Form No. DTMB-3521 (Rev. 4/2012)
AUTHORITY: Act 431 of 1984
COMPLETION: Required
PENALTY: Contract change will not be executed unless form is filed

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. 5
to
CONTRACT NO. 071B7200136
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF CONTRACTOR:	PRIMARY CONTACT	EMAIL
Moretti & Murphy Reporting **471 West South Street, Suite 41B** **Kalamazoo, MI 49007**	**Patricia G. Moretti**	**infomorettigroup.net** **pmoretti@morettigroup.net**
	TELEPHONE	CONTRACTOR #, MAIL CODE
	(800) 536-0804	

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	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
☐ P-card ☐ Direct Voucher (DV) ☐ Other	☐ YES ☒ NO

MINIMUM DELIVERY REQUIREMENTS:
N/A

DESCRIPTION OF CHANGE NOTICE:

OPTION EXERCISED:	IF YES, EFFECTIVE DATE OF CHANGE:	NEW EXPIRATION DATE:
☐ NO ☒ YES	**May 25, 2012**	**September 24, 2012**

Effective immediately, this Contract is hereby EXTENDED to September 24, 2012.

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

Per vendor agreement and DTMB Procurement approval.

VALUE/COST OF CHANGE NOTICE:	**$0.00**
ESTIMATED AGGREGATE CONTRACT VALUE REMAINS:	**$500,000.00**

Form No. DMB 234 (Rev. 1/96)
AUTHORITY: Act 431 of 1984
COMPLETION: Required
PENALTY: Contract will not be executed unless form is filed

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. 4
TO
CONTRACT NO. 071B7200136
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF VENDOR	TELEPHONE (800) 536-0804 **Patricia G. Moretti**
Moretti & Murphy Reporting **471 West South Street, Suite 41B** **Kalamazoo, MI 49007** info@morettigroup.net pmoretti@morettigroup.net	VENDOR NUMBER/MAIL CODE
	BUYER/CA (517) 241-1218 **Brandon Samuel**
Contract Compliance Inspector: Andy Ghosh **Transcription Services (Legal & Medical) - Statewide**	
CONTRACT PERIOD: From: **January 25, 2007**	To: **May 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 May 24, 2012. Please also note that the buyer has been CHANGED to Brandon Samuel. All other terms, conditions and pricing remain unchanged.

AUTHORITY/REASON:

Per vendor and DTMB Procurement's approval.

TOTAL ESTIMATED CONTRACT VALUE REMAINS: $500,000.00

Form No. DMB 234 (Rev. 1/96)
AUTHORITY: Act 431 of 1984
COMPLETION: Required
PENALTY: Contract will not be executed unless form is filed

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. 3
TO
CONTRACT NO. 071B7200136
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF VENDOR	TELEPHONE (800) 536-0804 **Patricia G. Moretti**
Moretti & Murphy Reporting **471 West South Street, Suite 41B** **Kalamazoo, MI 49007** info@morettigroup.net pmoretti@morettigroup.net	VENDOR NUMBER/MAIL CODE
	BUYER/CA (517) 373-7396 **Andy Ghosh, CPPB**
Contract Compliance Inspector: Andy Ghosh **Transcription Services (Legal & Medical) - 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 and pricing remain unchanged.

AUTHORITY/REASON:

Per DTMB/Purchasing Operations.

TOTAL ESTIMATED CONTRACT VALUE REMAINS: $500,000.00

Form No. DMB 234 (Rev. 1/96)
AUTHORITY: Act 431 of 1984
COMPLETION: Required
PENALTY: Contract will not be executed unless form is filed

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 4, 2010

CHANGE NOTICE NO. 2
TO
CONTRACT NO. 071B7200136
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF VENDOR	TELEPHONE (800) 536-0804 **Patricia G. Moretti**
Moretti & Murphy Reporting **471 West South Street, Suite 41B** **Kalamazoo, MI 49007** info@morettigroup.net pmoretti@morettigroup.net	VENDOR NUMBER/MAIL CODE BUYER/CA (517) 373-7396 **Andy Ghosh, CPPB**
Contract Compliance Inspector: Andy Ghosh **Transcription Services (Legal & Medical) - 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 January 28, 2010, this Contract is hereby EXTENDED through January 24, 2011, per article 2.04 of the Contract which states in part:

"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."

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

AUTHORITY/REASON:

Per DMB Purchasing Operations request and Vendor agreement dated 1/5/2010.

CURRENT AUTHORIZED SPEND LIMIT REMAINS: $500,000.00

Form No. DMB 234 (Rev. 1/96)
AUTHORITY: Act 431 of 1984
COMPLETION: Required
PENALTY: Contract will not be executed unless form is filed

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. 071B7200136
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF VENDOR	TELEPHONE (800) 536-0804 **Patricia G. Moretti**
Moretti & Murphy Reporting **471 West South Street, Suite 41B** **Kalamazoo, MI 49007** info@morettigroup.net pmoretti@morettigroup.net	VENDOR NUMBER/MAIL CODE
	BUYER/CA (517) 373-7396 **Andy Ghosh, CPPB**
Contract Compliance Inspector: Andy Ghosh **Transcription Services (Legal & Medical) - 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, 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

Form No. DMB 234 (Rev. 1/96)
AUTHORITY: Act 431 of 1984
COMPLETION: Required
PENALTY: Contract will not be executed unless form is filed

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. 071B7200136
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF VENDOR **Moretti & Murphy Reporting** **471 West South Street, Suite 41B** **Kalamazoo, MI 49007**	TELEPHONE (800) 536-0804 **Patricia G. Moretti** VENDOR NUMBER/MAIL CODE BUYER/CA (517) 373-7396 **Andy Ghosh, CPPB**
Contract Compliance Inspector: Andy Ghosh **Transcription Services (Legal & Medical) - 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**	

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

Form No. DMB 234 (Rev. 1/96)
AUTHORITY: Act 431 of 1984
COMPLETION: Required
PENALTY: Contract will not be executed unless form is filed

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. 071B7200136
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF VENDOR	TELEPHONE (800) 536-0804 **Patricia G. Moretti**
Moretti & Murphy Reporting **471 West South Street, Suite 41B** **Kalamazoo, MI 49007**	VENDOR NUMBER/MAIL CODE
	BUYER/CA (517) 373-7396 **Andy Ghosh, CPPB**

Contract Compliance Inspector: Andy Ghosh
Transcription Services (Legal & Medical) - Statewide

CONTRACT PERIOD: From: **January 25, 2007** To: **January 24, 2010**

TERMS	SHIPMENT
N/A	**N/A**
F.O.B.	SHIPPED FROM
N/A	**N/A**

MINIMUM DELIVERY REQUIREMENTS
N/A

MISCELLANEOUS INFORMATION:
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

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.

FOR THE VENDOR:	**FOR THE STATE:**
Moretti & Murphy Reporting Firm Name	Signature
Authorized Agent Signature	**Andy Ghosh, CPPB, Buyer Specialist** Name
Authorized Agent (Print or Type)	**Services Division, Purchasing Operations** Title
Date	Date

STATE OF MICHIGAN
Department of Management and Budget
Purchasing Operations

CONTRACT NO. 071B7200136

Transcription Services (Legal & Medical)
Moretti & Murphy Reporting

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

Legal & Medical Transcription Services

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Article 1 – Statement of Work (SOW)

1.0 Project Identification

1.01 PROJECT REQUEST

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

1.02 BACKGROUND

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

Due to the sensitive nature of the information disseminated as part of this Contract, 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 Contract 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 Contract is to:

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

Contractor Response:

Moretti Transcription Solutions and Moretti & Murphy Reporting (separate d/b/a's operating under the corporate umbrella known as Gerger-Moretti Reporting, Inc. and hereinafter referred to as Moretti for ease of reading) has independent Contractors (hereinafter referred to as ICs) all over the State of Michigan and nationwide. The actual transcription will be done from their individual home computers. With regard to legal, all final hard copy or E-transcript production will be done at our Kalamazoo headquarters. With regard to medical, final production will be distributed in accordance with the wishes of the end user.

- 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:

Moretti plans to provide both medical and legal transcription. For the legal transcription, we understand the current process is to pick up tapes and/or CDs however should Moretti be selected as your vendor, we would be able to expedite that process and save the State money at the same time by utilizing our technology.

- 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:

Moretti currently receives payment from the State of Michigan in this format and we accept this method of payment.

1.102 OUT OF SCOPE

Court Reporting service is outside the scope of this Contract.

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:

Moretti completely understands the need for accurate transcription and formatting based on our years of experience transcribing for the courts and transcribing for various medical facilities, including two VA Hospitals whose needs are varied and very specific.

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

Contractor Response:

Moretti realizes that correctly formatted documents are critical. In terms of legal, there are state guidelines that must be followed in order to comply with SCAO. In terms of medical, correct formatting is imperative because many times these documents are uploaded to an EMR system and if they are not formatted correctly they will not upload automatically and will have to be manually uploaded. The manual procedure slows down the process and may impact patient care.

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

Contractor Response:

Moretti understands the need for rapid turnaround times for medical and of course accurate records are imperative for patient safety. As far as legal transcription, we know how important the transcripts are and that many people's lives hang in the balance awaiting the production of these transcripts.

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:

Medical: Moretti subContracts only with those medical transcriptionists (hereinafter referred to as MTs) who pass our stringent testing. Those MTs whom we subContract with must also pass through our QA process before they are allowed to upload finished transcription without going through our QA process.

Legal: Moretti subContracts only with Certified Shorthand Reporters or Certified Electronic Recorders (hereinafter referred to as CSRs or CERs) to transcribe hearings. If someone demonstrates their ability to transcribe accurately who is not a CSR or CER, we proofread their transcript and the transcript is signed by both the transcriber and the CSR/CER who proofread the transcript.

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

Contractor Response:

Medical: Moretti subContracts only with those medical transcriptionists (hereinafter referred to as MTs) who pass our stringent testing. Those MTs whom we subContract with must also pass through our QA process before they are allowed to upload finished transcription without going through our QA process.

Legal: Moretti subContracts only with Certified Shorthand Reporters or Certified Electronic Recorders (hereinafter referred to as CSRs or CERs) to transcribe hearings. If someone demonstrates their ability to transcribe accurately who is not a CSR or CER, we proofread their transcript and the transcript is signed by both the transcriber and the CSR/CER who proofread the transcript.

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:

Performing on two VA Contracts Moretti is well versed in acute care which encompasses all areas of medicine as well as deadlines and at times ESL (English as a Second Language) dictators and of course the constant fluctuation of the workload.

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

Contractor Response:

Whether medical or legal, Moretti expects our MTs/CSR/CERs to have the appropriate dictionaries on their computers in order to spellcheck their work. Through our testing process, we weed out any candidates who do not use proper English and punctuation.

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

Contractor Response:

Medical: As stated above, Moretti performs on two VA Contracts (acute care) Huron Valley (psychiatric), MSU/KCMS, (teaching facility in Kalamazoo catering to all areas of medicine.) We also have many IME accounts. We have been performing for these various facilities dating as far back as 2000.

Legal: Moretti has been in the business of producing legal transcripts since 1980.

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

Contractor Response:

All our MTs and CSR/CERs have the appropriate word processing equipment; namely Microsoft Word. On occasion we are asked to produce a transcript in Word Perfect and we can do that also.

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

Contractor Response:

All our MTs and CSR/CERs, because they're ICs, have the necessary equipment to transcribe.

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:

Medical: The dictation platforms we use archives the text files indefinitely.

Legal: We archive everything at our Kalamazoo headquarters indefinitely.

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:

Medical: Moretti possesses all the skills necessary to perform the above tasks. This is based on our many years of performing on US Government Contracts, State of Michigan Contracts, as well as MSU/KCMS and various other independent medical clinics.

Legal: Moretti currently is on the preferred vendor list for the U.S. Bankruptcy Court, the U.S. Federal District Court, and several Circuit Courts, We were recently asked to cover the Bureau of Workers' Compensation Court in Kalamazoo because they added an ALJ once a month. Previously we covered the Workers' Compensation Courts in Grand Rapids, Muskegon, Battle Creek and Kalamazoo for many years. We also have over 35 years combined experience in producing transcripts from many different mediums; "live body reporting", video, audio and CDs.

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:

Moretti is well aware of HIPAA and all our ICs sign a Business Agreement with us indicating their understanding of the practices and procedures they must follow in order to be compliant with HIPAA. All our ICs have had years of experience using word processing software. All our ICs not only have the usual resources such as medical and legal dictionaries, medical and legal spellcheckers but they all utilize the internet as a resource.

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:

Moretti has a process in place currently to protect confidentiality and we of course guarantee to have an adequate number of transcriptionists to cover the workload.

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 Contract, which affect standard paragraphs used in transcribed documents.

   Indicate compliance.

Contractor Response:

Medical: (a) Patricia Moretti or Jonathan Moretti will be the Point of Contact with the state agencies.

Medical: (b) Moretti's dictation platform automatically assigns a unique identifying number for each dictation and can be tailored to meet the requests of the specific agency in terms of departments or worktypes, etc.
Legal: (c) Moretti follows all the state rules with regard to preparing transcripts and keeps an updated copy in our office for reference.

1.202 STATE STAFF, ROLES, AND RESPONSIBILITIES -

All communications covering this procurement must be addressed to Contract 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:

(a) ***Moretti will accept orders in whatever manner the different agencies wish to communicate with us. We understand the PO # must be on all documents.***

(b) ***Moretti understands the billing process, if one state agency orders the original, they pay the original cost, if another state agency orders the transcript, they will pay the copy price.***

(c) ***The Moretti office is staffed from 8:30 to 5:00 p.m. Monday through Friday. Any calls that come in before or after that time are routed directly to either Patricia Moretti or Jonathan Moretti's cell phone so we are virtually available 24/7.***

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:

Moretti welcomes and encourages such interaction with all our clients, especially in the beginning stages of a Contract. Open communication is the ONLY way to ensure a successful relationship.

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:

Patricia Moretti, 800-536-0804, pmoretti@morettigroup.net and Jonathan Moretti, 800-536-0804, jmoretti@morettigroup.net

Our process is to immediately alert the facility there has been a problem, document that problem in writing, indicate our plan to eliminate the problem from arising again in the future, it may result in our refusing to use that MT/CSR/CER again and demanding they follow the steps outlined in our business agreement with them (sample provide upon request).

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 Contract 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:

Moretti, from past experience, understands the need for constant monitoring of turnaround times, workflow and changing templates, which are generally the primary issues experienced with any Contract. We monitor all systems 24/7 and have no problem taking work away from one IC and terminating the relationship with that IC if they don't perform under the guidelines of the Contract we have with our client. The other issue we continually monitor is quality. We encourage feedback from the client on a daily basis for the first 90 days of the Contract. After the 90 days we encourage the point of contact at the agency to let us know immediately of any quality issues. These quality issues then are taken up with the specific MT/CER/CSR and if not rectified immediately we eliminate that IC from our pool of ICs.

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

If a proposed Contract change is approved by the Contract Compliance Inspector, the Contract 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 Contract, via a Contract Change Notice. Vendors who provide products or services prior to the issuance of a Contract Change Notice by the DMB Office of Purchasing Operations, risk non-payment for the out-of-scope/pricing products and/or services.

Contractor Response:

Moretti understands the scope of work of a Contract may change and we accept the State's established procedure. Moretti has always been a cooperative vendor and we would like to believe that this paragraph is stating a worst-case scenario. If, however, this paragraph is stating that the State could simply decide not to pay for services rendered when Moretti has performed the work and paid its ICs, we would respectfully disagree with the last sentence in the above paragraph and would ask for a meeting with State officials.

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:

Moretti understands the scope of work of a Contract may change and we accept the State's established procedure. Moretti has always been a cooperative vendor and we would like to believe that this paragraph is stating a worst-case scenario. If, however, this paragraph is stating that the State could simply decide not to pay for services rendered when Moretti has performed the work and paid its ICs, we would respectfully disagree with the last sentence in the above paragraph and would ask for a meeting with State officials.

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 Contract 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 Contract Release Form.

2.002 ISSUING OFFICE AND CONTRACT ADMINISTRATOR

The Contract 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 Contractual 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 Contract. 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 Contract from any individual or office other than Purchasing Operations and the listed Contract administrator.

All communications covering this procurement must be addressed to Contract 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 Contract 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 CONTRACT TERM

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

This Contract 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 Contract 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 Contract within 30 days before the Contract expires. The preliminary notice does not commit the Government to an extension. If the Government exercises this option, the extended Contract shall be considered to include this option clause.

2.005 GOVERNING LAW

The Contract 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 Contract; some statutes are reflected in the clauses of this Contract. 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.
Contract Work Hours and Safety Standards Act (CWHSAA) 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 Contract.

2.008 HEADINGS

Captions and headings used in the Contract 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 Contract.

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

2.011 SURVIVORSHIP

Any provisions of the Contract 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 Contract for any reason.

2.012 NO WAIVER OF DEFAULT

The failure of a party to insist upon strict adherence to any term of the Contract 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 Contract.

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 Contract (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 Contract 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 Contract period and any extension thereof, and for three years from expiration date and final payment on the Contract or extension thereof.

2.102 NOTIFICATION OF OWNERSHIP -RESERVED

2.103 SOFTWARE COMPLIANCE - RESERVED

2.104 IT STANDARDS - RESERVED

2.105 PERFORMANCE AND RELIABILTIY 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 Contract.

2.109 CALL CENTER DISCLOSURE

Vendor and/or all subContractors involved in the performance of this Contract 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 Contract Performance

2.201 TIME IS OF THE ESSENCE

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

2.202 CONTRACT PAYMENT SCHEDULE

The specific payment schedule for any Contract(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 Contract 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 Contract electronically at www.cpexpress.state.mi.us.

2.206 PERFORMANCE OF WORK BY CONTRACTOR - RESERVED

2.3 Contract Rights and Obligations

2.301 INCURRING COSTS

The STATE is not liable for any cost incurred by the CONTRACTOR prior to signing of the Contract. 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 Contract.

2.302 CONTRACTOR RESPONSIBILITIES

The CONTRACTOR will be required to assume responsibility for all Contractual 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 Contractual matters, including payment of any and all charges resulting from the anticipated Contract. If any part of the work is to be subContracted, the Contract 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 Contract. 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 Contract, to assign its rights under this Contract, or delegate any of its duties or obligations under the Contract 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 Contract without the prior written consent of the Director of Purchasing Operations.

The CONTRACTOR shall not delegate any duties or obligations under the Contract 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 Contract 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 Contract 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 Contract 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 Contract 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 Contract.

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 Contract, 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 Contract.

(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 Contract; (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 Contract 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 Contract.

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

2.307 CONTRACT DISTRIBUTION

Purchasing Operations shall retain the sole right of Contract 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 Contract is for use of more than one STATE agency and if the good or service provided under this Contract 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 Contract 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 Contract, 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 Contract, (notwithstanding this expiration or cancellation) except for those Contract 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 Contract for Contract 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 Contract Review and Evaluation

2.401 CONTRACT COMPLIANCE INSPECTOR - RESERVED

2.402 PERFORMANCE REVIEWS

Purchasing Operations may review with the CONTRACTOR their performance under the Contract. 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 Contract.

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 Contract 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 Contract subject to the cancellation provisions contained herein.

2.403 AUDIT OF CONTRACT 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 Contract. The CONTRACTOR agrees to cooperate with the STATE during the audit and produce all records and documentation that verifies compliance with the Contract 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 Contract 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 Contract;

8. The CONTRACTOR is capable in all respects of fulfilling and shall fulfill all of its obligations under this Contract.

9. The Contract appendices, attachments, and exhibits identify all equipment and software services necessary for the deliverable(s) to perform and operate in compliance with the Contract'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 Contract, 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 Contract, 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 Contract, 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 Contract signatory has the power and authority, including any necessary corporate authorizations, necessary to enter this Contract, 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 Contractual, 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 Contract 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 Contract 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 Contract, including its bid, it 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 Contract

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 Contract, 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 Contract.

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 Contract 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 Contract (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 Contract for so long as the delay in performance shall continue; (b) the STATE may cancel any portions of the Contract so affected and the charges payable hereunder shall be equitably adjusted to reflect those services canceled; or (c) the Contract 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 Contract 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 Contract 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 Contract, 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 Contract in whole or in part, for cause, as of the date specified in the notice of cancellation.

In the event that this Contract 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 Contract, 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 Contract 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 Contract.

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

In the event this Contract is cancelled for cause pursuant to this section, and it is therefore determined, for any reason, that the CONTRACTOR was not in breach of Contract 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 Contract for a cancellation for convenience.

2. Cancellation For Convenience By the STATE. The STATE may cancel this Contract 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 Contract, (b) relocation of office, program changes, changes in laws, rules, or regulations make implementation of the Contract services no longer practical or feasible, and (c) unacceptable prices for additional services requested by the STATE. The STATE may cancel the Contract 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 Contract in part, the charges payable under this Contract 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 Contract are not appropriated or otherwise made available. The CONTRACTOR acknowledges that, if this Contract extends for several fiscal years, continuation of this Contract 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 Contract 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 Contract or subContract; 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 Contract 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 Contract (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 Contract (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 Contract agreement.

2.703 LIQUIDATED DAMAGES

A. The State and the Contractor hereby agree to the specific standards set forth in this Contract. 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 15 days of notification of assessment, may be deducted by the State from any money payable to the Contractor pursuant to this Contract. 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 of Contractual 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 Contract Administrator may order the CONTRACTOR, in writing, to suspend, delay, or interrupt all or any part of the work of this Contract for the period of time that the Contract 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 Contract Administrator in the administration of this Contract, or (2) by the Contract Administrator's failure to act within the time specified in this Contract (or within a reasonable time if not specified), an adjustment shall be made for any increase in the cost of performance of this Contract (excluding profit) necessarily caused by the unreasonable suspension, delay, or interruption, and the Contract 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 Contract.

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 Contract 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 Contract.

2.8 Changes, Modifications, and Amendments

2.801 APPROVALS

The Contract 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 Contract 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 Contract completion date will be extended only for those specific elements related to the changed work and that the remaining Contract 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 Contract at any time during the Contract 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 CONTRACT 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 Contract vendor. The item(s) may be included on the Contract, 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 Contract to the Contract 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. Contract 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 Contract 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 Contract 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 Contract, 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 Contract Administrator that causes a change shall be treated as a change order under this clause; Provided, that the CONTRACTOR gives the Contract 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 Contract Administrator shall be treated as a change under this clause or entitle the CONTRACTOR to an equitable adjustment.

2.806 LIABILITY INSURANCE

A. <u>Insurance</u>

(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 Contract, 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 Contract.

All insurance coverage provided relative to this Contract/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 Contract 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 Contract 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 Contract 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 CONTRACT 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 Contract 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 Contract'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 INSUREDS 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 Contract, 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 Contract, 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 subContract with other insurance provisions, Contractor shall require all of its SubContractors under this Contract 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 Contract 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 Contract 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 Contract. 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 Contract 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 Contract, or if any insurer cancels or significantly reduces any required insurance as specified in this Contract 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 subContract.

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 Contractual 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 Contract. 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 Contract. 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 top 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.

PRICE PAGE (Appendix A)

Pricing sheet for Medical Transcription Services

ITEM	UNIT PRICE
1. Medical Transcription 24 hour turn around time. Internet Based Dictation (Phone or Digital Recorder)	$.14 per line
2. Medical Transcription Less than 12 hour turn around time. Internet Based Dictation (Phone or Digital Recorder) **(At the request of the Facility Coordinator)**	$.14 per line
3. Medical Transcription 48 hour turn around time. Internet Based Dictation (Phone or Digital Recorder) **(At the request of the Facility Coordinator)**	$.14 per line
4. Medical Transcription 72 hour turn around time. Internet Based Dictation (Phone or Digital Recorder) **(At the request of the Facility Coordinator)**	$.14 per line

NOTE: 1

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 Contract to be terminated.

NOTE 2

a) Normal turn around time for Medical Transcription is 24 hours.
b) The billable line constitutes a total number of characters including spaces divided by 65. 10 Pitch.
c) Medical Transcription Contractors must be HIPAA compliant.
d) Lines having no text (characters) or “Blank lines” would not be billable.
e) Contractors must submit a copy of HIPAA Contract held with subContractors and with clients.

APPENDIX B – Technical Proposal (Excerpts only)

MORETTI & MURPHY REPORTING & MORETTI TRANSCRIPTION SOLUTIONS
d/b/a's of GERGER-MORETTI REPORTING, INC.
471 W. South Street, Suite 41B
Kalamazoo, Michigan 49007
Phone 800-536-0804 Fax 269-343-7527
Email: info@morettigroup.net Website: www.morettigroup.net

- **Headquarters is located in Kalamazoo, Michigan. We have a satellite office in Brighton, Michigan.**

Moretti Transcription Solutions platform information is as follows:

- **Dial-up or web-based access for dictation: Clients can dictate reports via a toll-free 800 number, or they can upload digital voice files from hand-held dictation recorders via the Internet. Our Internet connections are secured with a firewall, 128-bit encrypted channels, and VPN connection for certain applications.**

- **Report Access: Clients can electronically retrieve transcribed reports 24/7 by way of web browser or have them automatically delivered through any one of numerous delivery methods, including direct delivery to an electronic medical record system.**
- **Tracking, Reporting and Accountability: Clients can electronically access administrative reports to track the status of reports at any time and monitor productivity and turnaround time (TAT).**

- **Workflow Management: The ASP (application service provider) reconciles the receipt, delivery and archival of all documents before allowing voice files to purge from system, preventing any loss of dictation. The archive repository is accessible 24/7 in the event clients need to obtain copies of reports.**

- **Quality Assurance: The system supports integrated quality assurance modules designed to ensure that any report with a questionable degree of accuracy is routed to our QA team for proofreading along with the voice files for listening purposes, prior to being passed on to our clients. The system supports any percentage of QA to be set on a per dictator, per department or per facility basis, so random or full QA can be provided.**

- **Billing: The system calculates billing data by creating line counts that are auditable by the client. Every report transcribed is listed on invoice statements that provide details sorted by facility, then by department, then by user, then by date, with line counts and billing amounts shown for every transaction.**

In addition:

- **Our systems are structured to be fully compliant with the ever-changing HIPAA Privacy and Security Rules and we have taken the following steps to ensure full compliance:**

- **We have appointed a Privacy Officer, conducted HIPAA training for all staff members and have policies and procedures in place to address all HIPAA standards.**

- **We have systems in place to create an audit trail to reveal all individuals who have had access to protected health information in accordance with the HIPAA regulations.**

QUALIFIED PERSONNEL/STAFFING

Moretti & Murphy Reporting and Moretti Transcription Solutions' main contacts for this Contract will be:

LEGAL:

Patricia G. Moretti, CSR, RPR, CMRS
President/CEO
pmoretti@morettigroup.net
800-536-0804

MEDICAL:

Jonathan S. Moretti
Vice President.
jmoretti@morettigroup.net
800-536-0804

KEY PERSONNEL:

CHARITY FRIE
ADMINISTRATIVE ASSISTANT

JOSHUA BROCKWAY
PRODUCTION MANAGER

PEGGY BAILEY
TRANSCRIPTION & WORKFLOW MANAGER

NANCY SHILATZ
PROJECT MANAGER

MICHELE SCHEENSTRA
IT ASSISTANT AND CUSTOMER SERVICE

KIMBERLY STANFIELD
CUSTOMER SERVICE AND A/R

SUBCONTRACTORS:

Below is a list of all our current subContractors, both medical and legal. Their names and cities are listed below but because they all subContract under Moretti & Murphy Reporting or Moretti Transcription Solutions our company will be the point of contact. As stated in 1.104:

Medical: Moretti Transcription Solutions subContracts only with those medical transcriptionists who pass our stringent testing. Those MTs whom we subContract with must also pass through our QA process before they are allowed to upload finished transcription without going through our QA process.

Legal: Moretti & Murphy Reporting subContracts only with Certified Shorthand Reporters or Certified Electronic Recorders to transcribe hearings. If someone demonstrates their ability to transcribe accurately who is not a CSR or CER, we proofread their transcript and the transcript is signed by both the transcriber and the CSR/CER who proofread the transcript.

The subContractors are:

MEDICAL:
Onda Greer Highland MI
Nancy Hivley Kalamazoo MI
Roberta Hughes Delton MI
Sue Lehman Battle Creek, MI
Jodi Richardson Kalamazoo MI
Steve Tadevic Hazel Park MI
Tana Zamudio Dundee MI
Lee Atkinson Kalamazoo MI
Jennifer Ford Portage MI
Nancy Basile Battle Creek MI
Denise Daniel Kalamazoo MI

LEGAL:
Patricia Moretti Middleville MI
Karyn Schultz Stevensville MI
Cheryl Kirila South Haven MI
Charles Murphy Benton Harbor MI
Denise Westendorp Dowagiac MI
Julie Fox Wayland MI
Kim Sing Mattawan MI
LaRae Arnold Quincy MI
Marilyn Hubbard Battle Creek MI
Michele Lantis Climax MI
Sharon Gilmore Kalamazoo MI