

STATE OF MICHIGAN
 DEPARTMENT OF TECHNOLOGY, MANAGEMENT AND BUDGET
 PROCUREMENT
 P.O. BOX 30026, LANSING, MI 48909
 OR
 530 W. ALLEGAN, LANSING, MI 48933

April 30, 2013

CHANGE NOTICE NO. 10
 to
CONTRACT NO. 071B7200138
 between
THE STATE OF MICHIGAN
 and

| NAME & ADDRESS OF CONTRACTOR: | PRIMARY CONTACT | EMAIL |
|-----------------------------------------------------------------------|-----------------|-------------------------|
| Legally Correct Transcription 2563 Koala East Lansing, MI 48823 | Bryan J. Olson | razzz1@comcast.net |
| | TELEPHONE | CONTRACTOR #, MAIL CODE |
| | (517) 332-1234 | |

| STATE CONTACTS | AGENCY | NAME | PHONE | EMAIL |
|-------------------------------|--------|----------------|----------------|----------------------|
| CONTRACT COMPLIANCE INSPECTOR | DTMB | Brandon Samuel | (517) 241-1218 | samuelb@michigan.gov |
| BUYER | DTMB | Brandon Samuel | (517) 241-1218 | samuelb@michigan.gov |

| CONTRACT SUMMARY: | | | |
|-------------------------------------------------------------------------------------------------------------|-------------------------|---------------------------|---------------------------------------------------------------------|
| Transcription Services (Legal & Medical) Statewide | | | |
| INITIAL EFFECTIVE DATE | INITIAL EXPIRATION DATE | INITIAL AVAILABLE OPTIONS | EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW |
| January 25, 2007 | January 24, 2010 | 2, 1 yr. options | June 30, 2013 |
| PAYMENT TERMS | F.O.B | SHIPPED | SHIPPED FROM |
| N/A | N/A | N/A | N/A |
| ALTERNATE PAYMENT OPTIONS: | | | AVAILABLE TO MiDEAL PARTICIPANTS |
| <input type="checkbox"/> P-card <input type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other | | | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| MINIMUM DELIVERY REQUIREMENTS: | | | |
| N/A | | | |

| DESCRIPTION OF CHANGE NOTICE: | | | | |
|---------------------------------------------------------------------|----------------------------------|---------------------------------------------|----------------------------|------------------------------|
| EXTEND CONTRACT EXPIRATION DATE | EXERCISE CONTRACT OPTION YEAR(S) | EXTENSION BEYOND CONTRACT OPTION YEARS | LENGTH OF OPTION/EXTENSION | EXPIRATION DATE AFTER CHANGE |
| <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes | <input type="checkbox"/> | <input type="checkbox"/> | | |
| VALUE/COST OF CHANGE NOTICE: | | ESTIMATED REVISED AGGREGATE CONTRACT VALUE: | | |
| \$0.00 | | \$0.00 | | |

Effective April 30, 2013, this Contract has been CANCELLED per article 2.701 Cancellation (2) Cancellation For Convenience By the STATE.

STATE OF MICHIGAN
 DEPARTMENT OF TECHNOLOGY, MANAGEMENT AND BUDGET
 PROCUREMENT
 P.O. BOX 30026, LANSING, MI 48909
 OR
 530 W. ALLEGAN, LANSING, MI 48933

CHANGE NOTICE NO. 9
 to
CONTRACT NO. 071B7200138
 between
THE STATE OF MICHIGAN
 and

| NAME & ADDRESS OF CONTRACTOR: | PRIMARY CONTACT | EMAIL |
|-----------------------------------------------------------------------|-----------------|-------------------------|
| Legally Correct Transcription 2563 Koala East Lansing, MI 48823 | Bryan J. Olson | razzz1@comcast.net |
| | TELEPHONE | CONTRACTOR #, MAIL CODE |
| | (517) 332-1234 | |

| STATE CONTACTS | AGENCY | NAME | PHONE | EMAIL |
|-------------------------------|--------|----------------|----------------|----------------------|
| CONTRACT COMPLIANCE INSPECTOR | DTMB | Brandon Samuel | (517) 241-1218 | samuelb@michigan.gov |
| BUYER | DTMB | Brandon Samuel | (517) 241-1218 | samuelb@michigan.gov |

| CONTRACT SUMMARY: | | | |
|-------------------------------------------------------------------------------------------------------------|-------------------------|---------------------------|---------------------------------------------------------------------|
| Transcription Services (Legal & Medical) Statewide | | | |
| INITIAL EFFECTIVE DATE | INITIAL EXPIRATION DATE | INITIAL AVAILABLE OPTIONS | EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW |
| January 25, 2007 | January 24, 2010 | 2, 1 yr. options | December 31, 2012 |
| PAYMENT TERMS | F.O.B | SHIPPED | SHIPPED FROM |
| N/A | N/A | N/A | N/A |
| ALTERNATE PAYMENT OPTIONS: | | | AVAILABLE TO MiDEAL PARTICIPANTS |
| <input type="checkbox"/> P-card <input type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other | | | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| MINIMUM DELIVERY REQUIREMENTS: | | | |
| N/A | | | |

| DESCRIPTION OF CHANGE NOTICE: | | | | |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------|---------------------------------------------|----------------------------|------------------------------|
| EXTEND CONTRACT EXPIRATION DATE | EXERCISE CONTRACT OPTION YEAR(S) | EXTENSION BEYOND CONTRACT OPTION YEARS | LENGTH OF OPTION/EXTENSION | EXPIRATION DATE AFTER CHANGE |
| <input type="checkbox"/> No <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> | <input type="checkbox"/> | 6 months | June 30, 2013 |
| VALUE/COST OF CHANGE NOTICE: | | ESTIMATED REVISED AGGREGATE CONTRACT VALUE: | | |
| \$0.00 | | \$1,500,000.00 | | |
| Effective 12/28/12, this contract is hereby EXTENDED through June 30, 2013 for legal transcription services only. All other terms, conditions, pricing and specifications remain the same. Per vendor and agency agreement and the approval of DTMB-Procurement. | | | | |

STATE OF MICHIGAN
 DEPARTMENT OF TECHNOLOGY, MANAGEMENT AND BUDGET
 PROCUREMENT
 P.O. BOX 30026, LANSING, MI 48909
 OR
 530 W. ALLEGAN, LANSING, MI 48933

CHANGE NOTICE NO. 8
 to
CONTRACT NO. 071B7200138
 between
THE STATE OF MICHIGAN
 and

| NAME & ADDRESS OF CONTRACTOR: | PRIMARY CONTACT | EMAIL |
|-----------------------------------------------------------------------|-----------------|-------------------------|
| Legally Correct Transcription 2563 Koala East Lansing, MI 48823 | Bryan J. Olson | Razzz1@comcast.net |
| | TELEPHONE | CONTRACTOR #, MAIL CODE |
| | (571) 332-1234 | |

| STATE CONTACTS | AGENCY | NAME | PHONE | EMAIL |
|-------------------------------|--------|----------------|--------------|----------------------|
| CONTRACT COMPLIANCE INSPECTOR | DTMB | Brandon Samuel | 517-241-1218 | samuelb@michigan.gov |
| BUYER | DTMB | Brandon Samuel | 517-241-1218 | samuelb@michigan.gov |

| CONTRACT SUMMARY: | | | |
|-------------------------------------------------------------------------------------------------------------|-------------------------|---------------------------|---------------------------------------------------------------------|
| DESCRIPTION: Transcription Services (Legal & Medical) Statewide | | | |
| INITIAL EFFECTIVE DATE | INITIAL EXPIRATION DATE | INITIAL AVAILABLE OPTIONS | EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW |
| January 25, 2007 | January 24, 2010 | 2, one year | September 24, 2012 |
| PAYMENT TERMS | F.O.B | SHIPPED | SHIPPED FROM |
| N/A | N/A | N/A | N/A |
| ALTERNATE PAYMENT OPTIONS: | | | AVAILABLE TO MiDEAL PARTICIPANTS |
| <input type="checkbox"/> P-card <input type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other | | | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| MINIMUM DELIVERY REQUIREMENTS: | | | |
| N/A | | | |

| DESCRIPTION OF CHANGE NOTICE: | | | | |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------|---------------------------------------------|----------------------------|------------------------------|
| EXTEND CONTRACT EXPIRATION DATE | EXERCISE CONTRACT OPTION YEAR(S) | EXTENSION BEYOND CONTRACT OPTION YEARS | LENGTH OF OPTION/EXTENSION | EXPIRATION DATE AFTER CHANGE |
| <input type="checkbox"/> No <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> | <input type="checkbox"/> | 3 months | Dec. 31, 2012 |
| VALUE/COST OF CHANGE NOTICE: | | ESTIMATED REVISED AGGREGATE CONTRACT VALUE: | | |
| \$0.00 | | \$1,500,000.00 | | |
| Effective September 13, 2012, this contract is hereby EXTENDED through December 31, 2012. All other terms, conditions, pricing and specifications remain the same. Per vendor and agency agreement and the approval of DTMB Procurement. | | | | |

STATE OF MICHIGAN
 DEPARTMENT OF TECHNOLOGY, MANAGEMENT AND BUDGET
 PROCUREMENT
 P.O. BOX 30026, LANSING, MI 48909
 OR
 530 W. ALLEGAN, LANSING, MI 48933

June 13, 2012

CHANGE NOTICE NO. 7
 to
CONTRACT NO. 071B7200138
 between
THE STATE OF MICHIGAN
 and

| NAME & ADDRESS OF CONTRACTOR: | PRIMARY CONTACT | EMAIL |
|-----------------------------------------------------------------------|-----------------|------------------------------------------------------------|
| Legally Correct Transcription 2563 Koala East Lansing, MI 48823 | Bryna J. Olson | Razzz1@comcast.net |
| | TELEPHONE | CONTRACTOR #, MAIL CODE |
| | (571) 332-1234 | |

| STATE CONTACTS | AGENCY | NAME | PHONE | EMAIL |
|--------------------------------|--------|----------------|----------------|----------------------------------------------------------------|
| CONTRACT COMPLIANCE INSPECTOR: | DTMB | Brandon Samuel | (517) 241-1218 | samuelb@michigan.gov |
| BUYER: | DTMB | Brandon Samuel | (517) 241-1218 | samuelb@michigan.gov |

| CONTRACT SUMMARY: | | | |
|----------------------------------------------------------------|----------------------------------------------|--------------------------------|---------------------------------------------------------------------|
| DESCRIPTION: Transcription Services (Legal) - Statewide | | | |
| INITIAL EFFECTIVE DATE | INITIAL EXPIRATION DATE | AVAILABLE OPTIONS | CURRENT EXPIRATION DATE |
| January 25, 2007 | January 24, 2010 | 2, 1 Yr. Options | May 24, 2012 |
| PAYMENT TERMS | F.O.B | SHIPPED | SHIPPED FROM |
| N/A | N/A | N/A | N/A |
| ALTERNATE PAYMENT OPTIONS: | | | AVAILABLE TO MiDEAL PARTICIPANTS |
| <input type="checkbox"/> P-card | <input type="checkbox"/> Direct Voucher (DV) | <input type="checkbox"/> Other | <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO |
| MINIMUM DELIVERY REQUIREMENTS: | | | |
| N/A | | | |

| DESCRIPTION OF CHANGE NOTICE: | | |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------|--------------------------------------------|
| OPTION EXERCISED: <input type="checkbox"/> NO <input checked="" type="checkbox"/> YES | IF YES, EFFECTIVE DATE OF CHANGE: May 25, 2012 | NEW EXPIRATION DATE: September 24, 2012 |
| <p>Effective immediately, this Contract is hereby EXTENDED to September 24, 2012.</p> <p>All other terms, conditions, specifications, and pricing remain unchanged.</p> <p>Per vendor agreement and DTMB Procurement approval.</p> | | |
| VALUE/COST OF CHANGE NOTICE: | \$0.00 | |
| ESTIMATED AGGREGATE CONTRACT VALUE REMAINS: | \$1,500,000.00 | |

STATE OF MICHIGAN
DEPARTMENT OF TECHNOLOGY MANAGEMENT AND BUDGET
PROCUREMENT
 P.O. BOX 30026, LANSING, MI 48909
 OR
 530 W. ALLEGAN, LANSING, MI 48933

January 18, 2012

CHANGE NOTICE NO. 6
TO
CONTRACT NO. 071B7200138
between
THE STATE OF MICHIGAN
and

| | |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------|
| NAME & ADDRESS OF VENDOR Legally Correct Transcription 2563 Koala East Lansing, MI 48823 Razzz1@comcast.net | TELEPHONE (517) 332-1234 Bryna J. Olson |
| | VENDOR NUMBER/MAIL CODE |
| | BUYER/CA (517) 241-1218 Brandon Samuel |
| Contract Compliance Inspector: Andy Ghosh Transcription Services (Legal) – Statewide | |
| CONTRACT PERIOD: From: January 25, 2007 To: May 24, 2012 | |
| TERMS <p style="text-align: center;">N/A</p> | SHIPMENT <p style="text-align: center;">N/A</p> |
| F.O.B. <p style="text-align: center;">N/A</p> | SHIPPED FROM <p style="text-align: center;">N/A</p> |
| MINIMUM DELIVERY REQUIREMENTS <p style="text-align: center;">N/A</p> | |

NATURE OF CHANGE(S):

Effective immediately, this contract is hereby EXTENDED to May 24, 2012. Please also note that the buyer has been changed to Brandon Samuel. All other terms, conditions, specifications, and pricing remain unchanged.

AUTHORITY/REASON:

Per vendor and DTMB Procurement's approval.

TOTAL ESTIMATED CONTRACT VALUE REMAINS: \$1,500,000.00

STATE OF MICHIGAN
 DEPARTMENT OF TECHNOLOGY MANAGEMENT AND BUDGET
 PURCHASING OPERATIONS
 P.O. BOX 30026, LANSING, MI 48909
 OR
 530 W. ALLEGAN, LANSING, MI 48933

October 1, 2010

CHANGE NOTICE NO. 5
TO
CONTRACT NO. 071B7200138
between
THE STATE OF MICHIGAN
and

| | |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------|
| NAME & ADDRESS OF VENDOR Legally Correct Transcription 2563 Koala East Lansing, MI 48823 Razzz1@comcast.net | TELEPHONE (517) 332-1234 Bryna J. Olson |
| | VENDOR NUMBER/MAIL CODE |
| | BUYER/CA (517) 373-7396 Andy Ghosh, CPPB |
| Contract Compliance Inspector: Andy Ghosh Transcription Services (Legal) – Statewide | |
| CONTRACT PERIOD: From: January 25, 2007 To: January 24, 2012 | |
| TERMS N/A | SHIPMENT N/A |
| F.O.B. N/A | SHIPPED FROM N/A |
| MINIMUM DELIVERY REQUIREMENTS N/A | |

NATURE OF CHANGE(S):

Effective immediately, this contract is hereby **EXTENDED** to January 24, 2012.
 All other terms, conditions, specifications, and pricing remain unchanged.

AUTHORITY/REASON:

Per DTMB/Purchasing Operation's approval.

TOTAL ESTIMATED CONTRACT VALUE REMAINS: \$1,500,000.00

STATE OF MICHIGAN
 DEPARTMENT OF MANAGEMENT AND BUDGET
 PURCHASING OPERATIONS
 P.O. BOX 30026, LANSING, MI 48909
 OR
 530 W. ALLEGAN, LANSING, MI 48933

December 2, 2009

CHANGE NOTICE NO. 4
 TO
 CONTRACT NO. 071B7200138
 between
 THE STATE OF MICHIGAN
 and

| | | |
|------------------------------------------------------------|-----|-----------------------------|
| NAME & ADDRESS OF VENDOR | | TELEPHONE (517) 332-1234 |
| Legally Correct Transcription | | Bryna J. Olson |
| 2563 Koala | | VENDOR NUMBER/MAIL CODE |
| East Lansing, MI 48823 | | BUYER/CA (517) 373-7396 |
| Razzz1@comcast.net | | Andy Ghosh, CPPB |
| Contract Compliance Inspector: Andy Ghosh | | |
| Transcription Services (Legal) – Statewide | | |
| CONTRACT PERIOD: From: January 25, 2007 | | To: January 24, 2011 |
| TERMS | N/A | SHIPMENT |
| | | N/A |
| F.O.B. | N/A | SHIPPED FROM |
| | | N/A |
| MINIMUM DELIVERY REQUIREMENTS | | |
| N/A | | |

NATURE OF CHANGE(S):

Effective January 1, 2010, this Contract is EXTENDED through January 24, 2011. Additionally, the Legal Transcription rates are reduced by 10% as per "Price Sheet" attached.

All other terms, conditions, specifications, and pricing remain unchanged.

AUTHORITY/REASON:

Per vendor agreement and DMB/Purchasing Operation's approval.

CURRENT AUTHORIZED SPEND LIMIT REMAINS: \$1,500,000.00

STATE OF MICHIGAN
 DEPARTMENT OF MANAGEMENT AND BUDGET
 PURCHASING OPERATIONS
 P.O. BOX 30026, LANSING, MI 48909
 OR
 530 W. ALLEGAN, LANSING, MI 48933

February 23, 2009

CHANGE NOTICE NO. 3
TO
CONTRACT NO. 071B7200138
between
THE STATE OF MICHIGAN
and

| | | |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|-----------------------------------------------------------|
| NAME & ADDRESS OF VENDOR | | TELEPHONE (517) 332-1234 |
| Legally Correct Transcription 2563 Koala East Lansing, MI 48823 Razzz1@comcast.net | | Bryna J. Olson |
| | | VENDOR NUMBER/MAIL CODE |
| | | BUYER/CA (517) 373-7396 |
| Contract Compliance Inspector: Andy Ghosh Transcription Services (Legal) – Statewide | | |
| CONTRACT PERIOD: | | From: January 25, 2007 To: January 24, 2010 |
| TERMS | N/A | SHIPMENT |
| | | N/A |
| F.O.B. | N/A | SHIPPED FROM |
| | | N/A |
| MINIMUM DELIVERY REQUIREMENTS | | |
| N/A | | |

NATURE OF CHANGE(S):

Effective immediately, this Contract is hereby **INCREASED** by \$500,000.00. All other terms, conditions, specifications, and pricing remain unchanged.

AUTHORITY/REASON:

Per agency request (PRF dated 1/16/09), Ad Board approval on 2/10/09, and DMB/Purchasing Operation's approval.

TOTAL REVISED ESTIMATED CONTRACT VALUE: \$1,500,000.00

STATE OF MICHIGAN
 DEPARTMENT OF MANAGEMENT AND BUDGET
 PURCHASING OPERATIONS
 P.O. BOX 30026, LANSING, MI 48909
 OR
 530 W. ALLEGAN, LANSING, MI 48933

December 21, 2007

CHANGE NOTICE NO. 2
TO
CONTRACT NO. 071B7200138
between
THE STATE OF MICHIGAN
and

| | | |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|-----------------------------|
| NAME & ADDRESS OF VENDOR | | TELEPHONE (517) 332-1234 |
| Legally Correct Transcription 2563 Koala East Lansing, MI 48823 Razzz1@comcast.net | | Bryna J. Olson |
| | | VENDOR NUMBER/MAIL CODE |
| | | BUYER/CA (517) 373-7396 |
| Contract Compliance Inspector: Andy Ghosh | | |
| Transcription Services (Legal) – Statewide | | |
| CONTRACT PERIOD: | | To: January 24, 2010 |
| From: January 25, 2007 | | |
| TERMS | N/A | SHIPMENT |
| | | N/A |
| F.O.B. | N/A | SHIPPED FROM |
| | | N/A |
| MINIMUM DELIVERY REQUIREMENTS | | |
| N/A | | |

NATURE OF CHANGE(S):

Effective immediately, this Contract is hereby **INCREASED** by \$500,000.00. All other terms, conditions, specifications, and pricing remain unchanged.

AUTHORITY/REASON:

Per DMB/Purchasing Operations and Ad Board approval dated 12/18/07.

TOTAL REVISED ESTIMATED CONTRACT VALUE: \$1,000,000.00

**STATE OF MICHIGAN
 DEPARTMENT OF MANAGEMENT AND BUDGET
 PURCHASING OPERATIONS
 P.O. BOX 30026, LANSING, MI 48909
 OR
 530 W. ALLEGAN, LANSING, MI 48933**

February 1, 2007

**CHANGE NOTICE NO. 1
 TO
 CONTRACT NO. 071B7200138
 between
 THE STATE OF MICHIGAN
 and**

| | |
|------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------|
| NAME & ADDRESS OF VENDOR Legally Correct Transcription 2563 Koala East Lansing, MI 48823 Razzz1@comcast.net | TELEPHONE (517) 332-1234 Bryna J. Olson |
| | VENDOR NUMBER/MAIL CODE |
| | BUYER/CA (517) 373-7396 Andy Ghosh, CPPB |
| Contract Compliance Inspector: Andy Ghosh Transcription Services (Legal) – Statewide | |
| CONTRACT PERIOD: From: January 25, 2007 To: January 24, 2010 | |
| TERMS <p style="text-align: center;">N/A</p> | SHIPMENT <p style="text-align: center;">N/A</p> |
| F.O.B. <p style="text-align: center;">N/A</p> | SHIPPED FROM <p style="text-align: center;">N/A</p> |
| MINIMUM DELIVERY REQUIREMENTS <p style="text-align: center;">N/A</p> | |

NATURE OF CHANGE (S):

Effective immediately, all legal transcripts must be prepared by the Certified Transcriptionists only, holding CER, CSR, or CSMR certifications. Certified Machine Operators (CEO) are no longer authorized to produce official transcripts. Furthermore, certifications must be renewed annually. Any violation of these terms may lead to termination of the contract. All other terms, conditions and pricing remain unchanged.

AUTHORITY/REASON:

Per DMB/Purchasing Operations.

TOTAL ESTIMATED CONTRACT VALUE REMAINS \$500,000.00

STATE OF MICHIGAN
 DEPARTMENT OF MANAGEMENT AND BUDGET
 PURCHASING OPERATIONS
 P.O. BOX 30026, LANSING, MI 48909
 OR
 530 W. ALLEGAN, LANSING, MI 48933

January 26, 2007

**NOTICE
 TO
 CONTRACT NO. 071B7200138
 between
 THE STATE OF MICHIGAN
 and**

| | |
|----------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------|
| NAME & ADDRESS OF VENDOR Legally Correct Transcription 2563 Koala East Lansing, MI 48823 | TELEPHONE (517) 332-1234 Bryna J. Olson |
| | VENDOR NUMBER/MAIL CODE |
| | BUYER/CA (517) 373-7396 Andy Ghosh, CPPB |
| Contract Compliance Inspector: Andy Ghosh Transcription Services (Legal) – Statewide | |
| CONTRACT PERIOD: From: January 25, 2007 To: January 24, 2010 | |
| TERMS <p style="text-align: center;">N/A</p> | SHIPMENT <p style="text-align: center;">N/A</p> |
| F.O.B. <p style="text-align: center;">N/A</p> | SHIPPED FROM <p style="text-align: center;">N/A</p> |
| MINIMUM DELIVERY REQUIREMENTS <p style="text-align: center;">N/A</p> | |

The terms and conditions of this Contract are those of ITB #071I6200213, this Contract Agreement and the vendor's quote. In the event of any conflicts between the specifications, terms and conditions indicated by the State and those indicated by the vendor, those of the State take precedence.

Estimated Contract Value: **\$500,000.00**

**STATE OF MICHIGAN
 DEPARTMENT OF MANAGEMENT AND BUDGET
 PURCHASING OPERATIONS
 P.O. BOX 30026, LANSING, MI 48909
 OR
 530 W. ALLEGAN, LANSING, MI 48933**

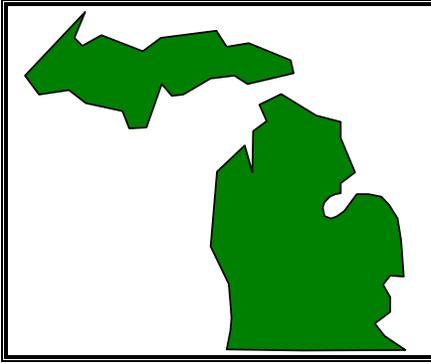
**CONTRACT NO. 071B7200138
 between
 THE STATE OF MICHIGAN
 and**

| | |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------|
| NAME & ADDRESS OF VENDOR <p style="text-align: center;">Legally Correct Transcription 2563 Koala East Lansing, MI 48823</p> | TELEPHONE (517) 332-1234 Bryna J. Olson VENDOR NUMBER/MAIL CODE BUYER/CA (517) 373-7396 Andy Ghosh, CPPB |
| Contract Compliance Inspector: Andy Ghosh <p style="text-align: center;">Transcription Services (Legal) – Statewide</p> | |
| CONTRACT PERIOD: From: January 25, 2007 To: January 24, 2010 | |
| TERMS <p style="text-align: center;">N/A</p> | SHIPMENT <p style="text-align: center;">N/A</p> |
| F.O.B. <p style="text-align: center;">N/A</p> | SHIPPED FROM <p style="text-align: center;">N/A</p> |
| MINIMUM DELIVERY REQUIREMENTS <p style="text-align: center;">N/A</p> | |
| MISCELLANEOUS INFORMATION: <p>The terms and conditions of this Contract are those of ITB #071I6200213, this Contract Agreement and the vendor's quote. In the event of any conflicts between the specifications, terms and conditions indicated by the State and those indicated by the vendor, those of the State take precedence.</p> | |
| Estimated Contract Value: \$500,000.00 | |

THIS IS NOT AN ORDER: This Contract Agreement is awarded on the basis of our inquiry bearing the ITB No. 071I6200213. A Purchase Order Form will be issued only as the requirements of the State Departments are submitted to Purchasing Operations. Orders for delivery will be issued directly by the State Departments through the issuance of a Purchase Order Form.

All terms and conditions of the invitation to bid are made a part hereof.

| | |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>FOR THE VENDOR:</p> <p style="text-align: center;">Legally Correct Transcription _____ Firm Name</p> <p style="text-align: center;">_____ Authorized Agent Signature</p> <p style="text-align: center;">_____ Authorized Agent (Print or Type)</p> <p style="text-align: center;">_____ Date</p> | <p>FOR THE STATE:</p> <p style="text-align: center;">_____ Signature Andy Ghosh, CPPB, Buyer Specialist _____ Name Services Division, Purchasing Operations _____ Title</p> <p style="text-align: center;">_____ Date</p> |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|



**STATE OF MICHIGAN
Department of Management and Budget
Purchasing Operations**

CONTRACT NO. 071B7200138

**Transcription Services (Legal)
Legally Correct Transcription**

**Contractor Administrator: Andy Ghosh, CPPB
Telephone Number: 517-373-7396
E-Mail Address: ghosha@michigan.gov**



Legal Transcription Services

Article 1 – Statement of Work (SOW) 5

1.0 Project Identification..... 5

 1.01 PROJECT REQUEST 5

 1.02 BACKGROUND..... 5

1.1 Scope of Work and Deliverables 5

 1.101 IN SCOPE..... 5

 1.102 OUT OF SCOPE..... 5

 1.103 TECHNICAL ENVIRONMENT – RESERVED. 6

 1.104 WORK AND DELIVERABLE 6

1.2 Roles and Responsibilities 7

 1.201 CONTRACTOR STAFF, ROLES, AND RESPONSIBILITIES..... 7

 1.202 STATE STAFF, ROLES, AND RESPONSIBILITIES - 9

1.3 Project Plan 9

 1.301 PROJECT PLAN MANAGEMENT..... 10

 1.302 REPORTS - RESERVED 10

1.4 Project Management..... 10

 1.401 ISSUE MANAGEMENT 10

 1.402 RISK MANAGEMENT 10

 1.403 CHANGE MANAGEMENT 11

1.5 Acceptance..... 11

 1.501 CRITERIA 11

 1.502 FINAL ACCEPTANCE - RESERVED 12

1.6 Compensation and Payment..... 12

1.7 Additional Terms and conditions – See Statement of Work in Appendix A. 12

2.0 Introduction 13

 2.001 GENERAL PURPOSE..... 13

 2.002 ISSUING OFFICE AND CONTRACTOR ADMINISTRATOR..... 13

 2.003 NOTICE 13

 2.04 CONTRACTOR TERM 13

 2.005 GOVERNING LAW..... 14

 2.006 APPLICABLE STATUTES..... 14

 2.007 RELATIONSHIP OF THE PARTIES 15

 2.008 HEADINGS 15

 2.009 MERGER 15

 2.010 SEVERABILITY..... 15

 2.011 SURVIVORSHIP..... 15

 2.012 NO WAIVER OF DEFAULT 15

 2.013 PURCHASE ORDERS 15

2.1 Vendor/Contractor Obligations 15

 2.101 ACCOUNTING RECORDS 15

 2.103 SOFTWARE COMPLIANCE - RESERVED..... 16

 2.104 IT STANDARDS - RESERVED..... 16

 2.105 PERFORMANCE AND RELIABILITY EVALUATION (PARE) - RESERVED 16

 2.106 PREVAILING WAGE - RESERVED..... 16

 2.107 PAYROLL AND BASIC RECORDS - RESERVED 16

 2.108 COMPETITION IN SUB-CONTRACTING 16

 2.109 CALL CENTER DISCLOSURE..... 16

2.2 Contractor Performance..... 16

 2.201 TIME IS OF THE ESSENCE 16

 2.202 CONTRACTOR PAYMENT SCHEDULE..... 16

 2.203 POSSIBLE PROGRESS PAYMENTS 16

 2.204 POSSIBLE PERFORMANCE-BASED PAYMENTS (Actual performance rendered) - RESERVED 16

 2.205 ELECTRONIC PAYMENT AVAILABILITY 16

 2.206 PERFORMANCE OF WORK BY CONTRACTOR - RESERVED 16

2.3 Contractor Rights and Obligations 17

 2.301 INCURRING COSTS 17



2.302 CONTRACTOR RESPONSIBILITIES..... 17

2.303 ASSIGNMENT AND DELEGATION 17

2.304 TAXES 17

2.305 INDEMNIFICATION..... 18

2.306 LIMITATION OF LIABILITY 19

2.307 CONTRACTOR DISTRIBUTION..... 19

2.308 FORM, FUNCTION, AND UTILITY 20

2.309 ASSIGNMENT OF ANTITRUST CAUSE OF ACTION..... 20

2.310 RESERVED 20

2.311 TRANSITION ASSISTANCE..... 20

2.312 WORK PRODUCT - RESERVED..... 20

2.313 PROPRIETARY RIGHTS _ RESERVED 20

2.314 WEBSITE INCORPORATION..... 20

2.4 Contractor Review and Evaluation..... 20

2.401 CONTRACTOR COMPLIANCE INSPECTOR - RESERVED..... 20

2.402 PERFORMANCE REVIEWS 20

2.403 AUDIT OF CONTRACTOR COMPLIANCE/ RECORDS AND INSPECTIONS 21

2.5 Quality and Warranties 21

2.501 PROHIBITED PRODUCTS - RESERVED 21

2.502 RESERVED 21

2.503 RESERVED 21

2.504 GENERAL WARRANTIES (goods) - RESERVED 21

2.505 CONTRACTOR WARRANTIES..... 21

2.506 STAFF -RESERVED 22

2.507 SOFTWARE WARRANTIES - RESERVED..... 22

2.508 EQUIPMENT WARRANTY - RESERVED 22

2.509 PHYSICAL MEDIA WARRANTY - RESERVED..... 22

2.6 Breach of Contractor 22

2.601 BREACH DEFINED..... 22

2.602 NOTICE AND THE RIGHT TO CURE..... 23

2.603 EXCUSABLE FAILURE 23

2.7 Remedies 23

2.701 CANCELLATION..... 23

2.702 RIGHTS UPON CANCELLATION 25

2.703 LIQUIDATED DAMAGES 25

2.704 STOP WORK - RESERVED..... 26

2.705 SUSPENSION OF WORK..... 26

2.8 Changes, Modifications, and Amendments 26

2.801 APPROVALS..... 26

2.802 TIME EXTENTIONS 26

2.803 MODIFICATION..... 26

2.804 AUDIT AND RECORDS UPON MODIFICATION 27

2.805 CHANGES 27

2.806 LIABILITY INSURANCE 28

APPENDICES

APPENDIX A - PRICING PAGE

APPENDIX B - TECHNICAL PROPOSAL (EXCERPTS ONLY)



Article 1 – Statement of Work (SOW)

1.0 Project Identification

1.01 PROJECT REQUEST

This Contractor is issued by Purchasing Operations at the Michigan Department of Management and Budget (DMB). The intent of this Contractor is to engage Contractors to provide cost-efficient Legal Transcription Services (hereinafter indicated as Transcription Services) for the State of Michigan.

1.02 BACKGROUND

Purchasing Operations, DMB, is issuing this Contractor upon completion of a competitive bid process for this service. The Contractor includes the general terms and conditions and the Statement of Work.

Due to the sensitive nature of the information disseminated as part of this Contractor, all Legal and Medical Transcription Services must be done in the U.S.A., preferably in Michigan.

This may be noted that the volume of business is dependent upon the budget appropriations and the needs of the various State agencies. The value of the Contractor is an estimated figure and the State is not obligated to guarantee any specific expenditure.

1.1 Scope of Work and Deliverables

1.101 IN SCOPE

The purpose of this Contractor is to:

- Provide Transcription services, as needed, anywhere in the state. Describe where the services will be provided.

Contractor Response:

Transcription services are provided in the state of Michigan. All LCT typists are CER certified within the state of Michigan. All typists but one reside in Michigan.

- Transcription Services include Legal and Medical Transcription. The Contractor for Legal Transcription shall pick up the cassette tape or CD from the State agencies and accurately transcribe, format and correct submitted dictation, or perform any combination of these duties as requested. Medical Transcriptions are Internet based transcriptions and are performed via phone or by using Digital Recorder. The Contractor must have knowledge of medical transcription guidelines and practices. Describe if Legal or Medical Transcription will be provided or both.

Contractor Response:

This bid is for Legal Transcription services only.

- The Contractor will accept orders by fax, phone, e-mail, or by purchase order. A purchase order number must be received for all assignments to be eligible for payments by the State. Payment will be made with an Electronic Funds Transfer (EFT), upon the State's receipt and acceptance of the service and receipt of the Contractor's invoice. Indicate your acceptance.

Contractor Response:

LCT accepts this provision. LCT has met the above conditions while performing its Contractor beginning February 1, 2001.

1.102 OUT OF SCOPE

Court Reporting service is outside the scope of this Contractor.



1.103 TECHNICAL ENVIRONMENT – RESERVED.

1.104 WORK AND DELIVERABLE

CONTRACTOR shall provide Transcription Services, and otherwise do all things necessary for or incidental to the performance of work, as set forth in the Statement of Work. The work and deliverables shall include, but are not limited to, the following:

1. Transcribe, format and correct submitted dictation, or perform any combination of these duties as requested. Indicate your understanding.

Contractor Response:

LCT understands. LCT has performed these duties and services in an exemplary fashion since beginning its Contractor on February 1, 2001.

2. Format all documents as defined by the requesting state agencies. Indicate your understanding.

Contractor Response:

LCT understands. LCT produces transcripts according to proper SCAO format or per the specific agency's request.

3. Transcribe rapidly and accurately preparing clear, timely, accurate documents. Indicate your understanding.

Contractor Response:

LCT understands. LCT has NEVER been late with a single transcript since it began its Contractor on February 1, 2001. Further, no hearing needed to be reheard because of LCT. LCT's work product is and will continue to be exemplary.

4. The Contractor shall provide transcriptionists who possess demonstrated ability to utilize the skills needed to perform transcription duties satisfactorily. Indicate your compliance.

Contractor Response:

LCT complies. LCT's typists are all CER certified. Further, LCT utilizes a stringent training and monitoring program to ensure uniform and accurate transcripts. LCT will provide the necessary typists to meet the needs of the State.

5. Respond appropriately to corrective feedback provided by state agencies. Indicate your compliance.

Contractor Response:

LCT will comply professionally and timely if ever corrective feedback is given.

6. Medical Transcriptions are web-based dictations using phone or digital recorders. Medical transcriptions of some state agencies requires performance under stressful conditions such as long, difficult reports dealing with mental health concepts, heavy workloads, and deadlines required for patient care and follow-up care. Indicate your understanding.

Contractor Response:

LCT is only bidding on Legal Transcription services.

7. Understand and apply correct English, spelling and punctuation. Indicate your understanding.

Contractor Response:

LCT understands. LCT's typists utilize proper English, grammar, spelling, punctuation and legal terminology. LCT typists also utilize customized software to efficiently and accurately satisfy the objectives of its Contractor with the State. Said software was created by LCT and is not available to others. See attached document.



8. Use and understand specialized terminology including medical, psychiatric, psychological testing and custody/court status terminology. Indicate your experience.

Contractor Response:

LCT's experience, reputation and performance of the Contractor beginning February 1, 2001 demonstrate our commitment to properly utilizing specialized terminology and spelling within transcripts. See attached document.

9. The Contractor shall guarantee that each transcriptionist has adequate experience as a transcriptionist using word processing software. Indicate your experience.

Contractor Response:

LCT's stringent training and monitoring program ensures all typists have superior experience with word processing software. LCT's typists average over 13 years' experience each. See attached document.

10. Has necessary equipment/resources to provide complete and accurate service required. Indicate your availability.

Contractor Response:

LCT exceeds the minimum requirements to service this Contractor. LCT's typists use state-of-the-art equipment and customized software to produce timely, complete and accurate transcripts. See attached document.

11. The Contractor shall preserve all transcribed reports on C.D. or similar technology for a period of 12 months from the date of the report completion. Indicate compliance.

Contractor Response:

LCT complies. LCT has stored all transcripts on CD since it started performance of this Contractor on February 1, 2001.

1.2 Roles and Responsibilities

1.201 CONTRACTOR STAFF, ROLES, AND RESPONSIBILITIES

The Contractor shall provide transcriptionists who possess demonstrated ability to:

1. Utilize the skills needed to perform transcription duties satisfactorily.
 - a. Transcribe rapidly and accurately and prepare clear and accurate documents as needed.
 - b. Respond in a positive and effective manner to corrective feedback provided by the state agency.
 - c. Perform under stressful conditions such as transcription of long and often difficult reports dealing with legal and mental health concepts, heavy workloads and deadlines inherent in court proceedings.
 - d. Understand and apply correct English usage, spelling and punctuation.
 - e. Use and understand specialized terminology including medical, psychiatric, psychological testing and legal terms.

Indicate your experience.

Contractor Response:

LCT's requirements and expectations for its typists are high. LCT's typists' commitment to quality is evident in its work product while performing the Contractor for the past five-plus years. LCT typists have a proven track record of delivering high quality transcripts on time, having never missed a deadline. Further, in the rare event corrective feedback has been necessary, LCT always handled such situations in a prompt and professional manner. See attached document and résumés.



2. The Contractor shall guarantee that each transcriptionist:
 - a. Will protect the confidentiality of all information provided them in order to perform their assignments; have an understanding of HIPAA compliance.
 - b. Has adequate experience as a transcriptionist utilizing word processing software.
 - c. Has the necessary equipment and resources (e.g., Bar Journal) to provide the complete and accurate services required.

Indicate acceptance of above terms.

Contractor Response:

LCT accepts the above terms. LCT has fulfilled all confidentiality requirements since its performance of this Contractor began in 2001, and it will continue to protect any private health information from a covered entity, as required by HIPAA. Further, LCT's five-plus years of performing this Contractor demonstrate that LCT typists have more than adequate experience utilizing word processing software to perform this Contractor. LCT's typists have access to the necessary resources to perform the required services. See attached document.

3. The Contractor shall:
 - a. Protect the confidentiality of all information provided by the state agencies and be HIPAA compliant.
 - b. Guarantee that an adequate number of transcriptionists be assigned and available to the state agencies.

Indicate compliance.

Contractor Response:

LCT complies. LCT typists keep all information confidential, and any private health information from a covered entity will be protected, as required by HIPAA. Further, LCT has a current staff of eleven typists. The excess production capacity at current staffing levels ensures that LCT can handle the entire workload as it presently exists across all of the State's legal transcription needs. LCT has maintained staffing flexibility and will increase staffing levels as might be required to continue providing exemplary service to the State. See attached document.

4. The Contractor shall provide a representative responsible for supervision over this service.
 - a. This representative shall maintain contact with the representative(s) of the state agencies.
 - b. This representative will provide the state agencies with a comprehensive listing of all dictations received by the Contractor in a timely manner as set forth by the state agencies. This listing will include any identifying information assigned by the Contractor for the purposes of tracking. In addition, this listing will include the dictator's name, any other identifying number and the work type.
 - c. The Contractor shall comply with all provisions of any legislative changes or administrative rule changes enacted or adopted during the term of the Contractor, which affect standard paragraphs used in transcribed documents.

Indicate compliance.



Contractor Response:

LCT complies. LCT's representative official for this bid and LCT's representative supervisor is Bryna Olson, President, LCT, Inc., 2563 Koala Drive, East Lansing, Michigan 48823, (517) 332-1234. Ms. Olson is the president and founder of LCT. She has served as the representative supervisor since the corporation's start on February 1, 2001. During that time, she has been innovative in assisting agencies with a comprehensive tracking system so that all transcripts are accounted for and delivered in a timely fashion. Ms. Olson oversees day-to-day operations, ensuring that the State and the State's individual customers are provided with a transcription service of the highest standard. Ms. Olson also keeps individual agencies up to date by providing comprehensive lists of all outstanding files and their status. LCT is proud of its service to the State in this regard. Since taking over this Contractor, LCT has led by example. LCT is always on time, is always able to track files, and has the best work product in the industry. LCT has in the past, and will continue, to comply with any legislative changes or administrative rule changes. See attached proposal for further information about LCT's flawless tracking system.

1.202 STATE STAFF, ROLES, AND RESPONSIBILITIES -

All communications covering this procurement must be addressed to Contractor Administrator indicated below:

Department of Management and Budget
Purchasing Operations
Attn: Andy Ghosh, CPPB
2nd Floor, Mason Building
P.O. Box 30026
Lansing, Michigan 48909
(517) 373-7396
ghosha@michigan.gov

1.203 OTHER ROLES AND RESPONSIBILITIES

- a. The Contractor will accept orders by fax, phone, e-mail, or by purchase order. A purchase order number must be received for all assignments to be eligible for payments by the State. Payment will be made with a State warrant, upon the State's receipt and acceptance of the service and receipt of the Contractor's invoice.
- b. If a State department orders the original, original rate will be paid. If another State agency orders the same transcript, they will pay the copy rate.
- c. All State Contractors are required to be available on all business days. Returning phone calls within four (4) hours is a requirement. The phone number, contact name and email addresses must always be kept up-to-date.

Indicate compliance.

Contractor Response:

LCT complies. LCT's representative official for this bid and LCT's representative supervisor is Bryna Olson, President, LCT, Inc., 2563 Koala Drive, East Lansing, Michigan 48823, (517) 332-1234. Ms. Olson is the president and founder of LCT. She has served as the representative supervisor since the corporation's start on February 1, 2001. During that time, she has been innovative in assisting agencies with a comprehensive tracking system so that all transcripts are accounted for and delivered in a timely fashion. Ms. Olson oversees day-to-day operations, ensuring that the State and the State's individual customers are provided with a transcription service of the highest standard. Ms. Olson also keeps individual agencies up to date by providing comprehensive lists of all outstanding files and their status. LCT is proud of its service to the State in this regard. Since taking over this Contractor, LCT has led by example. LCT is always on time, is always able to track files, and has the best work product in the industry.

LCT has in the past, and will continue, to comply with any legislative changes or administrative rule changes. See attached proposal for further information about LCT's flawless tracking system.



1.3 Project Plan

1.301 PROJECT PLAN MANAGEMENT

The Contractor will carry out this project under the direction and control of the DMB Purchasing Operations.

Although there will be continuous liaison with the Contractor team, the State agency's coordinator will meet periodically with the Contractor's project manager, for the purpose of reviewing progress and providing necessary guidance to the Contractor in solving problems which arise.

Indicate your understanding.

Contractor Response:

LCT understands. LCT has worked closely and professionally with the DMB, as well as representatives from the various agencies, since it began its current Contractor on February 1, 2001. See attached document.

1.302 REPORTS - RESERVED

1.4 Project Management

1.401 ISSUE MANAGEMENT

Issues are those things that endanger the project. It includes imminent threats and events that may have already occurred. Include responsible parties, phone numbers, email addresses if relevant, and processes. Identify how issues will be captured, reported and escalated.

Contractor Response:

No issues have arisen since LCT began its performance of this Contractor on February 1, 2001. LCT has implemented an Issue and Risk Management Program that assures any issues will be addressed immediately. Further detail regarding this program can be found in the answer to 1.402 below.

This project is impacted by funding that could be reduced due to budget constraints. The funding could be reduced due to budget issues, which could result in only part of the deliverables being received.

1.402 RISK MANAGEMENT

Risk and Issues are not the same. Risks are those things that you can assume or anticipate in a project. Issues are imminent threats or things that have already occurred. Risk management generally involves (1) identification of the risk, (2) assigning a level of priority based on the probability of occurrence and impact to the project, (3) definition of mitigation strategies, and (4) monitoring of risk and mitigation strategy. Risk assessment review should be conducted on a regular basis. Propose a standard risk management process for managing this Contractor as part of your bid response. Include responsible parties, phone numbers, email addresses if relevant, and processes.

The Agency Director may determine that this project is of no further value to the agency. The agency project manager will keep the agency director informed as to the progress of the project.

Contractor Response:

LCT is a small corporation dedicated to handling the transcription needs of the State of Michigan. Since 2001, LCT serviced this Contractor and handled all risks and issues connected with performance of the Contractor in an exemplary fashion.

Below are concrete examples of how LCT responded to issue and risk management issues over the past five years:



- 1) LCT utilizes a docketing system that tracks each transcript request made by an agency. This docketing system is independent of any state records and allows LCT to give immediate response to any agency request for status. The docketing system tracks the transcript by date of intake, delivery, agency, administrative judge, case number, party, and typist. Under this management system LCT has produced over 11,000 transcripts for the State. No file has been lost or late during LCT's management.
- 2) LCT utilizes a quality control system which ensures all transcripts are produced in a uniform and high-quality format. Submitted with this bid are letters of endorsement from various agency and non-agency customers attesting to LCT's high quality product and professionalism.
- 3) LCT utilizes a monthly training program to update each typist on proper transcription format and technology issues.
- 4) LCT has undertaken, at the request of the Unemployment Agency and Administrative Tribunal, the management of private transcript requests. Prior to LCT's handling of this Contractor, individual litigants used to contact the agencies directly. This processing was burdensome to state employees. At the agencies' request, LCT implemented a system for processing all calls. LCT processes these requests for no additional fee, and for considerable savings to the State. Further, LCT provides one free copy of said requests to the State.

LCT remains dedicated toward handling this Contractor in a professional manner. A copy of LCT's issue and risk management plan has been attached to this bid. The Risk Management Officer is Bryna Olson. The Assistant Risk Management Officer is Emily Bach. The risk management office can be reached at (517) 332-1234 or by e-mail at razzz1@comcast.net.

1.403 CHANGE MANAGEMENT

The Agency Project Manager will identify any changes to the project. These changes could include increased/decreased need.

Requests for modification of the Contractor, whether in scope, pricing, time frames, or a combination of thereof, must be submitted through the Department of Management and Budget, Purchasing Operation's Buyer, (see section 2.014) for approval and processing, or denial (see Section 2.101, generally).

If a proposed Contractor change is approved by the Contractor Compliance Inspector, the Contractor Compliance Inspector will submit a request for change to the Department of Management and Budget, Purchasing Operations Buyer, who will make recommendations to the Director of Purchasing Operations regarding ultimate approval/disapproval of change request. If the DMB Purchasing Operations Director agrees with the proposed modification, and all required approvals are obtained (including State Administrative Board), the Purchasing Operations Buyer will issue an addendum to the Contractor, via a Contractor Change Notice. Vendors who provide products or services prior to the issuance of a Contractor Change Notice by the DMB Office of Purchasing Operations, risk non-payment for the out-of-scope/pricing products and/or services.

Contractor Response:

LCT understands. LCT has always operated within the scope of its Contractor with the State. Further, LCT has demonstrated a commitment to flexibility requested by the State with regard to both price and workload.

1.5 Acceptance

1.501 CRITERIA

The following criteria will be used by the STATE to determine Acceptance of the Services and/or Deliverables provided under this SOW.

- Services must be presented as prescribed in the SOW for various State agencies.
- Services must meet the agreed upon criteria between the State agency coordinator and the Contractor.
- The State agency coordinator must approve the services in writing to the Contractor within two weeks from the date of submittal.
- Any rejection of services shall be in writing to the Contractor and shall outline the reasons for rejection.



Indicate your understanding.

Contractor Response:

LCT understands. LCT maintains a professional relationship with all the agencies it services. LCT has always provided its transcription services with a keen eye on the needs of the individual agency.

1.502 FINAL ACCEPTANCE - RESERVED

1.6 Compensation and Payment

State shall pay Contractor for the performance of all activities necessary for or incidental to the performance of work as set forth in this SOW. All invoices shall reflect actual work completed and must be approved by Agency Project Manager prior to payment. Travel time will not be reimbursed.

All invoices should reflect actual work done. The requesting Department reserves the right to determine where the invoices will be mailed.

NOTE: Rates for service must be uniform and consistent for all State agencies.

1.7 Additional Terms and Conditions – See Statement of Work from the State Agencies in Appendix A.



Article 2 – General Terms and Conditions

2.0 Introduction

2.001 GENERAL PURPOSE

The Contractor is for Legal & Medical Transcription Services for the STATE. Orders will be issued directly to the CONTRACTOR by various State Agencies on the Purchase Order Contractor Release Form.

2.002 ISSUING OFFICE AND CONTRACTOR ADMINISTRATOR

The Contractor is issued by Purchasing Operations, State of Michigan, Department of Management and Budget, hereinafter known as Purchasing Operations, hereinafter known as STATE. Where actions are a combination of those of Purchasing Operations and the State agencies, the authority will be known as the STATE.

Purchasing Operations is the sole point of contact in the STATE with regard to all procurement and Contractorual matters relating to the commodities and/or services described herein. Purchasing Operations is the only office authorized to negotiate, change, modify, amend, alter, clarify, etc., the specifications, terms, and conditions of the Contractor. Purchasing Operations will remain the SOLE POINT OF CONTACT throughout the procurement process.

CONTRACTOR proceeds at its own risk if it takes negotiation, changes, modification, alterations, amendments, clarification, etc., of the specifications, terms, or conditions of the Contractor from any individual or office other than Purchasing Operations and the listed Contractor Administrator.

All communications covering this procurement must be addressed to Contractor Administrator indicated below:

Department of Management and Budget
Purchasing Operations
Attn: Andy Ghosh, CPPB
2nd Floor, Mason Building
P.O. Box 30026
Lansing, Michigan 48909
(517) 373-7396
ghosha@michigan.gov

2.003 NOTICE

Any notice given to a party under this Contractor must be written and shall be deemed effective, if addressed to such party as addressed below upon (i) delivery, if hand delivered; (ii) receipt of a confirmed transmission by facsimile if a copy of the notice is sent by another means specified in this section; (iii) the third (3rd) Business Day after being sent by U.S. mail, postage pre-paid, return receipt requested; or (iv) the next Business Day after being sent by a nationally recognized overnight express courier with a reliable tracking system.

2.004 CONTRACTOR TERM

All outstanding Purchase Orders shall also expire upon the termination (cancellation for any of the reasons listed in 2.210) of the Contractor, unless otherwise extended pursuant to the Contractor. Absent an early termination for any reason, Purchase Orders issued but not expired, by the end of the Contractor's stated term, will remain in effect for the balance of the fiscal year for which they were issued.

This Contractor is for a period of three (3) years, commencing on January 25, 2007 through January 24, 2010.



Renewal Options. The STATE reserves the right to exercise two (2) one-year options, at the sole option of the STATE. CONTRACTOR performance, quality of products, price, cost savings, and the Contractor's ability to deliver on time are some of the criteria that will be used as a basis for any decision by Purchasing Operations to exercise an option year.

Extension. By mutual agreement between the State and the Contractor, the Contractor may also be extended. CONTRACTOR performance, quality of products, price, cost savings, and the Contractor's ability to deliver on time are some of the criteria that will be used as a basis for any decision by Purchasing Operations to exercise an option year.

Written notice will be provided to the Contractor with the State's intent to extend the Contractor within 30 days before the Contractor expires. The preliminary notice does not commit the Government to an extension. If the Government exercises this option, the extended Contractor shall be considered to include this option clause.

2.005 GOVERNING LAW

The Contractor shall in all respects be governed by, and construed in accordance with, the laws of the State of Michigan. By signing this agreement, vendor consents to personal jurisdiction in the state of Michigan. Any dispute arising herein shall be resolved in the State of Michigan.

2.006 APPLICABLE STATUTES

The following statutes, rules, and laws are applicable to the performance of this Contractor; some statutes are reflected in the clauses of this Contractor. This list is NOT exhaustive.

MI Uniform Commercial Code (MIUCC) MCL 440. (All sections unless otherwise altered by agreement)

MI OSHA MCL §§ 408.1001 – 408.1094

Freedom of Information Act (FIOA) MCL §§ 15.231, et seq.

Natural Resources and Environmental Protection Act MCL §§ 324.101, et seq.

MI Consumer Protection Act MCL §§ 445.901 – 445.922

Laws relating to wages, payments of wages, and fringe benefits on state projects MCL §§ 408.551 – 408.558, 408.471 – 408.490, 1965 PA 390.

Department of Civil Service Rules and regulations

Elliot Larsen Civil Rights Act MCL §§ 37.2201, et seq.

Persons with disabilities Civil Rights Act MCL §§ 37.1101, et seq.

MCL §§ 423.321, et seq.

MCL § 18.1264 (law regarding debarment)

Davis-Bacon Act (DBA) 40 USCU §§ 276(a), et seq.

Contractor Work Hours and Safety Standards Act (CWHSSA) 40 USCS § 327, et seq.

Business Opportunity Act for Persons with Disabilities MCL §§ 450.791 – 450.795

Rules and regulations of the Environmental Protection Agency

Internal Revenue Code

Rules and regulations of the Equal Employment Opportunity Commission (EEOC)

The Civil Rights Act of 1964, USCS Chapter 42

Title VII, 42 USCS §§ 2000e et seq.

The Americans with Disabilities Act (ADA), 42 USCS §§ 12101 et seq.

The Age Discrimination in Employment Act of 1967 (ADEA), 29 USCS §§ 621, 623 et seq.

The Old Workers Benefit and Protection Act of 1990 (OWBPA), 29 USCS §§ 626, et seq.

The Family Medical Leave Act of 1993 (FMLA), 29 USC §§ 651 et seq.

The Fair Labor Standards Act (FLSA), 29 USC §§ 201 et seq.

Pollution Prevention Act of 1990 (PPA) 42 U.S.C. §13106

Sherman Act, 15 U.S.C.S. § 1 et seq.

Robinson-Patman Act, 15 U.S.C.S. § 13 et seq.

Clayton Act, 15 U.S.C.S. § 14 et seq.

Occupational Code MCL 339.101 et seq. and all rules promulgated thereunder

Cemetery Regulation Act 1968 PA 251 MCL 456.521 et seq.

**2.007 RELATIONSHIP OF THE PARTIES**

The relationship between the STATE and the CONTRACTOR is that of client and independent CONTRACTOR. No agent, employee, or servant of the CONTRACTOR or any of its subContractors shall be or shall be deemed to be an employee, agent, or servant of the STATE for any reason. The CONTRACTOR will be solely and entirely responsible for its acts and the acts of its agents, employees, servants and subContractors during the performance of this Contractor.

2.008 HEADINGS

Captions and headings used in the Contractor are for information and organization purposes. Captions and headings, including inaccurate references, do not, in any way, define or limit the requirements or terms and conditions of this Contractor.

2.009 MERGER

This document constitutes the complete, final, and exclusive agreement between the parties. All other prior writings and negotiations are ineffective.

2.010 SEVERABILITY

Each provision of the Contractor shall be deemed to be severable from all other provisions of the Contractor and, if one or more of the provisions of the Contractor shall be declared invalid, the remaining provisions of the Contractor shall remain in full force and effect.

2.011 SURVIVORSHIP

Any provisions of the Contractor that impose continuing obligations on the parties including, but not limited to the CONTRACTOR'S indemnity and other obligations shall survive the expiration or cancellation of the Contractor for any reason.

2.012 NO WAIVER OF DEFAULT

The failure of a party to insist upon strict adherence to any term of the Contractor shall not be considered a waiver or deprive the party of the right thereafter to insist upon strict adherence to that term or any other term of the Contractor.

2.013 PURCHASE ORDERS

Orders for delivery of commodities and/or services may be issued directly by the STATE through the issuance of a Purchase Order Form referencing this Contractor (Blanket Purchase Order) agreement and the terms and conditions contained herein. CONTRACTOR is asked to reference the Purchase Order Number on all invoices for payment.

2.1 Vendor/Contractor Obligations**2.101 ACCOUNTING RECORDS**

The CONTRACTOR and all subContractors shall maintain all pertinent financial and accounting records and evidence pertaining to the Contractor in accordance with generally accepted principles of accounting and other procedures specified by the STATE. Financial and accounting records shall be made available, upon request, to the STATE, its designees, or the Michigan Auditor General at any time during the Contractor period and any extension thereof, and for three years from expiration date and final payment on the Contractor or extension thereof.

2.102 NOTIFICATION OF OWNERSHIP -RESERVED

**2.103 SOFTWARE COMPLIANCE - RESERVED****2.104 IT STANDARDS - RESERVED****2.105 PERFORMANCE AND RELIABILITY EVALUATION (PARE) - RESERVED****2.106 PREVAILING WAGE - RESERVED****2.107 PAYROLL AND BASIC RECORDS - RESERVED****2.108 COMPETITION IN SUB-CONTRACTING**

The CONTRACTOR shall select subContractors (including suppliers) on a competitive basis to the maximum practical extent consistent with the objectives and requirements of the Contractor.

2.109 CALL CENTER DISCLOSURE

Vendor and/or all subContractors involved in the performance of this Contractor providing call or contact center services to the STATE must disclose the location of its call or contact center services to inbound callers. Failure to disclose this information shall be a material breach of this agreement.

2.2 Contractor Performance**2.201 TIME IS OF THE ESSENCE**

CONTRACTOR/Vendor is on notice that time is of the essence in the performance of this Contractor. Late performance will be considered a material breach of this Contractor, giving the STATE a right to invoke all remedies available to it under this Contractor.

2.202 CONTRACTOR PAYMENT SCHEDULE

The specific payment schedule for any Contractor(s) entered into, as the STATE and the CONTRACTOR(s) will mutually agree upon the result of this Contract. The schedule should show payment amount and should reflect actual work done by the payment dates, less any penalty cost charges accrued by those dates. As a general policy statements shall be forwarded to the designated representative by the 15th day of the following month.

2.203 POSSIBLE PROGRESS PAYMENTS

The Government may make progress payments to the CONTRACTOR when requested as work progresses, but not more frequently than monthly, in amounts approved by the Contractor Administrator, after negotiation. CONTRACTOR must show verification of measurable progress at the time of requesting progress payments.

2.204 POSSIBLE PERFORMANCE-BASED PAYMENTS (Actual performance rendered) - RESERVED**2.205 ELECTRONIC PAYMENT AVAILABILITY**

Electronic transfer of funds is available to State Contractors. Vendor is required register with the State of Michigan Office of Financial Management so the STATE can make payments related to this Contractor electronically at www.cpexpress.state.mi.us.

2.206 PERFORMANCE OF WORK BY CONTRACTOR - RESERVED



2.3 Contractor Rights and Obligations

2.301 INCURRING COSTS

The STATE is not liable for any cost incurred by the CONTRACTOR prior to signing of the Contractor. The STATE fiscal year is October 1st through September 30th. The CONTRACTOR(s) should realize that payments in any given fiscal year are contingent upon enactment of legislative appropriations. Total liability of the STATE is limited to terms and conditions of the Contractor.

2.302 CONTRACTOR RESPONSIBILITIES

The CONTRACTOR will be required to assume responsibility for all Contractor activities, whether or not that CONTRACTOR performs them. Further, the STATE will consider the CONTRACTOR to be the sole point of contact with regard to Contractor matters, including payment of any and all charges resulting from the anticipated Contractor. If any part of the work is to be subContracted, the Contractor must include a list of subContractors, including firm name and address, contact person and a complete description of work to be subContracted. The STATE reserves the right to approve subContractors and to require the CONTRACTOR to replace subContractors found to be unacceptable. The CONTRACTOR is totally responsible for adherence by the subContractor to all provisions of the Contractor. Any change in subContractors must be approved by the STATE, in writing, prior to such change.

2.303 ASSIGNMENT AND DELEGATION

The CONTRACTOR shall not have the right to assign this Contractor, to assign its rights under this Contractor, or delegate any of its duties or obligations under the Contractor to any other party (whether by operation of law or otherwise), without the prior written consent of the STATE. Any purported assignment in violation of this Section shall be null and void. Further, the CONTRACTOR may not assign the right to receive money due under the Contractor without the prior written consent of the Director of Purchasing Operations.

The CONTRACTOR shall not delegate any duties or obligations under the Contractor to a subContractor other than a subContractor named and approved in the bid unless the Director of Purchasing Operations has given written consent to the delegation.

Contractor must obtain the approval of the Director of Purchasing Operations before using a place of performance that is different from the address that bidder provided in the bid.

2.304 TAXES

Sales Tax: For purchases made directly by the STATE, the STATE is exempt from State and Local Sales Tax. Prices shall not include such taxes. Exemption Certificates for State Sales Tax will be furnished upon request.

Federal Excise Tax: The STATE may be exempt for Federal Excise Tax, or such taxes may be reimbursable, if articles purchased under this Contractor are used for the STATE'S exclusive use. Certificates exclusive use for the purposes of substantiating a tax-free, or tax-reimbursable sale will be sent to the CONTRACTOR upon request. If a sale is tax exempt or tax reimbursable under the Internal Revenue Code, prices shall not include the Federal Excise Tax.

The State's Tax Exempt Certification is available for vendor viewing upon request to the Contractor Administrator.



2.305 INDEMNIFICATION

(a) General Indemnification

To the extent permitted by law, the Contractor shall indemnify, defend and hold harmless the State from liability, including all claims and losses, and all related costs and expenses (including reasonable attorneys' fees and costs of investigation, litigation, settlement, judgments, interest and penalties), accruing or resulting to any person, firm or corporation that may be injured or damaged by the Contractor in the performance of this Contractor and that are attributable to the negligence or tortious acts of the Contractor or any of its subContractors, or by anyone else for whose acts any of them may be liable.

(b) Code Indemnification

To the extent permitted by law, the Contractor shall indemnify, defend and hold harmless the State from any claim, loss, or expense arising from Contractor's breach of the No Surreptitious Code Warranty.

(c) Employee Indemnification

In any and all claims against the State of Michigan, its departments, divisions, agencies, sections, commissions, officers, employees and agents, by any employee of the Contractor or any of its subContractors, the indemnification obligation under the Contractor shall not be limited in any way by the amount or type of damages, compensation or benefits payable by or for the Contractor or any of its subContractors under worker's disability compensation acts, disability benefit acts or other employee benefit acts. This indemnification clause is intended to be comprehensive. Any overlap in provisions, or the fact that greater specificity is provided as to some categories of risk, is not intended to limit the scope of indemnification under any other provisions.

(d) Patent/Copyright Infringement Indemnification

To the extent permitted by law, the Contractor shall indemnify, defend and hold harmless the State from and against all losses, liabilities, damages (including taxes), and all related costs and expenses (including reasonable attorneys' fees and costs of investigation, litigation, settlement, judgments, interest and penalties) incurred in connection with any action or proceeding threatened or brought against the State to the extent that such action or proceeding is based on a claim that any piece of equipment, software, commodity or service supplied by the Contractor or its subContractors, or the operation of such equipment, software, commodity or service, or the use or reproduction of any documentation provided with such equipment, software, commodity or service infringes any United States patent, copyright, trademark or trade secret of any person or entity, which is enforceable under the laws of the United States.

In addition, should the equipment, software, commodity, or service, or its operation, become or in the State's or Contractor's opinion be likely to become the subject of a claim of infringement, the Contractor shall at the Contractor's sole expense (i) procure for the State the right to continue using the equipment, software, commodity or service or, if such option is not reasonably available to the Contractor, (ii) replace or modify to the State's satisfaction the same with equipment, software, commodity or service of equivalent function and performance so that it becomes non-infringing, or, if such option is not reasonably available to Contractor, (iii) accept its return by the State with appropriate credits to the State against the Contractor's charges and reimburse the State for any losses or costs incurred as a consequence of the State ceasing its use and returning it.

Notwithstanding the foregoing, the Contractor shall have no obligation to indemnify or defend the State for, or to pay any costs, damages or attorneys' fees related to, any claim based upon (i) equipment developed based on written specifications of the State; or (ii) use of the equipment in a configuration other than implemented or approved in writing by the Contractor, including, but not limited to, any modification of the equipment by the State; or (iii) the combination, operation, or use of the equipment with equipment or software not supplied by the Contractor under this Contractor.

Continuation of Indemnification Obligations:

The Contractor's duty to indemnify pursuant to this Section continues in full force and effect, notwithstanding the expiration or early cancellation of the Contractor, with respect to any claims based on facts or conditions that occurred prior to expiration or cancellation.

*Indemnification Procedures:*

The procedures set forth below shall apply to all indemnity obligations under this Contractor.

- (a) After receipt by the State of notice of the action or proceeding involving a claim in respect of which it will seek indemnification, the State shall promptly notify Contractor of such claim in writing and take or assist Contractor in taking, as the case may be, any reasonable action to avoid the imposition of a default judgment against Contractor. No failure to notify Contractor shall relieve Contractor of its indemnification obligations except to the extent that Contractor can demonstrate damages attributable to such failure. Within ten (10) days following receipt of written notice from the State relating to any claim, Contractor shall notify the State in writing whether Contractor agrees to assume control of the defense and settlement of that claim (a "Notice of Election"). After notifying Contractor of a claim and prior to the State receiving Contractor's Notice of Election, the State shall be entitled to defend against the claim, at Contractor's expense, and Contractor will be responsible for any reasonable costs incurred by the State in defending against the claim during such period.
- (b) If Contractor delivers a Notice of Election relating to any claim: (i) the State shall be entitled to participate in the defense of such claim and to employ counsel at its own expense to assist in the handling of such claim and to monitor and advise the State about the status and progress of the defense; (ii) Contractor shall, at the request of the State, demonstrate to the reasonable satisfaction of the State, Contractor's financial ability to carry out its defense and indemnity obligations under this Contractor; (iii) Contractor shall periodically advise the State about the status and progress of the defense and shall obtain the prior written approval of the State before entering into any settlement of such claim or ceasing to defend against such claim and (iv) to the extent that any principles of Michigan governmental or public law may be involved or challenged, the State shall have the right, at its own expense, to control the defense of that portion of such claim involving the principles of Michigan governmental or public law. Notwithstanding the foregoing, the State may retain control of the defense and settlement of a claim by written notice to Contractor given within ten (10) days after the State's receipt of Contractor's information requested by the State pursuant to clause (ii) of this paragraph if the State determines that Contractor has failed to demonstrate to the reasonable satisfaction of the State Contractor's financial ability to carry out its defense and indemnity obligations under this Section. Any litigation activity on behalf of the State of Michigan, or any of its subdivisions pursuant to this Section, must be coordinated with the Department of Attorney General. In the event the insurer's attorney represents the State pursuant to this Section, the insurer's attorney may be required to be designated as a Special Assistant Attorney General by the Attorney General of the State of Michigan.
- (c) If Contractor does not deliver a Notice of Election relating to any claim of which it is notified by the State as provided above, the State shall have the right to defend the claim in such manner as it may deem appropriate, at the cost and expense of Contractor. If it is determined that the claim was one against which Contractor was required to indemnify the State, upon request of the State, Contractor shall promptly reimburse the State for all such reasonable costs and expenses.

2.306 LIMITATION OF LIABILITY

Except as set forth herein, neither the CONTRACTOR nor the STATE shall be liable to the other party for indirect or consequential damages, even if such party has been advised of the possibility of such damages. Such limitation as to indirect or consequential damages shall not apply to claims for infringement of United States patent, copyright, trademarks or trade secrets; to claims for personal injury or damage to property caused by the gross negligence or willful misconduct of the CONTRACTOR; to claims covered by other specific provisions of this Contractor calling for liquidated damages; to CONTRACTOR'S indemnification obligations (2.305); or to court costs or attorney's fees awarded by a court in addition to damages after litigation based on this Contractor.

The STATE'S liability for damages to the CONTRACTOR shall be limited to the value of the Contractor.

2.307 CONTRACTOR DISTRIBUTION

Purchasing Operations shall retain the sole right of Contractor distribution to all State agencies and local units of government unless other arrangements are authorized by Purchasing Operations.

**2.308 FORM, FUNCTION, AND UTILITY**

If the Contractor is for use of more than one STATE agency and if the good or service provided under this Contractor do not the meet the form, function, and utility required by a State agency, that agency may, subject to STATE purchasing policies, procure the good or service from another source.

2.309 ASSIGNMENT OF ANTITRUST CAUSE OF ACTION

For and in consideration of the opportunity to submit a quotation and other good and valuable consideration, the bidder hereby assigns, sells and transfers to the STATE all rights, title and interest in and to all causes of action it may have under the antitrust laws of the United States or this STATE for price fixing, which causes of action have accrued prior to the date of payment and which relate solely to the particular goods, commodities, or services purchased or procured by this STATE pursuant to this transaction.

2.310 RESERVED**2.311 TRANSITION ASSISTANCE**

If this Contractor is not renewed at the end of this term, or is canceled prior to its expiration, for any reason, the CONTRACTOR must provide for up to six months after the expiration or cancellation of this Contractor, all reasonable transition assistance requested by the STATE, to allow for the expired or canceled portion of the Services to continue without interruption or adverse effect, and to facilitate the orderly transfer of such services to the STATE or its designees. Such transition assistance will be deemed by the parties to be governed by the terms and conditions of this Contractor, (notwithstanding this expiration or cancellation) except for those Contractor terms or conditions that do not reasonably apply to such transition assistance. The STATE shall pay the CONTRACTOR for any resources utilized in performing such transition assistance at the most current rates provided by the Contractor for Contractor performance.

2.312 WORK PRODUCT - RESERVED**2.313 PROPRIETARY RIGHTS _ RESERVED****2.314 WEBSITE INCORPORATION**

STATE expressly states that it will not be bound by any content on the CONTRACTOR's website, even if the CONTRACTOR's documentation specifically referenced that content and attempts to incorporate it into any other communication, unless the STATE has actual knowledge of such content and has expressly agreed to be bound by it in a writing that has been manually signed by an authorized representation of the STATE.

2.4 Contractor Review and Evaluation**2.401 CONTRACTOR COMPLIANCE INSPECTOR - RESERVED****2.402 PERFORMANCE REVIEWS**

Purchasing Operations may review with the CONTRACTOR their performance under the Contractor. Performance reviews shall be conducted quarterly, semi-annually or annually depending on CONTRACTOR'S past performance with the STATE. Performance reviews shall include, but not limited to, quality of products/services being delivered and provided, timeliness of delivery, percentage of completion of orders, the amount of back orders, status of such orders, accuracy of billings, customer service, completion and submission of required paperwork, the number of substitutions and the reasons for substitutions, and other requirements of the Contractor.



Upon a finding of poor performance, which has been documented by Purchasing Operations, the CONTRACTOR shall be given an opportunity to respond and take corrective action. If corrective action is not taken in a reasonable amount of time as determined by Purchasing Operations, the Contractor may be canceled for default. Delivery by the CONTRACTOR of unsafe and/or adulterated or off-condition products to any STATE agency is considered a material breach of Contractor subject to the cancellation provisions contained herein.

2.403 AUDIT OF CONTRACTOR COMPLIANCE/ RECORDS AND INSPECTIONS

The CONTRACTOR agrees that the STATE may, upon 24-hour notice, perform an audit at CONTRACTOR'S location(s) to determine if the CONTRACTOR is complying with the requirements of the Contractor. The CONTRACTOR agrees to cooperate with the STATE during the audit and produce all records and documentation that verifies compliance with the Contractor requirements.

2.5 Quality and Warranties

2.501 PROHIBITED PRODUCTS - RESERVED

2.502 RESERVED

2.503 RESERVED

2.504 GENERAL WARRANTIES (goods) - RESERVED

2.505 CONTRACTOR WARRANTIES

The Contractor will contain customary representations and warranties by the CONTRACTOR, including, without limitation, the following:

1. The CONTRACTOR will perform all services in accordance with high professional standards in the industry;
2. The CONTRACTOR will use adequate numbers of qualified individuals with suitable training, education, experience and skill to perform the services;
3. The CONTRACTOR will use its best efforts to use efficiently any resources or services necessary to provide the services that are separately chargeable to the STATE;
4. The CONTRACTOR will use its best efforts to perform the services in the most cost effective manner consistent with the required level of quality and performance;
5. The CONTRACTOR will perform the services in a manner that does not infringe the proprietary rights of any third party;
6. The CONTRACTOR will perform the services in a manner that complies with all applicable laws and regulations;
7. The CONTRACTOR has duly authorized the execution, delivery and performance of the Contractor;
8. The CONTRACTOR is capable in all respects of fulfilling and shall fulfill all of its obligations under this Contractor.
9. The Contractor appendices, attachments, and exhibits identify all equipment and software services necessary for the deliverable(s) to perform and operate in compliance with the Contractor's requirements.



10. The CONTRACTOR is the lawful owner or licensee of any Deliverable licensed or sold to the STATE by CONTRACTOR or developed by CONTRACTOR under this Contractor, and CONTRACTOR has all of the rights necessary to convey to the state the ownership rights or license use, as applicable, of any and all Deliverables.
11. If, under this Contractor, CONTRACTOR procures any equipment, software or other Deliverable for the STATE (including equipment, software and other Deliverables manufactured, re-marketed or otherwise sold by CONTRACTOR under CONTRACTOR'S name), then in addition to CONTRACTOR'S other responsibilities with respect to such items as set forth in this Contractor, CONTRACTOR shall assign or otherwise transfer to the STATE or its designees, or afford the STATE the benefits of, any manufacturer's warranty for the Deliverable.
12. The Contractor signatory has the power and authority, including any necessary corporate authorizations, necessary to enter this Contractor, on behalf of CONTRACTOR.
13. The CONTRACTOR is qualified and registered to transact business in all locations where required.
14. Neither the CONTRACTOR nor any Affiliates, nor any employee of either, has, shall have, or shall acquire, any Contractural, financial, business, or other interest, direct or indirect, that would conflict in any manner or degree with CONTRACTOR'S performance of its duties and responsibilities to the STATE under this Contractor or otherwise create an appearance of impropriety with respect to the award or performance of this Agreement. CONTRACTOR shall notify the STATE within two (2) days of any such interest that may be incompatible with the interests of the STATE.
15. All financial statements, reports, and other information furnished by CONTRACTOR to the STATE as part of its response to the ITB or otherwise in connection with the award of this Contractor fairly and accurately represent the business, properties, financial condition, and results of operations of CONTRACTOR as of the respective dates, or for the respective periods, covered by such financial statements, reports, other information. Since the respective dates or periods covered by such financial statements, reports, or other information, there have been no material adverse changes in the business, properties, financial condition, or results of operations of CONTRACTOR. All written information furnished to the STATE by or behalf of CONTRACTOR in connection with this Contractor, including its bid, is true, accurate, and complete, and contains no untrue statement of material fact or omits any material fact necessary to make such information not misleading.

2.506 STAFF -RESERVED

2.507 SOFTWARE WARRANTIES - RESERVED

2.508 EQUIPMENT WARRANTY - RESERVED

2.509 PHYSICAL MEDIA WARRANTY - RESERVED

2.6 Breach of Contractor

2.601 BREACH DEFINED

Failure to comply with articles, sections, or subsections of this agreement, or making any false statement in this agreement will be considered a material breach of this agreement giving the STATE authority to invoke any and all remedies available to it under this agreement.

In addition to any remedies available in law and by the terms of this Contractor, if the CONTRACTOR breaches Sections 2.508, 2.509, or 2.510, such a breach may be considered as a default in the performance of a material obligation of this Contractor.

**2.602 NOTICE AND THE RIGHT TO CURE**

In the event of a curable breach by the CONTRACTOR, the STATE shall provide the CONTRACTOR written notice of the breach and a time period to cure said breach described in the notice. This section requiring notice and an opportunity to cure shall not be applicable in the event of successive or repeated breaches of the same nature or if the STATE determines in its sole discretion that the breach poses a serious and imminent threat to the health or safety of any person or the imminent loss, damage or destruction of any real or tangible personal property.

2.603 EXCUSABLE FAILURE

1. Neither party shall be liable for any default or delay in the performance of its obligations under the Contractor if and to the extent such default or delay is caused, directly or indirectly, by: fire, flood, earthquake, elements of nature or acts of God; riots, civil disorders, rebellions or revolutions in any country; the failure of the other party to perform its material responsibilities under the Contractor (either itself or through another CONTRACTOR); injunctions (provided the injunction was not issued as a result of any fault or negligence of the party seeking to have its default or delay excused); or any other cause beyond the reasonable control of such party; provided the non-performing party and its subContractor's are without fault in causing such default or delay, and such default or delay could not have been prevented by reasonable precautions and cannot reasonably be circumvented by the non-performing party through the use of alternate sources, workaround plans or other means, including disaster recovery plans. In such event, the non-performing party will be excused from any further performance or observance of the obligation(s) so affected for as long as such circumstances prevail and such party continues to use its best efforts to recommence performance or observance whenever and to whatever extent possible without delay provided such party promptly notifies the other party in writing of the inception of the excusable failure occurrence, and also of its abatement or cessation.
2. If any of the above enumerated circumstances substantially prevent, hinder, or delay performance of the services necessary for the performance of the STATE'S functions for more than 14 consecutive days, and the STATE determines that performance is not likely to be resumed within a period of time that is satisfactory to the STATE in its reasonable discretion, then at the STATE'S option: (a) the STATE may procure the affected services from an alternate source, and the STATE shall not be liable for payments for the unperformed services under the Contractor for so long as the delay in performance shall continue; (b) the STATE may cancel any portions of the Contractor so affected and the charges payable hereunder shall be equitably adjusted to reflect those services canceled; or (c) the Contractor will be canceled without liability of the STATE to the CONTRACTOR as of the date specified by the STATE in a written notice of cancellation to the CONTRACTOR. The CONTRACTOR will not have the right to any additional payments from the STATE as a result of any excusable failure occurrence or to payments for services not rendered as a result of the excusable failure condition. Defaults or delays in performance by the CONTRACTOR which are caused by acts or omissions of its subContractors will not relieve the CONTRACTOR of its obligations under the Contractor except to the extent that a subContractor is itself subject to any excusable failure condition described above and the CONTRACTOR cannot reasonably circumvent the effect of the subContractor's default or delay in performance through the use of alternate sources, workaround plans or other means.

2.7 Remedies**2.701 CANCELLATION**

The STATE may cancel this Contractor without further liability or penalty to the STATE, its departments, divisions, agencies, offices, commissions, officers, agents, and employees for any of the following reasons:



1. Material Breach by the CONTRACTOR. In the event that the CONTRACTOR breaches any of its material duties or obligations under the Contractor, which are either not capable of or subject to being cured, or are not cured within the time period specified in the written notice of breach provided by the STATE, or pose a serious and imminent threat to the health and safety of any person, or the imminent loss, damage or destruction of any real or tangible personal property, the STATE may, having provided written notice of cancellation to the CONTRACTOR, cancel this Contractor in whole or in part, for cause, as of the date specified in the notice of cancellation.

In the event that this Contractor is cancelled for cause, in addition to any legal remedies otherwise available to the STATE by law or equity, the CONTRACTOR shall be responsible for all costs incurred by the STATE in canceling the Contractor, including but not limited to, STATE administrative costs, attorneys fees and court costs, and any additional costs the STATE may incur to procure the services required by this Contractor from other sources. All excess re-procurement costs and damages shall not be considered by the parties to be consequential, indirect or incidental, and shall not be excluded by any other terms otherwise included in the Contractor.

In the event the STATE chooses to partially cancel this Contractor for cause charges payable under this Contractor will be equitably adjusted to reflect those services that are cancelled.

In the event this Contractor is cancelled for cause pursuant to this section, and it is therefore determined, for any reason, that the CONTRACTOR was not in breach of Contractor pursuant to the provisions of this section, that cancellation for cause shall be deemed to have been a cancellation for convenience, effective as of the same date, and the rights and obligations of the parties shall be limited to that otherwise provided in the Contractor for a cancellation for convenience.

2. Cancellation For Convenience By the STATE. The STATE may cancel this Contractor for its convenience, in whole or part, if the STATE determines that such a cancellation is in the STATE'S best interest. Reasons for such cancellation shall be left to the sole discretion of the STATE and may include, but not limited to (a) the STATE no longer needs the services or products specified in the Contractor, (b) relocation of office, program changes, changes in laws, rules, or regulations make implementation of the Contractor services no longer practical or feasible, and (c) unacceptable prices for additional services requested by the STATE. The STATE may cancel the Contractor for its convenience, in whole or in part, by giving the CONTRACTOR written notice 30 days prior to the date of cancellation. If the STATE chooses to cancel this Contractor in part, the charges payable under this Contractor shall be equitably adjusted to reflect those services that are cancelled.
3. Non-Appropriation. In the event that funds to enable the STATE to effect continued payment under this Contractor are not appropriated or otherwise made available. The CONTRACTOR acknowledges that, if this Contractor extends for several fiscal years, continuation of this Contractor is subject to appropriation or availability of funds for this project. If funds are not appropriated or otherwise made available, the STATE shall have the right to cancel this Contractor at the end of the last period for which funds have been appropriated or otherwise made available by giving written notice of cancellation to the CONTRACTOR. The STATE shall give the CONTRACTOR written notice of such non-appropriation or unavailability within 30 days after it receives notice of such non-appropriation or unavailability.
4. Criminal Conviction. In the event the CONTRACTOR, an officer of the CONTRACTOR, or an owner of a 25% or greater share of the CONTRACTOR, is convicted of a criminal offense incident to the application for or performance of a STATE, public or private Contractor or subContractor; or convicted of a criminal offense including but not limited to any of the following: embezzlement, theft, forgery, bribery, falsification or destruction of records, receiving stolen property, attempting to influence a public employee to breach the ethical conduct standards for State of Michigan employees; convicted under state or federal antitrust statutes; or convicted of any other criminal offense which in the sole discretion of the STATE, reflects upon the CONTRACTOR'S business integrity.



5. Approvals Rescinded. The STATE may terminate this Contractor without further liability or penalty in the event any final administrative or judicial decision or adjudication disapproves a previously approved request for purchase of personal services pursuant to Constitution 1963, Article 11, section 5, and Civil Service Rule 7. Termination may be in whole or in part and may be immediate as of the date of the written notice to CONTRACTOR or may be effective as of the date stated in such written notice.

2.702 RIGHTS UPON CANCELLATION

Termination Assistance. If this Contractor (or any Statement of Work issued under it) is terminated for any reason prior to completion, CONTRACTOR agrees to provide for up to six (6) months after the termination all reasonable termination assistance requested by the STATE to facilitate the orderly transfer of such Services to the STATE or its designees in a manner designed to minimize interruption and adverse effect. Such termination assistance will be deemed by the parties to be governed by the terms and conditions of this Contractor (notwithstanding its termination) other than any terms or conditions that do not reasonably apply to such termination assistance. Such termination assistance shall be at no additional charge to the STATE if the termination is for CONTRACTOR'S Default pursuant to Section 2.602; otherwise the STATE shall compensate CONTRACTOR for such termination assistance on a time and materials basis in accordance with the Amendment Labor Rates identified within this Contractor agreement.

2.703 LIQUIDATED DAMAGES

A. The State and the Contractor hereby agree to the specific standards set forth in this Contractor. It is agreed between the Contractor and the State that the actual damages to the State as a result of Contractor's failure to provide promised services would be difficult or impossible to determine with accuracy. The State and the Contractor therefore agree that liquidated damages as set out herein shall be a reasonable approximation of the damages that shall be suffered by the State as a result thereof. Accordingly, in the event of such damages, at the written direction of the State, the Contractor shall pay the State the indicated amount as liquidated damages, and not as a penalty. Amounts due the State as liquidated damages, if not paid by the Contractor within fifteen days of notification of assessment, may be deducted by the State from any money payable to the Contractor pursuant to this Contractor. The State will notify the Contractor in writing of any claim for liquidated damages pursuant to this paragraph on or before the date the State deducts such sums from money payable to the Contractor. No delay by the State in assessing or collecting liquidated damages shall be construed as a waiver of such rights.

B. The Contractor shall not be liable for liquidated damages when delays arise out of causes beyond the control and without fault or negligence of the Contractor. Such causes may include, but are not restricted to, acts of God or of the public enemy, acts of the State in either its sovereign or Contractorual capacity, fires, floods, earthquakes, epidemics, quarantine restrictions, strikes, freight embargoes, and unusually severe weather; but in every case, the delays must be beyond control and without the fault or negligence of this Contractor. Liquidated damages will be charged in case (s) of no shows, late transcripts, late appearance, inaccuracy of typed text, lost files, dispute on inaudible tape claims, duplicate billings.

Example of liquidated damage:

1. In case of "No Shows", if services received from another company, the Contractor would pay the difference in cost plus an administrative fee of \$100.00.
2. 50% reduction in price for late transcripts and in accuracy of text. Late appearances, no shows, lost files would result in the vendor being responsible for all costs associated with rescheduling hearings, or cover the cost of a substitute reporter.
3. All tapes must be "enhanced" before they are returned as "inaudible". This will save state a loss of cost of the remand hearing and related expenses.
4. In case of duplicate billings, the Contractor would pay an administrative fee of \$50.00.

**2.704 STOP WORK - RESERVED****2.705 SUSPENSION OF WORK**

The Contractor Administrator may order the CONTRACTOR, in writing, to suspend, delay, or interrupt all or any part of the work of this Contractor for the period of time that the Contractor Administrator determines appropriate for the convenience of the Government.

If the performance of all or any part of the work is, for an unreasonable period of time, suspended, delayed, or interrupted (1) by an act of the Contractor Administrator in the administration of this Contractor, or (2) by the Contractor Administrator's failure to act within the time specified in this Contractor (or within a reasonable time if not specified), an adjustment shall be made for any increase in the cost of performance of this Contractor (excluding profit) necessarily caused by the unreasonable suspension, delay, or interruption, and the Contractor modified in writing accordingly. However, no adjustment shall be made under this clause for any suspension, delay, or interruption to the extent that performance would have been so suspended, delayed, or interrupted by any other cause, including the fault or negligence of the CONTRACTOR, or for which an equitable adjustment is provided for or excluded under any other term or condition of this Contractor.

A claim under this clause shall not be allowed:

- (1) For any costs incurred more than 20 days before the CONTRACTOR shall have notified the Contractor Administrator in writing of the act or failure to act involved (but this requirement shall not apply as to a claim resulting from a suspension order); and
- (2) Unless the claim, in an amount stated, is asserted in writing as soon as practicable after the termination of the suspension, delay, or interruption, but not later than the date of final payment under the Contractor.

2.8 Changes, Modifications, and Amendments**2.801 APPROVALS**

The Contractor may not be modified, amended, extended, or augmented except by a writing executed by the parties hereto, and any breach or default by a party shall not be waived or released other than in writing signed by the other party.

2.802 TIME EXTENTIONS

Time extensions for Contractor changes will depend upon the extent, if any, by which the changes cause delay in the completion of the various elements of performance as described in the statement of work. The change order granting the time extension may provide that the Contractor completion date will be extended only for those specific elements related to the changed work and that the remaining Contractor completion dates for all other portions of the work will not be altered. The change order also may provide an equitable readjustment of liquidated damages under the new completion schedule.

2.803 MODIFICATION

Purchasing Operations reserves the right to modify this Contractor at any time during the Contractor term. Such modification may include changing the locations to be serviced, additional locations to be serviced, method or manner of performance of the work, number of days service is to be performed, addition or deletion of tasks to be performed, addition or deletion of items, and/or any other modifications deemed necessary. Any changes in pricing proposed by the CONTRACTOR resulting from the proposed changes are subject to acceptance by the STATE. Changes may be increases or decreases. IN THE EVENT PRICES ARE NOT ACCEPTABLE TO THE STATE, THE CONTRACTOR SHALL BE SUBJECT TO COMPETITIVE BIDDING BASED UPON THE NEW SPECIFICATION.



The STATE reserves the right to add an item(s) that is not described on the item listing and is available from the Contractor vendor. The item(s) may be included on the Contractor, only if prior written approval has been granted by Purchasing Operations.

2.804 AUDIT AND RECORDS UPON MODIFICATION

DEFINITION: records includes books, documents, accounting procedures and practices, and other data, regardless of whether such items are in written form, electronic form, or in any other form

CONTRACTOR shall be required to submit cost or pricing data with the pricing of any modification of this Contractor to the Contractor Administrator in Purchasing Operations. Data may include accounting records, payroll records, employee time sheets, and other information the STATE deems necessary to perform a fair evaluation of the modification proposal. Contractor Administrator or authorized representative of the STATE shall have the right to examine and audit all of the CONTRACTOR'S records, including computations and projections, related to:

1. The proposal for modification;
2. The discussions conducted on the proposal, including those related to negotiation;
3. Pricing of the modification; or
4. Performance of the modification.

CONTRACTOR shall make available at its office at all reasonable times the materials described in the paragraphs above.

If this Contractor is completely or partially terminated, the records relating to the work terminated shall be made available for three years after any resulting final termination settlement.

2.805 CHANGES

- (a) The Contractor Administrator may, at any time, without notice to the sureties, if any, by written order designated or indicated to be a change order, make changes in the work within the general scope of the Contractor, including changes:
 - (1) In the specifications (including drawings and designs);
 - (2) In the method or manner of performance of the work;
 - (3) In the Government-furnished facilities, equipment, materials, services, or site; or
 - (4) Directing acceleration in the performance of the work.
- (a) Any other written or oral order (which, as used in this paragraph (b), includes direction, instruction, interpretation, or determination) from the Contractor Administrator that causes a change shall be treated as a change order under this clause; Provided, that the CONTRACTOR gives the Contractor Administrator written notice stating:
 - (1) The date, circumstances, and source of the order; and
 - (2) That the CONTRACTOR regards the order as a change order.
- (b) Except as provided in this clause, no order, statement, or conduct of the Contractor Administrator shall be treated as a change under this clause or entitle the CONTRACTOR to an equitable adjustment.



2.806 LIABILITY INSURANCE

A. Insurance

(a) Liability Insurance

The Contractor is required to provide proof of the minimum levels of insurance coverage as indicated below. The purpose of this coverage shall be to protect the State from claims which may arise out of or result from the Contractor's performance of services under the terms of this Contractor, whether such services are performed by the Contractor, or by any subContractor, or by anyone directly or indirectly employed by any of them, or by anyone for whose acts they may be liable.

The Contractor waives all rights against the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees and agents for recovery of damages to the extent these damages are covered by the insurance policies the Contractor is required to maintain pursuant to this Contractor.

All insurance coverage provided relative to this Contractor/Purchase Order are PRIMARY and NON-CONTRIBUTING to any comparable liability insurance (including self-insurances) carried by the State.

The insurance shall be written for not less than any minimum coverage specified in this Contractor or required by law, whichever is greater.

The insurers selected by Contractor shall have an A.M. Best rating of A or better, or as otherwise approved in writing by the State, or if such ratings are no longer available, with a comparable rating from a recognized insurance rating agency. All policies of insurance required in this Contractor shall be issued by companies that have been approved to do business in the State.

See http://www.mi.gov/cis/0,1607,7-154-10555_22535---,00.html.

Where specific limits are shown, they are the minimum acceptable limits. If Contractor's policy contains higher limits, the State shall be entitled to coverage to the extent of such higher limits.

Before the Contractor is signed by both parties or before the purchase order is issued by the State, the Contractor must furnish to the Director of Purchasing Operations, certificate(s) of insurance verifying insurance coverage ("Certificates"). The Certificate must be on the standard "accord" form or equivalent. **THE CONTRACTOR OR PURCHASE ORDER NO. MUST BE SHOWN ON THE CERTIFICATE OF INSURANCE TO ASSURE CORRECT FILING.** All Certificate(s) are to be prepared and submitted by the Insurance Provider. All Certificate(s) shall contain a provision indicating that coverage afforded under the policies WILL NOT BE CANCELLED, MATERIALLY CHANGED, OR NOT RENEWED without THIRTY (30) days prior written notice, except for ten (10) days for non-payment of premium, having been given to the Director of Purchasing Operations, Department of Management and Budget. The notice must include the Contractor or Purchase Order number affected and be mailed to: Director, Purchasing Operations, Department of Management and Budget, P.O. Box 30026, Lansing, Michigan 48909. Failure to provide evidence of coverage, may, at the State's sole option, result in this Contractor's termination.

The Contractor is required to pay for and provide the type and amount of insurance checked below:

1. Commercial General Liability with the following minimum coverage:

\$2,000,000 General Aggregate Limit other than Products/Completed Operations
 \$2,000,000 Products/Completed Operations Aggregate Limit
 \$1,000,000 Personal & Advertising Injury Limit
 \$1,000,000 Each Occurrence Limit
 \$500,000 Fire Damage Limit (any one fire)

The Contractor must list the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees and agents as ADDITIONAL INSURED(S) on the Commercial General Liability certificate. The Contractor also agrees to provide evidence that insurance policies contain a waiver of subrogation by the insurance company.



2. If a motor vehicle is used to provide services or products under this Contractor, the Contractor must have vehicle liability insurance on any auto including owned, hired and non-owned vehicles used in Contractor's business for bodily injury and property damage as required by law.

The Contractor must list the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees and agents as ADDITIONAL INSUREDS on the vehicle liability certificate. The Contractor also agrees to provide evidence that insurance policies contain a waiver of subrogation by the insurance company.

3. Workers' compensation coverage must be provided in accordance with applicable laws governing the employees and employers work activities in the state of the Contractor's domicile. If the applicable coverage is provided by a self-insurer, proof must be provided of approved self-insured authority by the jurisdiction of domicile. For employees working outside of the state of qualification, Contractor must provide appropriate certificates of insurance proving mandated coverage levels for the jurisdictions where the employees' activities occur.

Any certificates of insurance received must also provide a list of states where the coverage is applicable.

The Contractor also agrees to provide evidence that insurance policies contain a waiver of subrogation by the insurance company. This provision shall not be applicable where prohibited or limited by the laws of the jurisdiction in which the work is to be performed.

4. Employers liability insurance with the following minimum limits:

\$100,000 each accident

\$100,000 each employee by disease

\$500,000 aggregate disease

5. Employee Fidelity, including Computer Crimes, insurance naming the State as a loss payee, providing coverage for direct loss to the State and any legal liability of the State arising out of or related to fraudulent or dishonest acts committed by the employees of Contractor or its SubContractors, acting alone or in collusion with others, in a minimum amount of one million dollars (\$1,000,000.00) with a maximum deductible of fifty thousand dollars (\$50,000.00).

6. Umbrella or Excess Liability Insurance in a minimum amount of three million dollars (\$3,000,000.00), which shall apply, at a minimum, to the insurance required in Subsection 1 (Commercial General Liability) above.

7. Professional Liability (Errors and Omissions) Insurance with the following minimum coverage: three million dollars (\$1,000,000.00) each occurrence and three million dollars (\$3,000,000.00) annual aggregate.

8. Fire and Personal Property Insurance covering against any loss or damage to the office space used by Contractor for any reason under this Contractor, and the equipment, software and other contents of such office space, including without limitation, those contents used by Contractor to provide the Services to the State, up to the replacement value thereof, where such office space and its contents are under the care, custody and control of Contractor. Such policy shall cover all risks of direct physical loss or damage, including without limitation, flood and earthquake coverage and coverage for computer hardware and software. The State shall be endorsed on the policy as a loss payee as its interests appear.

(b) SubContractors

Except where the State has approved in writing a Contractor subContractor with other insurance provisions, Contractor shall require all of its SubContractors under this Contractor to purchase and maintain the insurance coverage as described in this Section for the Contractor in connection with the performance of work by those SubContractors. Alternatively, Contractor may include any SubContractors under Contractor's insurance on the coverage required in this Section. SubContractor(s) shall fully comply with the insurance coverage required in this Section. Failure of SubContractor(s) to comply with insurance requirements does not limit Contractor's liability or responsibility.



(c) Certificates of Insurance and Other Requirements

Contractor shall furnish to the Office of Purchasing Operations certificate(s) of insurance verifying insurance coverage or providing satisfactory evidence of self-insurance as required in this Section (the "Certificates"). Before the Contractor is signed, and not less than 20 days before the insurance expiration date every year thereafter, the Contractor shall provide evidence that the State and its agents, officers and employees are listed as additional insureds under each commercial general liability and commercial automobile liability policy. In the event the State approves the representation of the State by the insurer's attorney, the attorney may be required to be designated as a Special Assistant Attorney General by the Attorney General of the State of Michigan.

Contractor shall maintain all required insurance coverage throughout the term of the Contractor and any extensions thereto and, in the case of claims-made Commercial General Liability policies, shall secure tail coverage for at least three (3) years following the expiration or termination for any reason of this Contractor. The minimum limits of coverage specified above are not intended, and shall not be construed, to limit any liability or indemnity of Contractor under this Contractor to any indemnified party or other persons. Contractor shall be responsible for all deductibles with regard to such insurance. If Contractor fails to pay any premium for required insurance as specified in this Contractor, or if any insurer cancels or significantly reduces any required insurance as specified in this Contractor without the State's written consent, at the State's election (but without any obligation to do so) after the State has given Contractor at least 30 days written notice, the State may pay such premium or procure similar insurance coverage from another company or companies; and at the State's election, the State may deduct the entire cost (or part thereof) from any payment due Contractor, or Contractor shall pay the entire cost (or any part thereof) upon demand by the State.

2.182 Health Insurance Portability and Accountability Act (HIPAA) FOR Medical Transcription:

To the extent that this act is pertinent to the services that the CONTRACTOR provides to the STATE under this agreement, the CONTRACTOR assures that it is in compliance with the Health Insurance Portability and Accountability Act (HIPAA) requirements including the following:

1. The CONTRACTOR must not share any protected health data and information provided by the STATE that falls within HIPAA requirements except to a subContractor as appropriate under this agreement.
2. The CONTRACTOR must require the subContractor not to share any protected health data and information from the STATE that falls under HIPAA requirements in the terms and conditions of the subContractor.
3. The CONTRACTOR must only use the protected health data and information for the purposes of this agreement.
4. The CONTRACTOR must have written policies and procedures addressing the use of protected health data and information that falls under the HIPAA requirements. The policies and procedures must meet all applicable federal and state requirements including the HIPAA regulations.
5. The CONTRACTOR must have a policy and procedure to report to the STATE unauthorized use or disclosure of protected health data and information that falls under the HIPAA requirements of which the CONTRACTOR becomes aware.
6. Failure to comply with any of these Contractorual requirements may result in the termination of this agreement in accordance with Section 2.701 - CANCELLATION.
7. In accordance with HIPAA requirements, the CONTRACTOR is liable for any claim, loss or damage relating to unauthorized use or disclosure of protected health data and information by the CONTRACTOR received from the STATE or any other source.

**2.183 Bloodborne Pathogens (Medical Transcription)**

The CONTRACTOR agrees to comply with 29 CFR Part 1910.1030 and other applicable State and federal laws and regulations concerning bloodborne pathogens as may be necessary for the protection of the CONTRACTOR. The CONTRACTOR is responsible for determining the risk of exposure to bloodborne pathogens in performing the work of the Contractor. The CONTRACTOR shall be responsible for obtaining vaccination against Hepatitis B for him/herself or any of his/her employees whom the CONTRACTOR determines may be at risk through the work of this Contractor. The CONTRACTOR shall maintain copies of all vaccination records and all other records required for compliance with 29 CFR Part 1910.3030 for the CONTRACTOR and any employees determined to be at risk. The CONTRACTOR is responsible for obtaining annual training on bloodborne pathogens, confidential medical evaluations and follow-up after an exposure incident.

2.184 Carf Compliance

The CONTRACTOR agrees to comply with requirements of the Rehabilitation Accreditation Commission (CARF) and to provide evidence of compliance with standards upon request of the agency, which specifies the standard and requirement provided the requirement is within the scope and provisions of the Agreement.



PRICE PAGE (APPENDIX A)

Pricing sheet for Legal Transcription Services

| ITEM | | UNIT PRICE |
|------|-------------------------------------------------------------------------------------------------------------------------------|------------|
| 1. | 3.5" Floppy Disk/CD with transcription in Word or WordPerfect format (for previously billed prepared transcript) Per Disk/CD) | \$3.00 |
| | E mail transcript in Word or WordPerfect format (for previously billed prepared transcript) | \$3.00 |
| 2. | a) Original +1 (within 10 business days) per page | \$3.00 |
| | b) Additional Copies (per page) | \$.25 |
| | c) E-Transcript in PTX format | \$5.00 |
| | d) Electronic filing in pdf format | \$5.00 |
| 3. | a) Expedited Original + 1 (within 5 business days) per page | \$4.00 |
| | b) Additional Copies (per page) | \$.25 |
| 4. | a)Expedited Original + 1 (within 3 business days) per page | \$5.00 |
| | b) Additional Copies (per page) | \$.25 |
| 5. | a) Expedited Original + 1 (within 1 business day) per page | \$7.00 |
| | b) Additional Copies (per page) | \$.25 |
| 6. | Condensed Transcript (Minu-script) copy of transcript in 10 business days | \$3.00 |

NOTE:

1. Normal turn around time for Legal Transcription is 10 business days.
2. Lines having no text (characters) or "Blank lines" would not be billable.
3. Minimum number of lines per a billable page is 25 lines. Half or less than half lines are considered a line. Double spacing. 10 pitch.
4. Postage and special mailing charges are included in the per page pricing.
5. Contractor has confirmed that all of their Transcription work will be done in the U.S.A. Any violation of this term will subject the Contractor to be terminated.

**APPENDIX B – Technical Proposal (Excerpts only)****LEGALLY CORRECT TRANSCRIPTION, INC.'S
Technical Proposal (Excerpts only)****ORGANIZATION:**

Legally Correct Transcription, Inc.
Federal I.D. 38-3592644
2563 Koala Drive
East Lansing, Michigan 48823
(517) 332-1234

Bryna Olson is the founder and president, and serves as the responsible official for LCT for all issues related to this bid. She can be reached at 2563 Koala Drive, East Lansing, Michigan 48823, (517) 332-1234.

QUALIFIED PERSONNEL/STAFFINGTranscriptionist Qualifications

LCT typists average 100 words per minute in speed. LCT have, on average, over thirteen (13) years' transcription experience. All LCT typists are certified in good standing with the State of Michigan as CERs. All LCT typists possess exemplary knowledge of punctuation, grammar, legal procedure, legal terms, and proper SCAO format. Further, all LCT typists follow strict adherence to deadlines and quality. LCT's superb typists have assisted in earning LCT's well-respected reputation among state agencies as well as attorneys working within the state agency system.

Equipment

All typists are required to use transcribers with a four-channel, dual speed playback system. All typists use state-of-the-art hardware and software and have a superior understanding of same. All typists are aware of resource material, including but not limited to books and websites, to obtain proper spellings for producing accurate transcripts.

Confidentiality

LCT typists are instructed not to divulge individual names or other sensitive information to anyone. LCT typists are aware and conform to HIPAA guidelines. LCT abides by any agency's requests concerning confidentiality. Specifically, scrap paper regarding DAAD is shredded before being discarded.

Transcriptionist Capacities

LCT currently has a total of eleven exceptional full-time transcriptionists who will provide exemplary transcription services under this Contractor. Combined, they have the capacity to produce 10,250 pages per week. All LCT typists, except for one, are Michigan residents. LCT well exceeds the requirements of the state agencies it currently services.

All LCT typists possess exemplary skills in transcript formatting. Further, every typist shows strict adherence to deadlines. Under current staffing levels, LCT utilizes approximately one-sixth of its typists' capacity (see 4.302 Prior Experience, 2. Capacity to Perform, above) and is well positioned to take on an increased portion of the present Contractor.

Future Staffing

LCT is capable of handling a higher volume of work for the State. If more transcriptionists were needed, qualified personnel will be trained as needed under the same strict guidelines as mentioned earlier.



Key Personnel and Location

| | | |
|------------------|---------------------------------|------------------|
| Bryna Olson | President/Transcriptionist | East Lansing |
| Emily Bach | Office Manager/Transcriptionist | Bay City |
| Sheila Boensch | Transcriptionist | Freeland |
| JoEllen Byrne | Transcriptionist | Lansing |
| Rosanne Goacher | Transcriptionist | Lansing |
| Carole Hanbury | Transcriptionist | Hamilton, Ohio |
| Christine Harman | Transcriptionist | Farmington Hills |
| Dena Moffitt | Transcriptionist | Eagle |
| Leah Parks | Transcriptionist | Davisburg |
| Jennette Sawyer | Transcriptionist | Owosso |
| Jan Van'tZelfde | Transcriptionist | Holly |

All work is performed in the state of Michigan except for Carole Hanbury, a Michigan resident who transferred to Ohio during the last Contractor period. She accounted for only 2% of LCT's total receipts in 2005. She is certified as a CER in Michigan and is in good standing. LCT is only bidding on Legal Transcription services.

Professionalism

LCT is professional and treats the State like a valued client. All telephone calls are either answered promptly or returned in an expedient manner. LCT makes sure each state agency's needs are met or exceeded. By continuing to Contractor with LCT, the State of Michigan ensures this same attention to detail, commitment and quality for the next Contractor period.

Docketing, Deadlines and Billing

LCT has a docketing system to monitor files and deadlines. Each agency has its own spreadsheet listing pertinent, required information. Files and deadlines are entered, along with the particular typist. The system also has a double tracking component. Every typist maintains her own independent spreadsheet with files and deadlines. These docketing systems have enabled LCT to never be late on any single transcript.

This docketing system allows LCT to answer agency questions within seconds. Agency representatives frequently inquire about the status of a transcript or the physical possession of a file. LCT is able to answer these questions immediately and accurately, allowing the State to conduct its business more efficiently. Since the start of its Contractor, LCT has had 100% effectiveness in file security.

Further, this docketing system aids the preparation of detailed bills to the State. LCT complies with each agency's request for specific information when billing.

Storage Systems

LCT stores all transcripts on CD. LCT has maintained all electronic storage for the entire Contractor period and will continue to do so.

Training

Each new typist is personally trained and monitored by LCT's president. Strict attention is paid to grammar, punctuation, homonyms, format and the like. The typist receives a disk containing macros, a quick correct list and a training manual. While on monitoring, every transcript is reviewed word-for-word by management. This time-consuming training process provides the State with uniform transcripts of the highest quality.



Exemplary Staffing

LCT has the highest standards for its typists as well as its transcripts. All typists are CER certified, pass a stringent training and monitoring program (See Qualified Personnel/Staffing below), and utilize proper English, grammar, spelling, punctuation and legal terminology. Combined, they have an average of over 13 years' experience. LCT typists also utilize exclusive proprietary software to efficiently and accurately satisfy the objectives of its Contractor with Michigan. Said software was created by LCT and is not available to others. LCT transcripts are prepared according to proper SCAO format or per the specific agency's request. LCT's high standards and monitoring of its typists yield uniform and accurate transcripts for the State.

Development

Monthly staff meetings promote cohesion within the organization. Issues with transcripts are discussed to further guarantee uniform transcripts. Also, these meetings provide typists with a sense of participation in the organization. Typists know their input is valued and that they are supported. This camaraderie yields increased worker commitment and a better product for the State.

Equipment

LCT transcripts contain fewer inaudibles. LCT typists are required to use audio machines that have: four channels, dual speed playback and variable speech compression. These features reduce inaudibles caused by poor sound quality or ineffective machines. These features also negate the need for tape enhancement. Further, transcriptionists are instructed not to merely skip over inaudibles, but rather to change channels. This carefulness creates a more accurate record.

Administrative Recordings

All recordings supplied to LCT for transcription are returned to the State along with the transcripts.

Quality Control

Every transcript is proofed to ensure it accurately contains the necessary information. Every page of every transcript is machine counted to ensure all pages are copied.

Individual transcripts are then pulled randomly for a final quality check. This quality control measure ensures adherence to the uniformity in producing transcripts as well as a check point for grammatical and typographical errors. To ensure a verbatim transcript, the transcript is checked against the actual recording.