 (04/01/12 – 03/31/13)	Year 3 (04/01/13 – 03/31/14)	Year 4 (04/01/14 – 03/31/15)	Year 5 (04/01/15 – 03/31/16)
Moving Vehicle On-Line Request (MVOR). Includes: Interactive Moving Vehicle Record Batch Moving Vehicle Record	\$ 2.00 per trans- action				
State Parks Reservations	\$ 2.50 per trans- action				
Campground Reservations	\$ 3.00 per trans- action				
Local Government Investment Pool	\$ 2.00 per trans- action				
Wildlife Donations	\$ 1.00 per trans- action				
Support Services and Agency-Maintained Application Usage – Tennessee On-line Payment Engine (TOPE)	\$ 1.00 per trans- action				

- (a) Compensation for Application Support services for existing and new applications shall be made on a monthly basis. Each month that a State-approved application is in production, the Contractor shall track the number of successful transactions processed for that application during the billing month; the Contractor will then multiply the number of successful transactions times the per-transaction amount to determine the billing amount. All Transaction Based compensation shall be subject to the timing, documentation, reconciliation, and all other stipulations of Contract Section C.5 below.
- (b) Assuming the requirements of Section C.5 are met, compensation to the Contractor for Transaction Based Application Support for existing applications shall begin upon the State's written approval of the completion of the Transition-In Services described in Contract Section A.5.
- (c) Assuming the requirements of Section C.5 are met, compensation to the Contractor for Transaction Based Application Support for a new application shall begin upon the State's written approval of the implemented application.
- (d) Depending upon the adoption rate of a given application, the amount of time that the application has been implemented, and the day-to-day stability of the application, the State may determine that the Contractor is over-recovering its expenses at the current transaction fee. In this event, the Contractor agrees: (1) to provide the State with documentation of development and ongoing support expenses pertaining to the application; and (2) if the documentation indicates an over-recovery situation, the Contractor agrees to negotiate in good faith a lower transaction fee to reflect the Contractor's actual ongoing expenses, plus a reasonable profit on the services provided.

- (e) If the transaction count for Renew Vehicle Tags transactions exceeds 100,000 in a given Contract year, the per-transaction fees detailed herein shall be decreased in the following increments, and the reduced rates shall apply for the remainder of that Contract Year, or until such time as they are further adjusted downward by additional usage volume:

100,001 – 200,000	\$ 0.75
200,001 – 300,000	\$ 0.50
Greater Than 300,000.00	\$ 0.25

- (2) Non-Transaction Based Application Support (Contract Section A.7.m.(1)(b). For additional information concerning Non-Transaction Based applications, see Contract Attachment B, Current Portal Contractor Supported Applications.

Service Description	Amount (per compensable increment)				
	Year 1 (04/01/11 – 03/31/12)	Year 2 (04/01/12 – 03/31/13)	Year 3 (04/01/13 – 03/31/14)	Year 4 (04/01/14 – 03/31/15)	Year 5 (04/01/15 – 03/31/16)
	Non-Transaction Based Application Support Services – Consulting Services Related	\$ 660.00 per applic. per month			
Non-Transaction Based Application Support Services – TNTRACK	\$ 25.00 per user per year	\$ 25.00 per user per year	\$ 25.00 per user per year	\$ 25.00 per user per year	\$ 25.00 per user per year

- (a) Compensation to the Contractor for Non-Transaction Based Application Support – Consulting Services Related for existing applications shall begin upon the State's written approval of the completion of the Transition-In Services described in Contract Section A.5.
- (b) Compensation to the Contractor for Non-Transaction Based Application Support – Consulting Services Related for a new application shall begin upon the State's written approval of the implemented application.
- (c) Compensation to the Contractor for Non-Transaction Based Application Support – TNTRACK will provide application access for one (1) user account; it will also provide Subscription Services for the TNTRACK application at no additional charge. It will be collected and pro-rated as described in Contract C.3.b.iii.(3)(a).

- (3) Subscription Services (Contract Section A.7.m.(1)(c). This fee will be paid directly to the Contractor by the Subscriber of the Portal application for Subscription Services. For additional information concerning Subscription Services, see Contract Attachment B, Current Portal Contractor Supported Applications.

Service Description	Amount (per compensable increment)				
	Year 1 (04/01/11 - 03/31/12)	Year 2 (04/01/12 - 03/31/13)	Year 3 (04/01/13 - 03/31/14)	Year 4 (04/01/14 - 03/31/15)	Year 5 (04/01/15 - 03/31/16)
	Subscription Services	\$ 75.00 per year	\$ 75.00 per year	\$ 75.00 per year	\$ 75.00 per year

- (a) Compensation to the Contractor for Subscription Services shall begin upon the State's written approval of the completion of the Transition-In Services described in Contract Section A.5. Subscription fees will be paid in advance of the year for which the Subscription Services are in effect, and each yearly term shall run from July 1 to June 30.

As a result of the foregoing, there may be an offset between the July 1 start date and the actual date on which the Contractor begins providing Subscription Services. In addition, the end date of the Contract may be such that the Contractor does not provide a full year of Subscription Services at the end of the Contract. In each of these cases, the Contractor shall prorate the invoice to reflect the actual length of time the Contractor has provided the services. Such proration shall be calculated in terms of days of service provided, rounded to the nearest full day.

- (b) Subscription Services fees may be collected from Subscribers for existing applications after the State's written approval of the completion of the Transition-In Services described in Contract Section A.5.
- (c) Subscription Services fees may be collected from Subscribers for new applications upon the State's written approval of the implemented application. Proration shall be applied to Subscription Services fees for new applications as well, in the same manner described in Contract Section C.3.b.iii.(3)(a) above.
- (d) Each Yearly Subscription Fee will provide access to a single Portal application, for up to ten (10) user accounts. If the entity using the application requires more than ten user accounts, then the entity must pay an additional subscription fee, or fees, to cover the additional user accounts; each fee will provide up to ten (10) additional users.

iv. Customer Service (Contract Section A.8)

Service Description	Amount (per compensable increment)				
	Year 1 (04/01/11 – 03/31/12)	Year 2 (04/01/12 – 03/31/13)	Year 3 (04/01/13 – 03/31/14)	Year 4 (04/01/14 – 03/31/15)	Year 5 (04/01/15 – 03/31/16)
Customer Service – Up to and including 8,500 Customer Contacts per month	\$ 15,000.00 per month	\$ 15,000.00 per month	\$ 15,000.00 per month	\$ 15,000.00 per month	\$ 15,000.00 per month
Customer Service – For each Customer Contact that exceeds 8,500 Customer Contacts per month	\$ 0.00 per customer contact				

Compensation to the Contractor for Customer Service shall begin upon the State's written approval of the completion of the Transition-In Services described in Contract Section A.5.

v. Application Development (Contract Sections A.9, A.10, A.11, and A.12)

(1) Consulting Services Hourly Rates

Service Description	Amount (per compensable increment)				
	Year 1 (04/01/11 – 03/31/12)	Year 2 (04/01/12 – 03/31/13)	Year 3 (04/01/13 – 03/31/14)	Year 4 (04/01/14 – 03/31/15)	Year 5 (04/01/15 – 03/31/16)
Project Manager	\$ 140.00 per hour				
Component Architect	\$ 175.00 per hour				
Lead JAVA / .NET Developer	\$ 135.00 per hour				
Certified JAVA / .NET Developer	\$ 140.00 per hour				
Non-Certified JAVA / .NET Developer	\$ 120.00 per hour				
Web Designer / Developer	\$ 125.00 per hour				
Web Publisher	\$ 75.00 per hour				
Advanced Web Publisher	\$ 135.00 per hour				
Web Programmer	\$ 120.00 per hour				
Advanced Web Programmer	\$ 135.00 per hour				

Service Description	Amount (per compensable increment)				
	Year 1 (04/01/11 – 03/31/12)	Year 2 (04/01/12 – 03/31/13)	Year 3 (04/01/13 – 03/31/14)	Year 4 (04/01/14 – 03/31/15)	Year 5 (04/01/15 – 03/31/16)
	Business Analyst I	\$ 95.00 per hour	\$ 95.00 per hour	\$ 95.00 per hour	\$ 95.00 per hour
Business Analyst II	\$ 115.00 per hour				
Business Analyst III	\$ 140.00 per hour				

(a) The Contractor shall not be compensated for travel time to the primary location of service provision.

vi. **Moving Vehicle Online Request (MVOR) Rebate**

- (1) At the end of each month, in accordance with the provisions of Contract Section C.5 below, the Contractor will submit an invoice to the State. This invoice will itemize legitimate charges to the State for each applicable compensation category detailed in Contract Section C.3.b. In addition to amounts owed by the State to the Contractor, the invoice will also include documentation of the MVOR rebate, which the Contractor shall make to the State in the form of an ACH credit. This rebate amount shall be calculated based upon the "gross revenue" from MVOR transactions for that invoice month, using the formula described below. As described in Contract Section A.6.e.(3)(a), "MVOR" is the collective name for Interactive Moving Vehicle Records (IMVRs) and Batch Moving Vehicle Records (BMVRs); these are the only two transaction types that are included in the MVOR rebate calculation.

This amount will be used by the State to support/defray the costs of Variable Services projects.

- (2) Rebate Calculation. The MVOR monthly rebate amount will be calculated as follows:

$$\text{MVOR Monthly Rebate} = \text{MVOR Transaction Gross Revenue} \times \text{Eight Percent (.08\%)}$$

- (3) Rebate Report. The Contractor will submit a report to the State Portal Manager listing the MVOR gross revenue for the month (45 days after the end of that month) and the total amount rebated to the State.
- (4) The Contractor shall begin remitting the MVOR Monthly Rebate to the State upon the State's written approval of the completion of the Transition-In Services described in Contract Section A.5. All remittances must be remitted along with the invoice for that month. The invoice must list the MVOR gross revenue for the month and the total amount rebated to the State.

vii. **Portal Hosting Fee**

- (1) The Enterprise Portal will run in a hardware/software environment ("Infrastructure") that is owned by the State and that will be housed at the State's Data Center. It is the State's policy to charge State agencies a monthly fee to cover Data Center infrastructure costs for agency applications running at the Data Center. Under Federal guidelines, the fees the State

charges to State agencies must be cost based. For purposes of this Contract, the State will treat the Contractor in a similar manner and will charge the Contractor the same monthly fees that a State agency would be charged to cover the required infrastructure. The monthly fees charged to the Contractor shall be known as the Portal Hosting Fee.

- (2) The Portal Hosting Fee charged to the Contractor will be calculated in the same way as it is calculated for a State agency. That is, the State will (1) inventory the Data Center resources required for the Enterprise Portal; (2) derive the cost for each required component, using the same infrastructure costs that are used for State agencies; and (3) calculate the total monthly Portal Hosting Fee by adding the individual component costs.
- (3) The State reserves the right to change the infrastructure costs as necessary to reflect current costs for providing Data Center resources. If such changes are made and these changes affect components required for the Portal Infrastructure, the State will adjust the Portal Hosting Fee accordingly.
- (4) The Contractor shall begin remitting the Portal Hosting Fee to the State upon the State's written approval of the completion of the Transition-In Services described in Contract Section A.5. The first remittance shall be made at the same time as the first Contractor invoice to the State following the approval of the Transition-In Services.

viii. **Portal Administrative Fee**

- (1) Along with each monthly invoice submitted to the State, the Contractor will remit to the State a Portal Administrative Fee. This fee will be used to defray the costs of the State's portal administration staff.

- (2) For each month, this fee shall be calculated as follows:

$$\text{Portal Administrative Fee} = (\text{Contractor's Gross Portal Revenue} - \text{Portal Hosting Fee} - \text{MVOR Monthly Rebate Amount}) \times \text{two percent (2\%)}$$

- (3) Formula Definitions:

- (a) "Contractor's Gross Portal Revenue." Any and all revenue related to the State's portal received by the Contractor. This includes, but is not limited to: transaction fees, application support fees, subscription fees, fees associated with Variable Services, and MVOR revenue.
- (b) "Portal Hosting Fee." The monthly fee paid by the Contractor to the State to compensate the State for providing the Portal hardware/software environment. See Contract Section C.3.b.vii above.
- (c) "MVOR Monthly Rebate Amount." See Contract Section C.3.b.vi above.

- (4) The Contractor shall begin remitting the Portal Administration Fee to the State upon the State's written approval of the completion of the Transition-In Services described in Contract Section A.5. The first remittance shall be made at the same time as the first Contractor invoice to the State following the approval of the Transition-In Services.

ix. **Change Order Payment Methodology**

The Contractor shall be compensated for changes requested and performed pursuant to Contract Section A.6.h.(2) without a formal amendment of this contract based upon the payment rates detailed in the schedules above and as

agreed pursuant to said Section A.6.h.(2), PROVIDED THAT compensation to the Contractor for such "change order" work shall not exceed TEN PERCENT (10%) of the sum of the costs provided for in Contract Sections C.3.b.iii.(1), C.3.b.iii.(2), and C.3.b.v.(1): One Million, Two Hundred Eighty-Eight Thousand, Three Hundred Fifty Dollars and No Cents (\$1,288,350.00). If, at any point during the Contract period, the State determines that the cost of necessary "change order" work would exceed said maximum amount, the State may amend this Contract to address the need.

- C.4. Travel Compensation. The Contractor shall not be compensated or reimbursed for travel, meals, or lodging.
- C.5. Invoice Requirements. The Contractor shall invoice the State only for completed increments of service and for the amount stipulated in Section C.3, above, and as required below prior to any payment.
- C.5.a. Electronic Billing Requirements:
- i. The State requires an electronic file to be provided as invoicing to the Department of Finance and Administration, Billing Services by the 10th of the month at no additional charge to the State. The method of invoicing provided must be compatible for use with computer equipment (hardware and software) used by the State and must be operational.
 - ii. Billing Services will assist in the formatting of such Electronic invoicing to ensure the proper information is in place. The Electronic invoicing shall be delivered each month in lieu of paper invoicing covering the service on the contract.
 - iii. The Electronic invoicing must provide all billing information associated with each Portal transaction. The billing information on the Electronic invoice shall be matched with the contract line Portal Codes used by the State.
 - iv. All charges based on the appropriate line Portal code shall be presented on the Electronic invoicing and invoicing the appropriate Agency that incurred said charges.
 - v. The format of the Electronic invoicing must be provided to Billing Services, in writing, within thirty (30) days of award of contract. Format of the Electronic invoicing is required to be in a format to be provided by the State Portal Manager.
 - vi. At the bottom of the billing records, a summary record must be provided that summarizes the billing by Portal Code and the amount billed to each Portal Code.
 - vii. Records that do not conform to the above criteria shall be rejected from the Electronic Invoicing received and must be credited to the State's account no later than the second consecutive month after the date of rejection.
 - viii. Rejected records can be resubmitted after correction only during the current month's billing, by submitting a corrected Electronic invoice file. No resubmissions will be accepted after the final run of the current month's bill.
 - ix. An operational sample of the Electronic Invoice must be provided and approved by Billing Services as functional within ninety (90) calendar days of contract award.
 - x. A test billing file must be submitted within fourteen (14) days after the launch of an Application.
- C.5.b. Billing/Invoices.
- i. Electronic invoices are to be sent to the State Portal Manager and the Department of Finance and Administration, Billing Services.