

IRAN DIVESTMENT ACT LANGUAGE

INFORMATIONAL SHEET

Purpose

The purpose of this document is to highlight some of the requirements and to provide instructions for complying with the Iran Divestment Act enacted by Public Chapter No. 817 (2016) and codified at Tenn. Code Ann. § 12-12-101 et. seq.

Applicability

The Iran Divestment Act requirements “shall not apply to a procurement or contract valued at one thousand dollars (\$1,000) or less.” Tenn. Code Ann. § 12-12-104.

The List

Tenn. Code Ann. § 12-12-106 requires the chief procurement officer to “publish, using credible information freely available to the public, a list of persons it determines engage in investment activities in Iran.” The list is available on the “Public Information Library” section of the CPO website: <http://www.tn.gov/generalservices/article/Public-Information-library>.

Requirements

Tenn. Code Ann. § 12-12-108 provides:

A state agency or entity shall require a person that attempts to contract with the state, including a contract renewal or assumption, to certify, at the time the bid is submitted or the contract is entered into, renewed, or assigned, that the person or assignee is not identified on a list created pursuant to § 12-12-106. A state agency shall include certification information in the procurement record.

It is the responsibility of each state agency or entity to ensure compliance with this section and to maintain documentation in the procurement record.

What if a Supplier is on the list?

Even if a Supplier is on the list, they may still be able to contract with the State. See Tenn. Code Ann. § 12-12-107 copied below:

Notwithstanding § 12-12-106, a person engaged in investment activities in Iran as described in § 12-12-105, may contract with the state, on a case-by-case basis, if:

- (1) The investment activities in Iran were made before the effective date of this act, the investment activities in Iran have not been expanded or renewed after the effective date of this act, and the person has adopted, publicized, and is implementing a formal plan to cease the investment activities in Iran and to refrain from engaging in any new investments in Iran; or

- (2) The state agency makes a determination that the commodities or services are necessary to perform its functions and that, absent such an exemption, the state agency would be unable to obtain the commodities or services for which the contract is offered. Such determination shall be entered into the procurement record.

Applying the requirements to Current Contracts:

If it is time to amend a contract valued over \$1,000, please include the new “Iran Divestment Act” contract term to your amendment.