



STATE OF MICHIGAN
ENTERPRISE PROCUREMENT
 Department of Technology, Management, and Budget
 525 W. ALLEGAN ST., LANSING, MICHIGAN 48913
 P.O. BOX 30026 LANSING, MICHIGAN 48909

CONTRACT CHANGE NOTICE

Change Notice Number 7
 to
 Contract Number 071B1300208

CONTRACTOR	PUBLIC COMMUNICATION SERVICES
	11859 Wilshire Blvd., Suite 600
	Los Angeles, CA 90025
	Warren Hall
	800-350-1000
	warren.hall@gtl.net
	*****5444

STATE	Program Manager	Paul Slagter	MDOC
		517-241-7796	
	slagterp@michigan.gov		
	Contract Administrator	Timothy Taylor	DTMB
(517) 284-7000			
taylort27@michigan.gov			

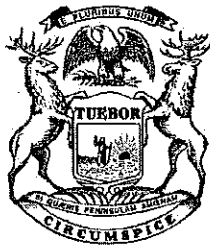
CONTRACT SUMMARY

INMATE TELEPHONES			
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
February 9, 2011	February 8, 2016	2 - 1 Year	February 8, 2018
PAYMENT TERMS		DELIVERY TIMEFRAME	
		N/A	
ALTERNATE PAYMENT OPTIONS			EXTENDED PURCHASING
<input type="checkbox"/> P-Card	<input type="checkbox"/> Direct Voucher (DV)	<input type="checkbox"/> Other	<input type="checkbox"/> Yes <input type="checkbox"/> No

MINIMUM DELIVERY REQUIREMENTS
N/A

DESCRIPTION OF CHANGE NOTICE				
OPTION	LENGTH OF OPTION	EXTENSION	LENGTH OF EXTENSION	REVISED EXP. DATE
<input type="checkbox"/>		<input checked="" type="checkbox"/>	6 Months	August 8, 2018
CURRENT VALUE	VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE		
\$16,425.00	\$0.00	\$16,425.00		

DESCRIPTION
 Effective 2/8/2018 this Contract is hereby extended 6 months. The revised contract expiration date is 8/8/2018. All other terms, conditions, specifications, and pricing remain the same. Per Contractor, Agency and DTMB Procurement.



**STATE OF MICHIGAN
ENTERPRISE PROCUREMENT**

Department of Technology, Management, and Budget
525 W. ALLEGAN ST., LANSING, MICHIGAN 48913
P.O. BOX 30026 LANSING, MICHIGAN 48909

CONTRACT CHANGE NOTICE

Change Notice Number 006
to
Contract Number 071B1300208

CONTRACTOR	PUBLIC COMMUNICATION SERVICES
	11859 Wilshire Blvd., Suite 600
	Los Angeles, CA 90025
	Warren Hall
	610-864-0223
	Warren.Hall@gtl.net
	*****5444

STATE	Slagter Paul	DTMB
	517-241-7796	
	slagterp@michigan.gov	
	Mike Breen	DTMB
	(517) 284-7002	
	breenm@michigan.gov	

CONTRACT SUMMARY				
DESCRIPTION: Inmate Telephones				
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW	
February 9, 2011	February 8, 2016	2 - 1 Year	February 8, 2018	
PAYMENT TERMS		DELIVERY TIMEFRAME		
ALTERNATE PAYMENT OPTIONS			EXTENDED PURCHASING	
<input type="checkbox"/> P-card <input type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other			<input type="checkbox"/> Yes <input type="checkbox"/> No	
MINIMUM DELIVERY REQUIREMENTS				
DESCRIPTION OF CHANGE NOTICE				
OPTION	LENGTH OF OPTION	EXTENSION	LENGTH OF EXTENSION	REVISED EXP. DATE
<input type="checkbox"/>		<input type="checkbox"/>		Click here to enter a date.
CURRENT VALUE		VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE	
\$ 5.00		\$ 16,420.00	\$16,425.00	
DESCRIPTION: Department of Corrections (MDOC) is requesting to add \$16,420.00 to the existing contract to repair phone service to a damaged yard phone Huron Valley MDOC. All other terms and conditions remain the same.				



Page 1/1
 Quote KM00130
 Date 11/19/2015

30561 Andersen Court
 Wixom MI 48393

Phone: (248) 669-2510 Fax: (248) 669-1483

Bill To: Global Tel*Link Corporation
 107 St. Francis St. Ste. 3200
 Mobile AL 36602

Ship To: Global Tel*Link Corporation
 3201 BEMIS RD
 YPSILANTI, MI

Purchase Order No.	Customer ID	Supervisor	Payment Terms
REQUIRED	GLOBALLINK	KEVIN MECUM	Net 30 days
Description		Ext. Price	
DESCRIPTION: DIRECT BORE FROM EXISTING PHONE BOOTH TO CORE DRILL LOCATION INTO BASEMENT, REMOVE CONCRETE SLAB AND REPLACE AT PHONE BOOTH DEPTH: 24 - 36" APPROXIMATE FOOTAGE: 354 FT LABOR 354 FT DIRECTIONAL BORE REMOVE AND REPLACE PAD MATERIAL: 25 PAIR PHONE LINE, CONCRETE			\$10,620.00 \$3,300.00 \$2,500.00

Total \$16,420.00

STATE OF MICHIGAN
 DEPARTMENT OF TECHNOLOGY, MANAGEMENT & BUDGET
 PROCUREMENT

625 W. ALLEGAN STREET
 LANSING, MI 48222

P.O. BOX 30028
 LANSING, MI 48206

CHANGE NOTICE NO. 005
 to
 CONTRACT NO. 071B1300208
 between
 THE STATE OF MICHIGAN
 and

NAME & ADDRESS OF CONTRACTOR	PRIMARY CONTACT	EMAIL
Public Communication Services 11859 Wilshire Blvd., Suite 600 Los Angeles CA, 90025	Warren Hall	Warren.Hall@gtl.net
	PHONE	CONTRACTOR'S TAX ID NO. (LAST FOUR DIGITS ONLY)
	610-864-0223	*****5444

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
PROGRAM MANAGER / CCI		Paul Slagter	517-241-7796	slagterp@michigan.gov
CONTRACT ADMINISTRATOR	DTMB	Mike Breen	(517) 284-7002	breenm@michigan.gov

CONTRACT SUMMARY			
DESCRIPTION: Inmate Telephones			
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
February 9, 2011	February 8, 2016	2 - 1 Year	February 8, 2018
PAYMENT TERMS		DELIVERY TIMEFRAME	
ALTERNATE PAYMENT OPTIONS			EXTENDED PURCHASING
<input type="checkbox"/> P-card <input type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other			<input type="checkbox"/> Yes <input type="checkbox"/> No
MINIMUM DELIVERY REQUIREMENTS			

DESCRIPTION OF CHANGE NOTICE				
EXERCISE OPTION?	LENGTH OF OPTION	EXERCISE EXTENSION?	LENGTH OF EXTENSION	REVISED EXP. DATE
<input type="checkbox"/>		<input type="checkbox"/>		Click here to enter a date.
CURRENT VALUE		VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE	
\$ 5.00		\$ 0.00	\$ 5.00	
DESCRIPTION: Agency (MDOC) requesting to amend the contract to revise language to the contract and pricing concerning: ancillary services charges, text telephone device, taxes and fees per call or per connection charges, flat rate calling min/max prepaid calling account balances, notices to public and prisoners and 3 rd party financial transaction fees for the Inmate telephone contract to be consistent with the recent (FCC) Federal Communications Commission ruling No. 15-1461 FCC-80FR79136. All other terms and conditions remain the same.				

Change Notice #5 to Contract No. 071B1300208

Between

The State of Michigan and Public Communications Services, Inc.

Effective March 17, 2016, the rates and charges outlined in contract 071B1300208 ("Agreement") between The State of Michigan and Public Communications Services, Inc., a wholly owned subsidiary of Global Tel*Link Corporation ("PCS") shall be amended to comply with the Federal Communication Commission ("FCC") order issued on November 5, 2015.

1. Ancillary Service Charges
 - a. Ancillary Services are defined as services that provide necessary support for the completion of international, interstate, and intrastate calls provided by an inmate calling service. Any references to Service Charges in Agreement shall be amended as follows: Fee for automated payment for credit card, debit card, and bill processing fees shall be revised to be \$3.00. These services include:
 - i. "Cash only" transactions processed at lobby kiosks
 - ii. Credit Card Transactions processed at Lobby Kiosks
 - iii. Credit Card Transactions processed via PCS Web Payment and IVR
 - b. All fees generated by the use of the prepaid phone deposit services are property of PCS.
 - c. Deposits of Funds into a PCS prepaid phone account that are made by a credit card transaction originated at a kiosk, via web payment option, via an Interactive Voice Response (IVR) system, or any other payment method agreed upon by the parties ("Credit Card Funds"), will be processed by PCS as the authorized agent of the MDOC.
 - d. For third party Financial Transaction Fees – the exact fees, with no mark-up that results from the transaction.
2. Text Telephone (TTY) Device
 - a. PCS shall not charge any per minute fees for calls placed from a TTY Device in a correctional facility.
3. Compliance with the Law
 - a. PCS shall abide by all federal, state, and local laws, including annual reporting requirements under the FCC Order issued on November 5, 2016.
 - b. Any rule, regulation, or other change mandated by any federal, state or local authority which may interfere with or adversely affect PCS's rights, obligations, or intended benefit under the Agreement shall entitle PCS to, at its option, renegotiate or terminate the Agreement.
4. Taxes and Fees
 - a. PCS shall not charge any taxes or fees to users of Inmate Calling Services, other than those permitted above under Ancillary Services, mandatory fees or authorized fees.
5. Per-Call or Per-Connection Charges
 - a. PCS shall not impose a Per-Call or Per-Connection Charge on the consumer(s).
6. Flat-Rate Calling
 - a. PCS shall not offer flat-Rate Calling for Inmate Calling Services
7. Minimum and Maximum Prepaid Calling Account Balances
 - a. PCS shall not institute a minimum balance requirement for a consumer to use Debit or Prepaid Calling.

Change Notice #5 to Contract No. 071B1300208

Between

The State of Michigan and Public Communications Services, Inc.

8. Notices to Public and Prisoners
 - a. PCS must clearly, accurately and conspicuously disclose its interstate, intrastate, and international rates and Ancillary Service Charges to consumers on their website on in another reasonable manner readily available to prisoners.
9. Third Party Financial Transaction Fees
 - a. Fees from third-party providers (such as MoneyGram, Western Union, and credit cards) shall be passed through directly to the customer with no markups.

The balance of the original Agreement and any prior amendments remain in full force and effect and are incorporated herein.

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

CHANGE NOTICE NO. 4
 to
CONTRACT NO. 071B1300208
 between
THE STATE OF MICHIGAN
 and

NAME & ADDRESS OF CONTRACTOR	PRIMARY CONTACT	EMAIL
Public Communications Services, Inc. 12021 Sunset Hills Road, Suite 100 Reston, VA 20190	Warren Hall	Warren.hall@gtl.net
	PHONE	VENDOR TAX ID # (LAST FOUR DIGITS ONLY)
	(855) 466-2832	-5444

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
PROGRAM MANAGER	MDOC	Paul Slagter	(517) 241-7796	slagterp@michigan.gov
CONTRACT ADMINISTRATOR	DTMB	Mike Breen	(517) 284-7002	breenm@michigan.gov

CONTRACT SUMMARY			
DESCRIPTION: Inmate Telephone Services			
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
February 9, 2011	February 8, 2016	2, one year	February 8, 2016
PAYMENT TERMS	F.O.B.	SHIPPED TO	
N/A	N/A	N/A	
ALTERNATE PAYMENT OPTIONS			EXTENDED PURCHASING
<input type="checkbox"/> P-card <input type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other			<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
MINIMUM DELIVERY REQUIREMENTS			
N/A			

DESCRIPTION OF CHANGE NOTICE				
EXTEND CONTRACT EXPIRATION DATE	EXERCISE CONTRACT OPTION YEAR(S)	EXTENSION BEYOND CONTRACT OPTION YEARS	LENGTH OF EXTENSION/OPTION	EXPIRATION DATE AFTER CHANGE
<input type="checkbox"/> No <input checked="" type="checkbox"/> Yes	<input checked="" type="checkbox"/>	<input type="checkbox"/>	2 years	Feb. 8, 2018
CURRENT VALUE		VALUE/COST OF CHANGE NOTICE	ESTIMATED REVISED AGGREGATE CONTRACT VALUE	
\$5.00		\$0.00	\$5.00	

DESCRIPTION:

This is a revenue generating contract that the agency (DOC) is requesting to exercise the remaining 2, one year options with the vendor supplying at no cost statewide deployment of vocal password voice biometrics, implementation of GTL Data IQ for both internal data and external data (other GTL data) and one full time intelligence analyst. The contractor agrees to cover all costs related to interfacing with GTL data and will pay up to \$100,000.00 for any potential interface costs for data from sources other than GTL. All other terms, conditions, pricing and specifications remain the same. Per vendor and agency agreement and DTMB Procurement approval.

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

CHANGE NOTICE NO. 3
 to
CONTRACT NO. 071B1300208
 between
THE STATE OF MICHIGAN

NAME & ADDRESS OF CONTRACTOR:	PRIMARY CONTACT	EMAIL
Public Communications Services, Inc. 12021 Sunset Hills Road, Suite 100 Reston, VA 20190	Warren Hall	warren.hall@gtl.net
	TELEPHONE	CONTRACTOR #, MAIL CODE
	(855) 466-2832	

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
CONTRACT COMPLIANCE INSPECTOR	DTMB	Cheryl Groves	(517) 373-0287	GrovesC@michigan.gov
BUYER	DTMB	Mike Breen	(517) 241-3215	BreenM@michigan.gov

CONTRACT SUMMARY:			
DESCRIPTION: Inmate Telephone Services			
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
February 9, 2011	February 8, 2016	Two, One-Year	February 8, 2016
PAYMENT TERMS	F.O.B	SHIPPED	SHIPPED FROM
N/A	N/A	N/A	N/A
ALTERNATE PAYMENT OPTIONS:			AVAILABLE TO MiDEAL PARTICIPANTS
<input type="checkbox"/> P-card <input type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other			<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
MINIMUM DELIVERY REQUIREMENTS: N/A			

DESCRIPTION OF CHANGE NOTICE:				
EXTEND CONTRACT EXPIRATION DATE	EXERCISE CONTRACT OPTION YEAR(S)	EXTENSION BEYOND CONTRACT OPTION YEARS	LENGTH OF OPTION/EXTENSION	EXPIRATION DATE AFTER CHANGE
<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	<input type="checkbox"/>	<input type="checkbox"/>	N/A	2/8/2016
VALUE/COST OF CHANGE NOTICE:			ESTIMATED AGGREGATE CONTRACT VALUE REMAINS:	
\$0.00			\$5.00	

Effective 2/11/14, this contract amended to include an updated summary of the Per Minute Rates. The Primary Contact for the Contractor has been changed to Warren Hall.

All other pricing, terms and conditions remain the same.

Please Note: The DTMB, Procurement Buyer has been changed to Mike Breen.

			Per Call Surcharge <small>(From Exhibit 5P)</small>		Base Rate Per Minute <small>Does Not Include Options Selected by Agency (From Exhibit 5P)</small>		Optional Key Word Search Addition <small>Option Selected by Agency through Change Notice #1 (From Exhibit 6P)</small>		Optional Special Equipment Fund Addition <small>Option Selected by Agency through Change Notice #1 (From Exhibit 6P)</small>		Per Minute Rate <small>Including Options Selected by Agency</small>
Collect	Local	=	\$0.00	+	\$0.0393	+	\$0.0075	+	\$0.1532	=	\$0.2000
	Interstate	=	\$0.00	+	\$0.0393	+	\$0.0075	+	\$0.1832	=	\$0.2300
Prepaid	Local	=	\$0.00	+	\$0.0393	+	\$0.0075	+	\$0.1532	+	\$0.2000
	Interstate	=	\$0.00	+	\$0.0393	+	\$0.0075	+	\$0.1632	+	\$0.2100
Debit	Local	=	\$0.00	+	\$0.0343	+	\$0.0075	+	\$0.1382	=	\$0.1800
	Interstate	=	\$0.00	+	\$0.0343	+	\$0.0075	+	\$0.1682	=	\$0.2100
	International	=	\$0.00	+	\$0.4995	+	\$0.0075	+	\$0.2430	=	\$0.7500

This table provides a summary of the Per Minute Rates and Optional Services selected by the State and their accompanying costs.
This does not amend or modify any of the pricing or terms in the Contract

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

CHANGE NOTICE NO. 2
 to
CONTRACT NO. 071B1300208
 between
THE STATE OF MICHIGAN
 and

NAME & ADDRESS OF CONTRACTOR:	PRIMARY CONTACT	EMAIL
Public Communications Services, Inc. 11859 Wilshire Blvd, Suite 600 Los Angeles, CA 90025	Chris Moore	Chris.Moore@gtl.net
	TELEPHONE	CONTRACTOR #, MAIL CODE
	(855) 466-2832	

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
CONTRACT COMPLIANCE INSPECTOR:	MDOC	Cheryl Groves	(517) 373-0287	GrovesC@michigan.gov
BUYER:	DTMB	Steve Motz	(517) 241-3215	motzs@michigan.gov

CONTRACT SUMMARY:			
DESCRIPTION: Inmate Telephone Services			
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	AVAILABLE OPTIONS	CURRENT EXPIRATION DATE
February 9, 2011	February 8, 2016	Two, One Year	February 8, 2016
PAYMENT TERMS	F.O.B	SHIPPED	SHIPPED FROM
N/A	N/A	N/A	N/A
ALTERNATE PAYMENT OPTIONS:			AVAILABLE TO MIDEAL PARTICIPANTS
<input type="checkbox"/> P-card <input type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other			<input type="checkbox"/> YES <input checked="" type="checkbox"/> NO
MINIMUM DELIVERY REQUIREMENTS:			
N/A			

DESCRIPTION OF CHANGE NOTICE:		
OPTION EXERCISED: <input checked="" type="checkbox"/> NO <input type="checkbox"/> YES	IF YES, EFFECTIVE DATE OF CHANGE:	NEW EXPIRATION DATE:
Effective immediately this Contract is amended to include a pilot program for walk-up, ATM style self service kiosks for prepaid phone deposit services to be located at the MDOC Correctional Facilities outlined in the attached. All other Terms, Conditions and Specifications remain unchanged.		
VALUE/COST OF CHANGE NOTICE:	\$0	
ESTIMATED REVISED AGGREGATE CONTRACT VALUE:	\$5.00	

DESCRIPTION OF PREPAID PHONE DEPOSIT SERVICES

1. PURPOSE. This outlines the Pricing, Fees, Services, and Responsibilities of Public Communications Services, Inc. ("PCS") and the Michigan Department of Corrections (the "MDOC") relative to the provisioning of Prepaid Phone Deposit Services for friends/family members of prisoners housed at the DOC.

2. SCOPE. This covers Prepaid Phone Deposit services to be provided through walk-up, ATM style self service kiosk to be located at the DOC Correctional Facility.

3. UNDERSTANDING.

a) The DOC will receive one (1) lobby kiosk at each of the below locations from PCS at no charge for the collection of prepaid phone deposit funds.

- 1 Kiosk – Detroit ReEntry Center, 17600 Ryan Road, Detroit, MI 48212, (313) 368-3200
- 1 Kiosk - Women's Huron Valley, 3201 Bemis Road, Ypsilanti, MI 48197, (734) 572-9900

- i) PCS or a subcontractor will, as an agent of the DOC, collect the "Cash Only" transaction revenue from the kiosks.
- ii) PCS assumes liability for any and all fraudulent transactions accepted through the kiosks including, but not limited to counterfeit bills and credit card charge backs.
- iii) PCS, at its expense, will supply the DOC with all maintenance and supplies (paper, bill cartridges, etc.) required to operate the kiosks.
- iv) In the event that any DOC visitors damage the equipment, PCS will, at its sole discretion, press charges in order to recover damages. In any event, PCS will repair or supply a new machine on a priority basis.

b) "Cash Only" transactions processed at the kiosks will be charged a flat fee of three dollars and ninety-five cents (\$3.95).

c) Credit Card transactions processed at the kiosks will be charged a flat fee of three dollars and ninety-five cents (\$3.95) to cover such items as credit card charge-backs and credit card usage.

\$0.00 to \$2,000.00	\$3.95
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d) Credit Card transactions processed via the PCS Web Payment option will be charged a flat fee of three dollars and ninety-five cents (\$3.95) to cover such items as credit card charge-backs and credit card usage fees.

e) All fees generated by the use of the prepaid phone deposit services are the property of PCS.

f) Deposits of funds into a PCS prepaid phone account that are made by a credit card transaction originated at a kiosk, via web payment option via an Interactive Voice Response ("IVR") system, or any other payment method agreed upon by the parties ("Credit Card Funds"), will be processed by PCS as the authorized agent of the DOC.

g) PCS may make modifications to, among other things, the following, to reflect the relationship among PCS, the DOC, and senders of Credit Funds: its form of transaction record or receipt information (including email confirmation receipt), Web Payment terms and conditions and service description, computer terminal configuration and display, and transaction report format.

h) DOC acknowledges that due to the weight and bulk of the kiosk unit that there is a risk of injury should the unit be tipped over onto a bystander. DOC agrees that to ensure the safety of staff, prisoners and the general public the kiosk unit(s) will be bolted to floor. PCS, DOC maintenance or a contractor of the DOC's choosing will fasten the unit to the floor, at the DOC's discretion, at the time of the kiosk installation.

4. EFFECTIVE DATE. The effective date of this agreement is the latest date of signature as noted below.

5. TERMINATION. Either party may terminate this agreement upon (45) days written notice to the other party.

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

April 23, 2011

CHANGE NOTICE NO. 1
OF
CONTRACT NO. 071B1300208
between
THE STATE OF MICHIGAN
And

NAME & ADDRESS OF CONTRACTOR Public Communications Services, Inc. 11859 Wilshire Blvd, Suite 600 Los Angeles, CA 90025 Email: Chris.Moore@gtl.net	TELEPHONE (800) 350-1000 Chris Moore
	CONTRACTOR NUMBER/MAIL CODE
	BUYER/CA (517) 241-3215 Steve Motz
Contract Compliance Inspector: Cheryl Groves 517-373-0287 Inmate Telephone Services	
CONTRACT PERIOD: From: February 9, 2011 To: February 8, 2016	
TERMS N/A	SHIPMENT N/A
F.O.B. N/A	SHIPPED FROM N/A
MINIMUM DELIVERY REQUIREMENTS N/A	
MISCELLANEOUS INFORMATION:	

NATURE OF CHANGE(S):

Effective immediately, the Special Equipment Fund (per Month) Table in Exhibit 6P, has been replaced by the Attached Special Equipment Fund (per Month) Revised V2 Table. Change Notice #1 also includes a summary of the Per Minute Rates that have been set based on the options selected by the State.

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

AUTHORITY/REASON(S):

Per Contractor, DOC, and DTMB approval.

TOTAL ESTIMATED CONTRACT VALUE REMAINS: \$5.00

Summary of the Per Minute Rates

			Per Call Surcharge <small>(From Exhibit 5P)</small>		Base Rate Per Minute <small>Does Not Include Options Selected by Agency (From Exhibit 5P)</small>		Optional Key Word Search Addition <small>Option Selected by Agency through Change Notice #1 (From Exhibit 6P)</small>		Optional Special Equipment Fund Addition <small>Option Selected by Agency through Change Notice #1 (From Exhibit 6P)</small>		Per Minute Rate <small>Including Options Selected by Agency</small>
Collect/ Prepaid	Local	=	\$0.00	+	\$0.0393	+	\$0.0075	+	\$0.1532	=	\$0.2000
	Interstate	=	\$0.00	+	\$0.0393	+	\$0.0075	+	\$0.1832	=	\$0.2300
Debit	Local	=	\$0.00	+	\$0.0343	+	\$0.0075	+	\$0.1382	=	\$0.1800
	Interstate	=	\$0.00	+	\$0.0343	+	\$0.0075	+	\$0.1682	=	\$0.2100
	International	=	\$0.00	+	\$0.4995	+	\$0.0075	+	\$0.2430	=	\$0.7500

This table provides a summary of the Per Minute Rates and Optional Services selected by the State and their accompanying costs.
This does not amend or modify any of the pricing or terms in the Contract

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

March 18, 2011

NOTICE
OF
CONTRACT NO. 071B1300208
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF CONTRACTOR Public Communications Services, Inc. 11859 Wilshire Blvd, Suite 600 Los Angeles, CA 90025 Email: Chris.Moore@gtl.net	TELEPHONE (800) 350-1000 Chris Moore
	CONTRACTOR NUMBER/MAIL CODE
	BUYER/CA (517) 241-3215 Steve Motz
Contract Compliance Inspector: Cheryl Groves 517-373-0287 Inmate Telephone Services	
CONTRACT PERIOD: From: February 9, 2011 To: February 8, 2016	
TERMS N/A	SHIPMENT N/A
F.O.B. N/A	SHIPPED FROM N/A
MINIMUM DELIVERY REQUIREMENTS N/A	
MISCELLANEOUS INFORMATION:	

TOTAL ESTIMATED CONTRACT VALUE: \$5.00

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

CONTRACT NO. 071B1300208
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF CONTRACTOR Public Communications Services, Inc. 11859 Wilshire Blvd, Suite 600 Los Angeles, CA 90025 Email: Chris.Moore@gtl.net	TELEPHONE (800) 350-1000 Chris Moore CONTRACTOR NUMBER/MAIL CODE BUYER/CA (517) 241-3215 Steve Motz
Contract Compliance Inspector: Cheryl Groves 517-373-0287 Inmate Telephone Services	
CONTRACT PERIOD: From: February 9, 2011 To: February 8, 2016	
TERMS <p style="text-align: center;">N/A</p>	SHIPMENT <p style="text-align: center;">N/A</p>
F.O.B. <p style="text-align: center;">N/A</p>	SHIPPED FROM <p style="text-align: center;">N/A</p>
MINIMUM DELIVERY REQUIREMENTS <p style="text-align: center;">N/A</p>	
MISCELLANEOUS INFORMATION: TOTAL ESTIMATED CONTRACT VALUE: \$5.00	

THIS IS NOT AN ORDER: This Contract Agreement is awarded on the basis of our inquiry bearing the ITB No. 07110200002. Orders for delivery will be issued directly by the Michigan Department of Corrections through the issuance of a Purchase Order Form.

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

FOR THE CONTRACTOR:

Public Communications Services, Inc.
 Firm Name

 Authorized Agent Signature

 Authorized Agent (Print or Type)

 Date

FOR THE STATE:

 Signature

 Name/Title

 Division

 Date



STATE OF MICHIGAN
Department of Technology, Management and Budget
Purchasing Operations

Inmate Telephones

Buyer Name: Steve Motz
Telephone Number: 517-241-3215
E-Mail Address: motzs@michigan.gov



Table of Contents

DEFINITIONS **21**

Article 1 – Statement of Work (SOW)..... **24**

1.010 **Project Identification**..... **24**

 1.011 Project Request..... 24

 1.012 Background 24

1.020 **Scope of Work and Deliverables** **24**

 1.021 In Scope 24

 1.022 Work and Deliverable..... 24

1.030 **Roles and Responsibilities** **52**

 1.031 Contractor Staff, Roles, and Responsibilities 52

1.040 **Project Plan** **55**

 1.041 Project Plan Management 55

 1.042 Reports..... 56

1.050 **Acceptance**..... **59**

 1.051 Criteria..... 59

 1.052 Final Acceptance..... 59

1.060 **Contract Pricing** **59**

 1.061 Contract Pricing 59

 1.062 Price Term..... 59

 1.063 Tax Excluded from Price 59

Article 2, Terms and Conditions **60**

2.000 **Contract Structure and Term** **60**

 2.001 Contract Term..... 60

 2.002 Options to Renew..... 60

 2.003 Legal Effect..... 60

 2.004 Attachments & Exhibits 60

 2.005 Ordering..... 60

 2.006 Order of Precedence..... 60

 2.007 Headings 61

 2.008 Form, Function & Utility 61

 2.009 Reformation and Severability 61

 2.010 Consents and Approvals 61

 2.011 No Waiver of Default 61

 2.012 Survival 61

2.020 **Contract Administration** **61**

 2.021 Issuing Office 61

 2.022 Contract Compliance Inspector (CCI) 61

 2.023 Project Manager 62

 2.024 Change Requests..... 62

 2.025 Notices 63

 2.026 Binding Commitments..... 63

 2.027 Relationship of the Parties..... 63

 2.028 Covenant of Good Faith 63

 2.029 Assignments..... 63

2.030 **General Provisions** **64**

 2.031 Media Releases 64

 2.032 Contract Distribution 64

 2.033 Permits..... 64



- 2.034 Website Incorporation 64
- 2.035 Future Bidding Preclusion 64
- 2.036 Freedom of Information 64
- 2.037 Disaster Recovery 64
- 2.040 Financial Provisions 64**
 - 2.041 Fixed Prices for Services/Deliverables 65
 - 2.042 Adjustments for Reductions in Scope of Services/Deliverables 65
 - 2.043 Services/Deliverables Covered 65
 - 2.044 Invoicing and Payment – In General 65
 - 2.045 Pro-ration 65
 - 2.046 Antitrust Assignment 65
 - 2.047 Final Payment 66
 - 2.048 Electronic Payment Requirement 66
- 2.050 Taxes 66**
 - 2.051 Employment Taxes 66
 - 2.052 Sales and Use Taxes 66
- 2.060 Contract Management 66**
 - 2.061 Contractor Personnel Qualifications 66
 - 2.062 Contractor Key Personnel 66
 - 2.063 Re-assignment of Personnel at the State’s Request 67
 - 2.064 Contractor Personnel Location 67
 - 2.065 Contractor Identification 67
 - 2.066 Cooperation with Third Parties 67
 - 2.067 Contract Management Responsibilities 67
 - 2.068 Contractor Return of State Equipment/Resources 68
- 2.070 Subcontracting by Contractor 68**
 - 2.071 Contractor full Responsibility 68
 - 2.072 State Consent to delegation 68
 - 2.073 Subcontractor bound to Contract 68
 - 2.074 Flow Down 68
 - 2.075 Competitive Selection 69
- 2.080 State Responsibilities 69**
 - 2.081 Equipment 69
 - 2.082 Facilities 69
- 2.090 Security 69**
 - 2.091 Background Checks 69
 - 2.092 Security Breach Notification 69
 - 2.093 PCI Data Security Requirements 69
- 2.100 Confidentiality 70**
 - 2.101 Confidentiality 70
 - 2.102 Protection and Destruction of Confidential Information 70
 - 2.103 Exclusions 70
 - 2.104 No Implied Rights 71
 - 2.105 Respective Obligations 71
- 2.110 Records and Inspections 71**
 - 2.111 Inspection of Work Performed 71
 - 2.112 Examination of Records 71
 - 2.113 Retention of Records 71
 - 2.114 Audit Resolution 71
 - 2.115 Errors 72



- 2.120 Warranties..... 72**
 - 2.121 Warranties and Representations 72
 - 2.122 Warranty of Merchantability 73
 - 2.123 Warranty of Fitness for a Particular Purpose 73
 - 2.124 Warranty of Title 73
 - 2.125 Equipment Warranty 73
 - 2.126 Equipment to be New..... 74
 - 2.127 Prohibited Products 74
 - 2.128 Consequences For Breach..... 74
- 2.130 Insurance 74**
 - 2.131 Liability Insurance..... 74
 - 2.132 Subcontractor Insurance Coverage 76
 - 2.133 Certificates of Insurance and Other Requirements 76
- 2.140 Indemnification..... 76**
 - 2.141 General Indemnification 76
 - 2.142 Code Indemnification..... 77
 - 2.143 Employee Indemnification..... 77
 - 2.144 Patent/Copyright Infringement Indemnification 77
 - 2.145 Continuation of Indemnification Obligations 77
 - 2.146 Indemnification Procedures 77
- 2.150 Termination/Cancellation 78**
 - 2.151 Notice and Right to Cure 78
 - 2.152 Termination for Cause 78
 - 2.153 Termination for Convenience 79
 - 2.154 Termination for Non-Appropriation 79
 - 2.155 Termination for Criminal Conviction 79
 - 2.156 Termination for Approvals Rescinded 80
 - 2.157 Rights and Obligations upon Termination 80
 - 2.158 Reservation of Rights 80
- 2.160 Termination by Contractor 80**
 - 2.161 Termination by Contractor 80
- 2.170 Transition Responsibilities 81**
 - 2.171 Contractor Transition Responsibilities 81
 - 2.172 Contractor Personnel Transition 81
 - 2.173 Contractor Information Transition..... 81
 - 2.174 Contractor Software Transition 81
 - 2.175 Transition Payments..... 81
 - 2.176 State Transition Responsibilities 81
- 2.180 Stop Work 82**
 - 2.181 Stop Work Orders 82
 - 2.182 Cancellation or Expiration of Stop Work Order 82
 - 2.183 Allowance of Contractor Costs..... 82
- 2.190 Dispute Resolution 82**
 - 2.191 In General..... 82
 - 2.192 Informal Dispute Resolution 82
 - 2.193 Injunctive Relief..... 83
 - 2.194 Continued Performance 83
- 2.200 Federal and State Contract Requirements 83**
 - 2.201 Nondiscrimination..... 83
 - 2.202 Unfair Labor Practices..... 83
 - 2.203 Workplace Safety and Discriminatory Harassment 83



2.204 Prevailing Wage 84

2.210 *Governing Law* **84**

2.211 Governing Law 84

2.212 Compliance with Laws 84

2.213 Jurisdiction 84

2.220 *Limitation of Liability* **84**

2.221 Limitation of Liability 84

2.230 *Disclosure Responsibilities* **84**

2.231 Disclosure of Litigation 84

2.232 Call Center Disclosure 85

2.233 Bankruptcy 85

2.240 *Performance* **86**

2.241 Time of Performance 86

2.242 Service Level Agreements (SLAs) 86

2.243 Liquidated Damages 86

2.244 Excusable Failure 87

2.250 *Approval of Deliverables* **88**

2.251 Delivery Responsibilities 88

2.252 Delivery of Deliverables 88

2.253 Testing 88

2.254 Approval of Deliverables, In General 89

2.255 Process For Approval of Written Deliverables 89

2.256 Process for Approval of Services 90

2.257 Process for Approval of Physical Deliverables 90

2.258 Final Acceptance 90

2.260 *Ownership* **90**

2.261 Ownership of Work Product by State 90

2.262 Vesting of Rights 90

2.263 Rights in Data 91

2.264 Ownership of Materials 91

2.270 *State Standards* **91**

2.271 Existing Technology Standards 91

2.272 Acceptable Use Policy 91

2.273 Systems Changes 91

2.280 *Extended Purchasing* **91**

2.281 MiDEAL 91

2.282 *State Employee Purchases* **91**

2.290 *Environmental Provision* **92**

2.291 Environmental Provision 92

Exhibit 2 – Implementation Plan 94

Exhibit 3 – Project Plan 94

Exhibit 4 – Optional Services 95

Exhibit 5P - Pricing 102

Exhibit 6P – Pricing for Optional Services 104

Attachment A – Facility Information (Version - 10/30/2009) 107

Attachment B – MDOC Correctional Facilities 111



DEFINITIONS

“Days” means calendar days unless otherwise specified.

“24x7x365” means 24 hours a day, seven days a week, and 365 days a year (including the 366th day in a leap year).

“ADA” means Americans with Disabilities Act

“Additional Service” means any Services/Deliverables within the scope of the Contract, but not specifically provided under any Statement of Work, that once added will result in the need to provide the Contractor with additional consideration.

“Audit Period” has the meaning given in **Section 2.112**.

“BNS” means Billed Number Screening and is used to ensure that calls to block numbers are not completed.

“Business Day,” whether capitalized or not, shall mean any day other than a Saturday, Sunday or State-recognized legal holiday (as identified in the Collective Bargaining Agreement for State employees) from 8:00am EST through 5:00pm EST unless otherwise stated.

“Blanket Purchase Order” is an alternate term for Contract and is used in the States computer system.

“Business Critical” means any function identified in any Statement of Work as Business Critical.

“Chronic Failure” is defined in any applicable Service Level Agreements.

“Collect Call” is defined as a call positively accepted by the called party and a call in which the called party will pay the charges of the call.

“CLEC” means Competitive Local Exchange Carrier.

“Debit Call” is defined as a call placed using telephone time that an inmate has pre-purchased debited from his/her inmate bank account.

“Deleted – Not Applicable” means that section is not applicable or included in this Contract. This is used as a placeholder to maintain consistent numbering.

“Deliverable” means physical goods and/or commodities as required or identified by a Statement of Work.

“DTMB” means the Michigan Department of Technology, Management and Budget.

“MDOC” means Michigan Department of Corrections

“Environmentally preferable products” means a product or service that has a lesser or reduced effect on human health and the environment when compared with competing products or services that serve the same purpose. Such products or services may include, but are not limited to, those which contain recycled content, minimize waste, conserve energy or water, and reduce the amount of toxics either disposed of or consumed.

“Excusable Failure” has the meaning given in **Section 2.244**.

“Hazardous material” means any material defined as hazardous under the latest version of federal Emergency Planning and Community Right-to-Know Act of 1986 (including revisions adopted during the term of the Contract).



“Incident” means any interruption in Services.

“ITB” is a generic term used to describe an Invitation to Bid. The ITB serves as the document for transmitting the RFP to potential bidders.

“ITS” means Inmate Telephone System.

“Key Personnel” means any Personnel designated in **Section 1.031** as Key Personnel.

“LEC” means Local Exchange Carrier.

“LIDB” means Line Information Data Base.

“New Work” means any Services/Deliverables outside the scope of the Contract and not specifically provided under any Statement of Work, that once added will result in the need to provide the Contractor with additional consideration.

“Ozone-depleting substance” means any substance the Environmental Protection Agency designates in 40 CFR part 82 as: (1) Class I, including, but not limited to, chlorofluorocarbons, halons, carbon tetrachloride, and methyl chloroform; or (2) Class II, including, but not limited to, hydrochlorofluorocarbons.

“PAN” means Personal Approved Number(s).

“PIN” means Personal Identification Number.

“Post-Consumer Waste” means any product generated by a business or consumer which has served its intended end use, and which has been separated or diverted from solid waste for the purpose of recycling into a usable commodity or product, and which does not include post-industrial waste.

“Post-Industrial Waste” means industrial by-products which would otherwise go to disposal and wastes generated after completion of a manufacturing process, but does not include internally generated scrap commonly returned to industrial or manufacturing processes.

“Pre-paid Collect” is defined as a prepaid collect call shall be defined as a call made by an inmate using funds prepaid by family or friends associated with approved telephone numbers on an inmate’s PAN. A pre-paid collect call shall only be made to the specific number for which the called party has established an account with the vendor.

“Recycling” means the series of activities by which materials that are no longer useful to the generator are collected, sorted, processed, and converted into raw materials and used in the production of new products. This definition excludes the use of these materials as a fuel substitute or for energy production.

“Reuse” means using a product or component of municipal solid waste in its original form more than once.

“RFP” means a Request for Proposal designed to solicit proposals for services.

“Services” means any function performed for the benefit of the State.

“Source reduction” means any practice that reduces the amount of any hazardous substance, pollutant, or contaminant entering any waste stream or otherwise released into the environment prior to recycling, energy recovery, treatment, or disposal.

“State Location” means any physical location where the State performs work. State Location may include state-owned, leased, or rented space.



“Subcontractor” means a company Contractor delegates performance of a portion of the Services to, but does not include independent contractors engaged by Contractor solely in a staff augmentation role.

“TDD” means a telecommunications device for the deaf. It is an electronic device for text communication via a telephone line, used when one or more of the parties has hearing or speech difficulties.

“Unauthorized Removal” means the Contractor’s removal of Key Personnel without the prior written consent of the State.

“UPS” means an Uninterruptible Power Source

“Waste prevention” means source reduction and reuse, but not recycling.

“Waste reduction” or “pollution prevention” means the practice of minimizing the generation of waste at the source and, when wastes cannot be prevented, utilizing environmentally sound on-site or off-site reuse and recycling. The term includes equipment or technology modifications, process or procedure modifications, product reformulation or redesign, and raw material substitutions. Waste treatment, control, management, and disposal are not considered pollution prevention, per the definitions under Part 143, Waste Minimization, of the Natural Resources and Environmental Protection Act (NREPA), 1994 PA 451, as amended.

“Work in Progress” means a Deliverable that has been partially prepared, but has not been presented to the State for Approval.

“Work Product” refers to any data compilations, reports, and other media, materials, or other objects or works of authorship created or produced by the Contractor as a result of an in furtherance of performing the services required by this Contract.

“Workstation” is defined as equipment used for monitoring inmate calls. This includes a UPS (Universal Power Source) to keep power to the workstation up to 30 minutes after a power failure in order to monitor calls.



Article 1 – Statement of Work (SOW)

1.010 Project Identification

1.011 Project Request

This is a Contract for inmate telephone service at the Michigan Department of Corrections (MDOC). This Contract will include products and services including, but not limited to, a turn-key single integrated telephone system statewide, new telephone equipment, telephone monitoring equipment/services. The systems shall include telephones, Inter- and Intra-LATA service, call control, monitoring and recording equipment. The Contractor will provide economically efficient methods for collect, pre-paid, debit calls, etc. The system shall provide features such as a Personal Identification Number (PIN) controlled environment; allowing and disallowing calls to specific telephone numbers; recording, monitoring, and playback capabilities; verification of calls against the Line Information Database (LIDB) system; detection of three-way calls; tools that aid investigators and a centralized database..

1.012 Background

The MDOC is required by State Statute (MCL 791.203 and 791.270 and Administrative Rule 791.6638) to provide inmate telephone service to inmates. The inmate telephone service provider shall furnish, install and maintain the Inmate Telephone System (ITS) for use in all present and future correctional facilities. This Statewide Contract will enable inmates at all MDOC correctional facilities to make auto-collect local, debit, long-distance and international calls and/or pre-paid local, long-distance and international calls from the MDOC correctional facilities. The MDOC has special security requirements and has a prime objective of controlling inmate telephone usage and limiting the use of the telephone system for fraudulent activity. The telephone calls are monitored for public safety, security and to prevent fraudulent activity.

1.020 Scope of Work and Deliverables

1.021 In Scope

Contractor must provide the following services for the complete and successful implementation of an ITS:

- Verify and validate technical specifications
- Installation of all associated software
- Services to implement the software, including configuration, customization, modification, interfaces, and integration and testing
- Conversion of all data currently stored for ITS
- Application testing
- Transition of business operations to a new ITS
- Train MDOC personnel, DIT support staff, and technical staff in the use and operation of the ITS
- “Train the trainer” classes as necessary for the MDOC.
- Training documentation and training materials
- Knowledge transfer to State as identified through the project
- System documentation to include user and technical manuals
- User help desk support for the duration of the contract
- Technical help desk support for the duration of the contract
- Ongoing system maintenance
- Hardware requirements for the ITS

1.022 Work and Deliverable

The Contractor must provide deliverables/services and staff, and otherwise do all things necessary for or incidental to the performance of work, as set forth below:



Section Name	Requirement #'s
<u>Contractor Responsibilities – General</u>	1-3
<u>Contractor Responsibilities – Equipment and Software</u>	4-10
<u>Contractor Responsibilities – Initial and Ongoing Installations</u>	11-26
<u>Station Equipment Specifications</u>	27-49
<u>Reporting Requirements</u>	50-55
<u>Data Storage Requirements</u>	56-58
<u>Security Features</u>	59-76
<u>Personal Identification Number (PIN) Application</u>	77-89
<u>Monitoring and Recording Requirements</u>	90-103
<u>Debit or Inmate-Based Pre-Paid Application</u>	104
<u>Training</u>	105-107
<u>General Maintenance</u>	108-117
<u>Transition Plan</u>	118-129
<u>Billing</u>	130-131

Contractor Responsibilities – General

1. The Contractor shall provide a **turnkey telephone system** that includes all new equipment, hardware, and software—including the telephone network, recording system, call-control system, telephones, workstations, printers, and associated software. The Contractor will furnish, install and maintain all equipment and software necessary to provide all telephone services to the inmates utilizing the Contractor’s ITS to all current and future correctional facilities operated by the MDOC as shown in **Attachment B – MDOC Correctional Facilities**. For a complete description of all the proposed equipment, see response to Requirement #4.
2. The Contractor shall comply with all applicable laws, rules, regulations and orders of any authorized agency, commission, unit of the Federal government, State, county or municipal government at no cost to the MDOC. The Contractor shall be authorized by the appropriate governing body and/or regulatory agency to be an ITS provider.

The parties stipulate that the Contractor has no responsibility to advise the State with respect to any applicable law, regulation, or guideline that may govern or control telephone call recordation or monitoring by the State, or compliance therewith. The Contractor only provides the State with the capability to monitor and record telephone calls, and it is the State that determines when and how to use these capabilities.

3. The ITS shall comply with all Federal communication and/or utility commission regulations.

Contractor Responsibilities – Equipment and Software

4. The Contractor shall provide all equipment, software, and other ancillary components necessary for the installation and support of all the services requested in this Contract. These services include, but are not limited to, telephone sets, wiring, connectors, jacks, security and monitoring hardware, and software systems.

The Contractor will provide the **Inmate Calling Manger (ICM)** call processing system, which is designed, manufactured, maintained, and upgraded by the Contractor. Software upgrades will be made available to existing customers as new features are added and/or software enhancements are developed. These upgrades are provided at no cost to the State, and the Contractor will work with the State to seek approval before scheduling any upgrades or system enhancements.

Inmate Phones:



The Contractor will provide Navitel OTC-2110V2 inmate telephones or a functionally equivalent model as approved by the State. All telephones are compatible with standard Telco mountings. The inmate phones will have no exposed screws, bolts, or other fasteners that can be removed from the phone without a special security removal device. The phones are thoroughly field-tested, and are currently used in indoor and outdoor correctional facilities.

TDD/TTY

The Contractor will provide Ultratec Superprint 4425 TTY or a functionally equivalent model as approved by the State.

The Contractor's call processor will connect to a circuit that has the capability of accessing a TDD relay center. The system will have a centrally managed database with all relay centers' contact information. These numbers will allow inmates to process messages without voice overlays. This exception table will be kept current. Any number not in this list will have a voice overlay.

The Contractor will work closely with the State to ensure that the security features designed into standard calling practices are incorporated into the calls made by inmates through the relay centers. This includes recordings, blocked numbers, PINs and PANs.

Workstations

The Contractor will provide workstations equipped with flat-screen monitors, high-speed CD/DVD burners and printers for administration of the inmate phone system. These workstations and associated equipment are described in detail in Requirement #8.

UPS

The Contractor will provide an Uninterruptible Power Supply (UPS) that is designed to meet the runtime requirements for each individual facility. For the ITS hardware, The Contractor proposes the Tripplite SU1500RTXL2UA UPS, which offers a runtime of 54 minutes at 200 watts. The Contractor will work with the MDOC and the contact for each facility to ensure that UPS runtime is sufficient for each site and will add additional battery backup units to increase runtime as necessary.

To support the workstations, the Contractor proposes the Tripplite OMNI750ISO UPS, which offers a runtime of 54 minutes at 160 watts and 31 minutes at 240 watts.

Ancillary Hardware

The following list includes some of the ancillary hardware that may be installed during the implementation of the ICM solution. All cabling will be pre-approved by the State's contract representative and will comply with industry standards and/or regulatory agency guidelines. Cabling will traverse pre-existing conduit runs where available or as determined through the site survey. All cabling will be labeled appropriately and hidden and secured per industry standards. Any internal line quality issues identified by the Contractor will be reported to the MDOC at the end of each site survey for scheduling of appropriate repair or upgrades. All repairs will be done at no cost to the State.

Amphenol Cables - Amphenol designs, manufactures and markets electrical, electronic and fiber optic connectors, coaxial and flat-ribbon cable, and interconnect systems

Switch-8 port - The EtherFast 8-Port 10/100 Workgroup Switch is a quick and easy way to boost your network's performance while migrating to the power of Fast Ethernet

Network Patch Cables- (Yellow or Blue) - 5e (Cat5e) patch cable with gold plated RJ45 molded male connector plugs features a snagless boot for trouble-free installations



Trunk Cross-Connect Wire-White/Blue - providing modular integration of voice and data traffic over copper services. It can also serve as a rate and interface converter or as an integrating multiplexer

Cable Ties - Preformed tie straps on a continuous roll that pull apart without any cutting

Wood screws 1" - Required for mounting on communication backboard

Inmate Station Covers-Orange - Provides easy system administration and provides a clean and neat appearance.

Trunk Covers-Blue - Provides easy system administration and provides a clean and neat appearance.

Bridge Clips - connection between two test points.

Mushrooms - Wire Distribution Spool

D-rings (small) - Wire Distribution Rings, Aluminum

66 Blocks w/Amphenol Connectors - 66 Block with single male Amphenol connecting block (25-pair). Suitable as an alternative to the ICC 24-Port Telco Patch Panel.

Station Cross-Connect Wire-White/Orange - providing modular integration of voice and data traffic over copper services. It can also serve as a rate and interface converter or as an integrating multiplexer

After installation all extension cabling, old equipment, and unused components will be removed and the workspace will be returned to its pre-existing condition.

5. The Contractor shall be responsible for all equipment in the ITS in its entirety or its individual components including, but not limited to, normal wear/use, inmate abuse, natural disaster, or inmate unrest. This system or component replacement will be performed at no cost to the MDOC and will occur immediately upon notification to the Contractor of the system problem by the correctional facility or the Contract Compliance Inspector. The Contractor will ensure that maintenance support staff has fully stocked "crash kits" that include all major system components such that a site can be immediately restored from a full system failure. This kit will include all of the major on-site system components, such as the router, integrated access device, network switch, channel bank, UPS, etc. Similarly, redundant ITS components will be installed in the Contractor data centers, so that a failure in the core ITS can either be handled by the live redundant hardware or can be resolved via the installation of an on-site hot-standby unit.

Emergency and Disaster Recovery Preparedness

The Contractor will dedicate internal resources to be prepared to restore and continue services to their client facilities in the event of interruptions and damage due to natural and man-caused disasters at client sites. The Contractor will maintain an internal Disaster Preparedness and Emergency Management team who is responsible for coordinating initial response activities and using prudent office procedures to protect life and minimize property damage. The Contractor maintains and tests disaster recovery plans for our network, our data centers, and for client facilities. These plans are subjected to testing in annual desktop rehearsals and annual disaster simulation drills.

6. RESERVED
7. RESERVED



8. The Contractor shall provide the requested number of workstations as specified in **Attachment A** working real-time with the ITS, for such monitoring, recording and reporting. The workstations shall include a CD/DVD burner and printer. The MDOC requires that the monitors provided be LCD flat panels. All monitoring hardware shall be of the latest technology, and reliability. The Contractor shall be responsible to maintain the hardware for the life of the Contract. The Contractor shall replace the hardware, if needed, to allow investigation staff at each correctional facility the latest tools for access to the ITS.

The Contractor proposes to provide the following workstation hardware and will maintain and keep these stations current for the duration of any contract, including replacement if needed to allow investigation staff the latest tools for access.

Workstation Hardware, Monitor, Printer

The Contractor will provide the following workstation hardware at a minimum:

- DC 5800 E5200
 - Pentium Dual Core
 - RAM 2-4 GB
 - HDD 1 x 80 GB
 - HP DVD 1070i 20X Multi DVD Writer, internal, SATA
 - GMA 3000 Dynamic Video Memory Technology 4.0
 - Gigabit Ethernet
 - XP Pro
 - McAfee Antivirus protection
- ACER V173BB 17" LCD widescreen monitor
 - 17" TFT LCD
 - 1280 x 1024 Max. Resolution
 - Dynamic Contrast Ratio 7,000:1
 - 5 ms Response Time
- HP LaserJet Printer
 - Laser
 - Up to 17ppm
 - Up to 600 x 600 dpi
 - USB

Any PC that is capable of running Microsoft Internet Explorer 6.0 or greater and that has a connection of sufficient bandwidth, may conveniently use all of the ITS's features, including live monitoring and playback of call recordings.

9. The Contractor shall notify the MDOC of any new software upgrades within thirty (30) days of the introduction of the new software into the market by the Contractor. The Contractor shall upgrade the ITS with new software versions and new hardware as required by the MDOC at no cost to the MDOC.

System Upgrades

The Contractor will work with the State to seek approval before scheduling any upgrades or system enhancements. The Contractor's Engineering and Product Development Group will extensively test upgrades before releasing them to clients. During this process, live calls will be placed through the upgraded system in the test environment to determine the impact on existing system features, the hardware, and the network.

The Contractor typically releases software upgrades and new features each quarter and solicits input from both current and prospective clients to build the Product Development Roadmap. The Contractor's Solution's open architecture and state-of-the-art hardware design allow the inmate telephone system to easily expand, upgrade and adapt to changes in the industry and client



requirements. Any new MDOC facilities can be networked to the existing facilities and their records added to the common database with no disruption or impact on service to existing facilities.

10. RESERVED

Contractor Responsibilities – Initial and Ongoing Installations

11. The Contractor shall provide an **Implementation Plan** as outlined in Requirement #121.
12. Weekly updates to the implementation plan must be submitted to the MDOC's Contract Compliance Inspector. If the implementation extends past the agreed upon number of days, the Contractor will pay for any additional telephone services costs incurred by the MDOC as a result of time delay.
13. The Contractor agrees to obtain the MDOC's written permission before proceeding with any work that requires cutting into or through girders, beams, concrete or tile floors, partitions or ceilings, or any work that may impair fireproofing or moisture proofing, or potentially cause any structural damage. The MDOC does not anticipate that such work will be required for the initial installation of the ITS.
14. The Contractor agrees to assume responsibility for all installation of equipment in accordance with the specifications contained in the manufacturer's installation instructions.
15. Use of existing or in-place conduit, raceways, cable ways, cable, inside wiring, telephone set mountings, switches, terminal boxes, and terminals within the correctional facility are at the risk of the Contractor. No exposed wiring will be permitted. Ownership of any wiring or conduit placed under this Contract by the successful Contractor becomes the MDOC's property upon termination and/or expiration of the Contract.

Embarq/Securus currently owns all existing inmate phones and any enclosures and pedestals. The Contractor will not be able to reuse or buy existing phones, enclosures and pedestals from the incumbent vendor without prior written approval from the State.
16. If any cabling work is required as part of any installation, all new cables shall be used and marked clearly and legibly at both ends, and must meet all applicable EIA/TIA wiring standards for commercial buildings. All new cabling required by the Contractor shall be installed by the Contractor at no cost to the MDOC. For instances where the State requires additional phones at a specified facility(s), the State will work with the awarded Contractor to select phone locations. Contractor's pricing and equipment provides system capacity capable of 20% expansion at each facility, including but not limited to all items listed in Attachment A. The information provided within Attachment A may change as a result of additional moves, which could result in shifting needs.
17. The Contractor shall install the quantity of telephones required by the MDOC as detailed in **Attachment A** and will work with each facility in coordination with the Contract Compliance Inspectors individually to determine whether any phones need to be added.
18. During the term of the Contract, the Contractor shall install any additional telephones, lines and monitoring and recording equipment at no additional cost. This includes expansion to existing correctional facilities, re-opening currently closed facilities and or housing units and any newly constructed correctional facilities. Any new correctional facilities, or reopened facilities will be added to the Contract through an amendment and will be afforded the same terms and conditions. Should future expansions exceed the reserve capacity, the solution is designed with modular components so that expanding capacity is a matter of simply plugging in additional components without having to redesign the entire system.
19. The Contractor shall provide and install adequate surge and lightning protection equipment on all lines used for the ITS. This shall include a universal power supply/power back-up system (UPS) for the



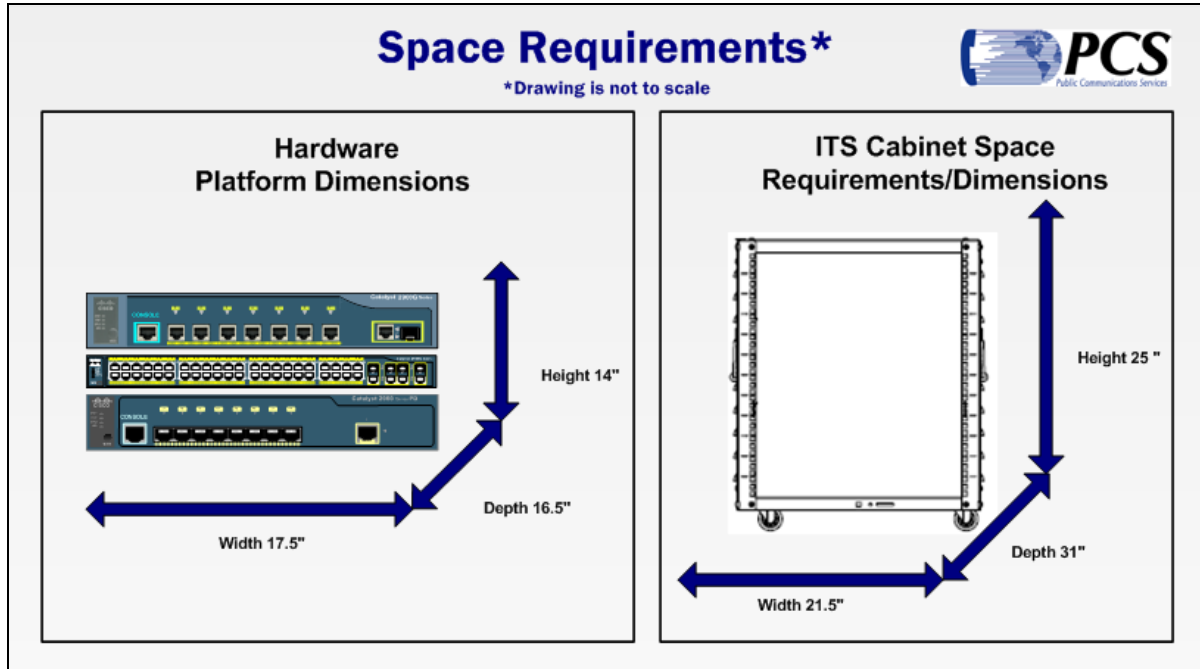
switch, if required. UPS units must be adequate for the size of each correctional facility. Adequacy must be documented based on UPS manufacturer's recommendations. The Contractor must provide, install and maintain (according to manufacturer's specifications) all ITS UPS equipment at each of the correctional facilities. The Contractor must replace all UPS equipment upon expiration of the manufacturer's life cycle of the installed product. The use of traditional "power strips" for surge protection is not acceptable. The Uninterruptible Power Supply/power back-up system (UPS) will be designed specifically for the ICM solution at each facility to provide no less than (30) minutes of runtime in the event of a power outage.

UPS Overview:

The Uninterruptible Power Supply (UPS) provides both electrical conditioning and battery back-up to eliminate power surges or power outages. These UPS units not only provide continuous operation in the event of a power surge or utility service interruption, but also ensure that there is no loss of call recordings or call data. It is a line-interactive module with its own preinstalled software which constantly measures fluctuations in power, temperature, and its own operating performance. In the event of a prolonged blackout it monitors its own battery life and can automatically instruct all system components to perform immediate file saves and initiate completely safe shut downs. It can also automatically restart the entire system in mere moments when power is restored. Because it is line-interactive all information gathered and instructions issued by the UPS are not only recorded at the facility but are also available online. Technicians at Contractor's offsite data centers can see in real time if the system is experiencing any operating difficulties, what these operating difficulties are and what steps the system is taking automatically. Contractor's Technical Service Representatives will then dispatch technicians for additional help without anyone at the facility ever having noticed a problem.

If commercial power is lost, the UPS will indicate the shift to battery backup with an audible sound in the agency's equipment room and in the Contractor's Network Operations Centers. Should power be restored within the designed period of time, there will be no interruption of call processing or workstation functionality. If the interruption exceeds this period, call-processing functions are suspended until power is restored. **Regardless of any interruption in power, call records are protected at all times and not subject to loss.** System settings will return to the previous state upon restoration of power.

20. Installation of all telephones and related equipment shall be accomplished during normal business hours at each correctional facility or as directed by the correctional facility's onsite Warden. "Normal" business hours are Monday-Friday 0800-1630 EST excluding State recognized holidays.
21. The Contractor shall clean-up and remove all debris and packaging material resulting from work performed.
22. The Contractor shall restore to original condition any damage to the MDOC's property caused by maintenance or installation personnel associated with the Contractor, including repairs to walls, ceilings, etc.
23. The Contractor agrees to install, repair and maintain all Contractor provided equipment and lines at no cost to the MDOC. All Contractor provided equipment, installation, maintenance and repair costs as well as all costs or losses due to vandalism shall be the total responsibility of the Contractor.
24. Upon completion of initial installation and ongoing installations, the Contractor must provide the MDOC with a list of telephone numbers, serial numbers, and locations of each unit.
25. The Contractor will utilize a centralized network solution for MDOC, which means that the typical "controlling equipment" wouldn't need to be located within the correctional facility. With this network design, the Contractor would only need space in the phone room for the router, integrated access device(s), switch, and UPS. The dimensions of these devices have been included below.



26. The Contractor does not anticipate any additional need for air conditioning or heating in the control room. If necessary, the Contractor will supply the heating or cooling equipment necessary to ensure the appropriate environmental conditions in the control room.

Station Equipment Specifications

27. The ITS shall be capable of providing all operational features and system requirements applicable to all calls placed through the system, including local, long-distance and international calling.
28. Each call, having been identified as being placed through the Contractor's ITS, shall be delivered to the called party as a collect call, debit and/or pre-paid call. Each call will be identified to the called party by the Contractor's automated operator.
29. The Contractor shall have the ability to track other carrier's phones and validate bill to numbers. The Contractor shall identify and track other carrier phones and validate bill to numbers to ensure proper billing, which would include but is not limited to the billing address.
30. The Contractor shall subscribe to the LIDB for validation purposes. The Contractor shall query this database and process only those calls to Billed to Numbers (BTN) which do not have Billed Number Screening (BNS). The Contractor must assume all responsibilities for the cost of the validation.
31. Telephone station equipment shall be powered by the telephone line and require no additional power source. A power source will be available at the demarcation location. The Contractor may be required to identify the demarcation location for each correctional facility.
32. The Contractor must provide a UPS for the ITS robust enough to support the system for thirty (30) minutes in the event of a power outage. The Contractor is responsible for maintaining the UPS per manufacturer's instructions and warranty for the term of the Contract. See detailed description of the proposed UPSs in response to Requirement #18.
33. In the unlikely case of the loss of commercial power and the failure of the UPS, the ITS must automatically restrict or "shut off" all inmate telephones so that no inmate calls can be made until commercial power is restored and access is once again provided by the MDOC.



34. The Contractor must provide component redundancy to limit or virtually eliminate system downtime due to hardware component failure.

The Contractor's Solution is designed and built for reliability. Reliability is provided through high-quality components, multiple hardware redundancies, network design, data backups, and constant remote monitoring and diagnostics. In designing the ITS solution, the Contractor will identify and establish contingency plans for the single points of failure (SPF). If the SPF is hardware related, Contractor may install a redundant component, leave behind a hot-standby, or setup automatic rerouting of processes to eliminate system downtime. In regards to SPFs in the network, the Contractor installs carrier grade hardware and circuits and holds its vendors to strict Service Level Agreements to maintain the highest levels of service. Both the Contractor and its network vendors monitor the health of the network and automatically generate trouble tickets and service dispatches should a problem arise with the network.

35. The ITS and telephone stations shall be sturdy, non-coin, vandal resistant and steel armored composed of durable, tamper-free equipment suitable for a detention environment. The equipment must contain no removable parts.

Dialing instructions will be posted on inmate phones. In addition to the existing placards that are fixed externally to the phones, the Contractor will post this information behind the faceplate of the inmate telephones under an unbreakable, sealed, clear shield to prevent inmates from tampering with the instructions. The Contractor will provide additional dialing instructions upon request at no cost to the State.

36. The Contractor shall provide a sufficient number of telephone lines to the ITS to prevent inmates from receiving busy signals more than 0.5% of the time.

During the network design phase of the Contractor's solution, an Erlang Study is completed to determine the exact number of telephone lines required to support each facility. The Contractor has engineered its network solution to provide a P.005 grade of service, which will ensure that inmates do not receive a busy signal more than 0.5% of the time at the peak busy hour. This means that for every 1,000 calls made, no more than 5 would receive a busy signal.

The Contractor understands that traffic patterns can change as inmates are added or removed from an institution, so the Contractor's network solution includes automated diagnostic tools that will monitor and alert to any spike in traffic that may indicate a change in a facility's calling patterns. In the event that this occurs, the Contractor will add additional hardware and circuits as needed at no cost to the State.

37. The Contractor shall provide telephone reception quality equal to the highest level of toll quality offered to the general public and shall meet or exceed industry standards enacted by standards organizations, such as Bellcore and IEEE, for transmitted and received levels, noise, cross talk and frequency range. In addition the Contractor ensures a carrier grade P.005 ($\leq 0.5\%$ blocking) network.

38. The Contractor shall provide accommodations necessary to comply with Americans With Disabilities Act (ADA) requirements, including, but not limited to, providing telephones which are accessible to persons in wheelchairs, and providing systems that are compatible with Telephone Devices for the Deaf (TDD). The Contractor shall provide the requested number of TDD units as specified in **Attachment A**. The Contractor shall provide the State with a solution that provides effective TDD use throughout the facilities indicated in Attachment A.

The Contractor will meet all current and future ADA requirements, including providing telephones that are accessible to persons in wheelchairs, locating and mounting telephones properly, moving or lowering telephones, lengthening handset cords, and providing telephones that are compatible with TDD devices that are currently commercially available.

To assist hearing impaired inmates, amplified volume control is a built-in feature of the proposed inmate telephones manufactured by Navitel/OTC Telecom. In addition, the offender telephone keypad



assembly is ADA compliant and has a "raised bump" on the number 5 (five) button to assist physically impaired inmates. The inmate telephone handsets are hearing aid compatible and meet E.I.A. Standard RS-504 for compatibility. In addition, Contractor will install telephones to accommodate wheelchair access as requested by the State.

Contractor will provide phones for hearing impaired inmates. For a description of the proposed TTY phones, see Requirement #4.

39. A minimum of twenty (20) percent of the telephone sets must be of the "amplified" or volume controlled sort. The Contractor shall accept the MDOC's decision regarding whether the reception quality meets industry quality standards.
40. The ITS shall monitor the switch hook of the inmate telephones and if the switch hook is depressed at any time, the call will be disconnected or an internal dial tone should be activated to prevent fraud. The Contractor must assume all responsibility for fraud.
41. During the call setup process, the ITS shall provide a pre-recorded announcement identifying that the call is coming from a specific inmate at the correctional facility listed on **Attachment B**.
42. All collect calls, including debit and pre-paid calls, must be clearly identified as a collect call to the called party. This recording must be heard by the called party, and be free of any toll charges. Each call (whether collect, pre-pay or debit) shall include the following announcement: "This call is from a correctional facility and may be monitored and recorded." The State will allow for the inmate's name to be pre-recorded one time, and then stored within the ITS.

The Contractor's solution allows for flexibility in when, where, what, and how prompts and greetings are configured. This flexibility extends to the length of time an inmate has to record their name and how many times that recording is played to called party prior to termination of the call. As a general rule, the default configuration allows for 2 seconds to record the name, and the recording is repeated twice as the system waits for a response from the called party. If the called party does not respond after the recording is played twice the call will be disconnected. It should be noted that this feature is fully configurable by facility should the MDOC decide to adjust the default configurations.

Billing for an inmate call begins after the called party positively accepts the call, and not before. If the called party does not positively accept the call, there is no charge. If a call is accepted, that portion of the call that takes place before positive acceptance is never billed.

43. Call acceptance by the called party shall be accomplished for all collect, debit and pre-paid calls through caller confirmation (positive acceptance). The called party positively accepts a call by pressing 0 on the keypad upon receiving a call and being prompted to do so. If the called party does not positively accept the call, the call is not connected. Voice recognition is not an acceptable method for positive call acceptance. The ITS shall be able to recognize and distinguish standard or irregular busy signals, standard or irregular ringing signals, answering machines, cellular telephones, pagers, operator intercepts, quick disconnects, chain dialing, no voice from called party, etc.

If the call is not connected, the inmate will hear one of the following voice prompts depending on the scenario. The can be customized to the meet the State's needs.

- Busy - "The number you have called is busy; please try again later."
- No Answer - "The number you have attempted was not answered; please try your call again later."
- Fax/Modem - "The number you attempted is a fax line; please try again later."
- Answering Machine - "The number you attempted was answered but positive acceptance was not received; please try again later."



- Special Information Tones (SIT) - "The number you attempted is out of service; please try again later."
- Local Exchange Carrier (LEC) - "The number you have attempted is blocked by the local telephone company; calls are not allowed."
- High Toll Restriction - "The number you are calling has a high toll block; calls are not allowed."

44. The ITS shall process calls on a selective bilingual basis: English and Spanish. The Contractor's Solution is initially configured to process calls in English and Spanish. Additional languages can be added to the automated operator for called party prompts at the client facility's request. The system currently supports many languages for our client facilities including, but not limited to, Arabic, Mandarin, Navajo, French, and Vietnamese. Any other language may be added upon the State's request. The Contractor will consult with the State's Administrative Lead prior to adding new languages. Normally, any other language can be provided and installed within 30 days of request. The automated operator is configured to provide voice prompts in up to ten languages simultaneously. The inmate will continue to be prompted in their preferred language throughout the calling process as needed. The inmate must be able to select the preferred language utilizing a simple code. The Contractor shall indicate whether the called party can also select the preferred language for call prompts. Written dialing instructions in both English and Spanish must be permanently and prominently displayed on each inmate telephone behind an unbreakable, sealed, clear shield to prevent inmates from tampering with the instructions.
45. The ITS shall provide a recording back to the inmate which details why a call was not completed. Additional detail on how this requirement will be met have been provided in requirement #43 above.
46. The Contractor shall ensure rotary telephones are able to complete calls. The phone system's voice prompts will direct rotary call recipients to either "press or dial 9" to accept a call, or "press or dial 1" to reject a call. With this method, the Contractor will program their switch to listen for the clicks made by a rotary dial. If the switch hears four clicks or more, then it would allow the call to connect. If it hears one click or no clicks, it would disconnect the call. This matrix ensures that the proper response will be accomplished by the system.
47. The Contractor shall ensure completion of those calls that would normally be blocked because of CLEC issues. The system shall be able to complete calls to anywhere in the world that the PSTN (Public Switched Telephone Network) reaches, even though many carriers today no longer allow traditional collect calls. The Contractor has a number of calling options that specifically allow calls that would normally be blocked because of CLEC issues. These options will allow inmates to stay in touch with their family and friends. It is in the best interest of all parties to allow every possible call to complete. In the long term, families with cell phones or whose CLEC does not accommodate collect calling can use either the debit or prepaid calling options to connect their calls.
48. The Contractor shall provide operational specifics and a description of the proposed inmate telephone system validation process. The Contractor shall include whether their validation is done real time or by batch. The Contractor shall specify the process for unblocking a telephone number which was originally restricted for non-payment, to include the timeframe for removing the restriction once the payment posts.

The Contractor's call-validation incorporates *in real-time*, validation responses from Local Exchange Carriers; compliance with carriers who do not permit collect calls; and managerial restrictions such as blocked-number lists entered by the client facility or the Contractor.

The Contractor subscribes to the Local Exchange Carrier (LEC) Line Information Data Base (LIDB). This database is maintained by phone companies globally and contains complete and always up-to-date records of all valid telephone and calling card numbers, as well as automatically performing Billed Number Screening (most cell phones do not accept collect calls; although a cell phone user can receive calls from an inmate if they choose to set up an account using the prepaid solution), Public Telephone Check, Originating Line Screening, and Calling Card Validation and Fraud Check services. This



database will be queried for every called-to number. We will process only calls to numbers that do not have Billed Number Screening (BNS).

In the event that a called party has been blocked for billing reasons, upon verification of a resolution of an unpaid invoice for collect calling, the Contractor immediately informs our Customer Service Center to unblock that number. Calling to that number can be immediately re-allowed.

49. The Contractor shall allow calls to be made to cell phones.

Reporting Requirements

50. The Contractor must provide reporting and querying methods and capabilities which provide maximum flexibility, a user friendly interface, speed, efficiency and accuracy at both central and remote sites. The ITS must include without limitation the ability of the system to access reports or a subset of reports to designated MDOC personnel by password or other structured access. MDOC staff will be able to create reports at any time with the Contractor's Inmate Calling Manager. The ICM can run a full array of system reports with a few clicks of the mouse. These reports are fully customizable to suit the MDOC's needs and all reports can be instantly exported to Excel or other ASCII compatible format.

Custom Reporting

The Contractor's solution includes at least 1,600 different reports. Any report format may be saved to be used as needed.

Reports can include information on phone calls by phone, phone trunk line, PIN, dialed number (BTN: billed-to-number), location, time, date, user minutes, call type (free, debit, prepaid), call band (local, interstate, international, etc.) reports can also be ran to determine if a recording is available and to view reverse directory information on listed calls.

Central & Remote Access

The Contractor's system is entirely web-based, so easy and reliable remote access is a standard feature. MDOC staff will be able to access all of the ICM's features—based on their user permissions—whether they are onsite or accessing the system remotely. The system will allow MDOC staff to access the system from any PC with Internet connectivity. There is never a need to install proprietary software on each PC, nor to constantly install and upgrade java applets.

Remote access to the system is through a Secure Sockets Layer (SSL). In addition, access over the public Internet is through a Virtual Private Network (VPN). These systems provide a triple layer of protection to ensure that only authorized users can access the network and that the data cannot be intercepted.

Mobile devices do not need any special software or equipment to access the ICM. All that is required is that the authorized user has a valid user name and password. Users log in as they normally would from any onsite workstation, offsite computer, or laptop:

Password-Protected, Structured Access

In order to access the Contractor's system, each user must login with a valid user name, password, and facility number. Each user has an assigned role, which gives them permission to access certain functions and not others.

Administrators create a role and assign privileges to that role in the User Management screen. Once the role has been created and given a name, it can then be assigned to a user.

Roles can be used as assigned pre-set security access levels, or roles may be created specifically for an individual user. Those with administrator level access will be able to create and assign roles to other users. Each role can be allowed to use only those ICM features that the administrators permit them when creating or editing that role.



To allow or disallow use of any ICM feature by a particular user or group of users, an authorized administrator simply places or removes check mark in the box by a selected feature on the Edit Role screen.

51. RESERVED

52. The Contractor shall provide monitoring reports that can be provided or sorted by any or all of the following criteria and shall include, but are not limited to:

- Daily statistical reports
- Correctional facility name
- Originating number
- Terminating number
- Date of call
- Time of day
- Length of call
- Type of call
- PIN number
- Frequently called numbers (for all numbers called more than five times in one day)
- Common numbers called (for all numbers called by more than one inmate)
- Originating station
- Bill type

53. The Contractor shall provide billing reports that can be provided or sorted by any or all of the following criteria:

- Call detail report
- Amount charged per call
- Gross revenue
- Daily statistics
- Monthly statistics
- Called party/number accepting report
- Fraud/velocity report
- Separate correctional facility total and statistics
- All correctional facility totals and statistics
- Total calls
- Calls by date
- Time of day
- Length of call

54. The ITS shall be capable, upon request by the MDOC, to provide specific information for tracking inmate calling activities and calling patterns by individual telephone numbers. The following reports shall be available for monitoring purposes:

- Allow Lists (PANs) per inmate or identifying number
- Calls by PIN or other identifying number

Reverse Lookup by BTN

The solution will include a Reverse Lookup feature that can be utilized to check a called-to number while a call is in progress, for any frequently called number, or for numbers that have not yet been called before they are added to the inmate's personal number list (PAN).

The Reverse Lookup feature provides the billing name and address associated with a given telephone number and a map, and satellite photo if available. The user merely clicks on the called-to number to bring up the Reverse Lookup dialog box that shows the name and address of the called party.



In order to look up a number that has not yet been called, the user (with appropriate authorization) simply clicks on the Number Management Screen and then clicks the Reverse Lookup key. A dialogue box will appear into which any 10-digit telephone number may be entered. The Reverse Lookup Feature will return the Reverse Lookup Screen with the name and address of the party to whom the telephone number is billed.

55. The ITS shall also provide the capability to customize reports in a form mutually agreed upon by the MDOC and the Contractor.

Data Storage Requirements

56. Off-site storage of call detail records shall be in a minimum of three (3) locations to avoid any possibility of call detail records being lost.
57. The ITS shall store all call detail records, including all attempted and completed calls. This data will be stored at the Contractor's sites for the term of the Contract, plus five (5) years after Contract termination.
58. The MDOC shall have access to all call detail records and recordings from the workstation(s) or remote computers. The workstation(s) shall provide the capability to copy the call detail records and recordings onto a CD/DVD.

Security Features

59. The ITS shall be TCP/IP compatible and allow multiple operators simultaneous access while maintaining adequate security to prevent unauthorized use and access. Each user action is logged and audited to ensure security and accountability. Access is configurable and custom reports can be generated to show who is accessing the system, what they are doing, where they are doing it from, and when the access took place.

The User may display similar information about who has downloaded calls to "Audio CD," "Data CD;" emailed calls, "Downloaded Calls" to their computer, "Monitored" a live call, "Forwarded" a live call, or "Terminated" a live call and for each activity when and from where it was performed.

In addition, authorized users may also report on when any BTN was "Blocked/ UnBlocked by Date Range" or "Blocked/UnBlocked by Name" for any inmate, and for what reason, by any User.

These reports can help ICM Users keep track of their own activity (for instance, to check whether they had downloaded calls they wanted) and allow Administrators to track their staff's use of the ICM. The complete and verifiable records of actions performed also give the facility an ironclad rebuttal to potential inmate or lawyer complaints that someone hasn't allowed inmates their calls, or has improperly interfered with their calling privileges.

For security purposes, the ITS software offers tiers of access to data and features determined by each user's security level to ensure that even authorized State users can only access information for which they have proper clearance. The Contractor's employees also have security levels. All data is accessed on a "need to know" basis. Users who do not need to have access to sensitive data will be prevented from accessing it. Users with the administrator level password have the ability to set and differentiate user-access parameters according to each facility's security requirements. Inmate accounts, monitoring usage, call searching, running and printing CDRs etc. may be restricted or allowed on a user by user basis.

60. The Contractor shall have the capability to establish an "informant" line. Calls to the "informant" line shall be free and shall be routed via the ITS to a destination designated by the MDOC. If so requested by the MDOC, the destination for the "informant" line may be an automated voicemail box. This call will not be a charge to the inmate.



61. The telephone network services provided by the Contractor shall not be capable of being detected by the called party for calling number identification (caller ID). The ITS shall block the caller ID number.
62. The ITS shall prohibit direct-dialed calls of any type.
63. The ITS shall prohibit access to “411” information service.
64. The ITS shall prohibit access to 800 and 900 type services.
65. The ITS shall prohibit access to multiple long-distance carriers via 10 10-XXX numbers.
66. The ITS must be able to be shutdown quickly and selectively. The MDOC must be able to shutdown the ITS by cut-off switches at several locations, including, but not limited to:
 - At demarcation location – total correctional facility telephones
 - By central control center – select telephones
 - By select housing units – control center
67. The ITS shall be able to take an individual station out of service without affecting other stations or units.
68. The ITS shall prevent any inmate telephone from receiving any incoming calls. The Contractor agrees that no inmate telephone shall be capable of receiving an incoming call and the Contractor shall work with the local exchange carriers (LECs) to ensure such control.
69. The ITS shall have a fraud prevention feature. This feature will randomly interject pre-recorded announcements throughout the duration of the conversation.
70. The ITS, upon detection of a three-way call (call forwarding and conference calls, etc.) shall have the capability to terminate the call immediately. The ITS will play a message (message content will be determined by the State) to the inmate or called party prior to terminating the call. The Contractor will provide three ways of handling detected three-way call attempts. The system can disconnect the call, initiate a warning message, or alert an investigator. Three-way calls are flagged for later investigation rather than terminated, as investigators gain more investigative intelligence when three-way calls are completed as these calls are recorded and monitored. All such calls are flagged in call detail reports, and recordings can be played back by investigators.
71. The ITS shall have the capability to detect and terminate any or all attempts of Call Forwarding.
72. The ITS shall have the capability of answer detection.

The Contractor’s call-management software monitors every call and records either acceptance or the cause for termination of each call. The Contractor will use several standard techniques including loopback signals, supervisory signals, and line-side answer supervision to distinguish the different call outcomes depending on whether a call is being completed over a traditional copper line or through a softswitch. The nature of termination for each call is then recorded in the CDR.
73. The inmate’s call shall be muted until the called party has positively accepted the call. The ITS must not allow the inmate to hear the called party prior to the actual positive acceptance of the call.
74. The ITS shall be capable of limiting the length of the call, providing the dial tone at a certain time of the day and allowing a maximum number of minutes per inmate, per month.
75. In all circumstances, the service shall limit the inmate to a single call request. The service shall always require the inmate to disconnect and initiate another call.
76. RESERVED



Personal Identification Number (PIN) Application

77. Correctional facilities and Central Office administrators shall have the authority to modify or review any privileges or restrictions pertaining to an inmate. Level of authority will be password/user account based.
78. The PIN application shall work with the ITS using all the features and functionalities described herein. No calls shall be made without a PIN.
79. The ITS shall have the capability to provide collect, debit and pre-paid station-to-station calling utilizing a PIN.
80. The ITS shall provide PANs associated with each PIN. These PANs shall store a set quantity of allowed telephone numbers for each inmate. The Contractor's Solution tracks updates and keeps a history of PAN entries. The number of PANs allowed is configurable and a history of PAN entries can be reviewed on the PAN Detail page.

The Contractor Solution also offers an optional self-learning function for PANs. This simplifies administration of the lists by allowing inmates to set up their own calling lists. Usually this is done from designated phones (e.g., booking area) during a specified period of time (24-hour window).

This automated feature permits inmates to add numbers his/her Allow List up to the maximum number allowed. The following sample screen shows an inmate account set for an automated Allow List up to 20 numbers (the maximum number of phone numbers that can be stored on a PAN list for each inmate is unlimited). Like other forms of calling restriction PANs can be set up during installation, or added and altered at any time thereafter by authorized system users. To further control the telephone usage of inmates, telephones may be programmed with specific call restrictions and call durations by PIN.

81. The ITS shall be able to identify if a PAN number appears on other inmates PAN lists.
82. The ITS must allow each PIN to have a "class of service" assigned. For example, each PIN shall have a list of allowable telephone numbers, the maximum duration of each call, etc. The system must provide call restrictions by PIN that provide the following restrictions at a minimum:
 - Placing of calls: Inmates can be either approved or not approved to make phone calls by PIN.
 - Use of specific telephones: Inmates, via the PIN, can be restricted to a specific telephone or group of telephones, at the MDOC's option.
 - Duration of call: Limit the duration of the call by correctional facility by individual, by type of call, (local, Inter-LATA, etc.).
 - Time of day calling.
 - Telephone numbers that PIN can call: PAN.

Limit PIN by Location

The ICM has the ability to assign a PIN to a specific location so that an inmate may make calls only from that location. If someone attempts a call using that PIN from an unauthorized location the call will not be completed and it will be identified on the CDR search results page with the stop code "Improper Location." On large correctional campuses this can help detect and deter PIN theft by inmates.

Call Blocking by Inmate

When PINs are in use, specific numbers can be blocked for a specific inmate using the Personal Allowed Number (PAN) feature. The number to be blocked is entered into the inmate's PAN, and then blocked to that inmate. Any authorized ICM user with the appropriate permissions can set a call time, duration, or frequency limit on an individual inmate or for a specific call type.



83. Inmate PIN numbers are generated by the correctional management system. The ITS shall be capable of storing and using inmate identification numbers generated by the MDOC. Currently MDOC identification numbers are six (6) digits, plus a four (4) digit password.
84. The ITS shall have the capability to interface with the MDOC correctional management system so that the inmate PIN will be automatically transferred to the ITS. If the MDOC elects the interface option, the correctional facility shall not be responsible for entering PIN numbers into the ITS when new inmates are added.
85. PIN number and information will be stored in a centralized database and can be accessed either locally or remotely by any designated user with the appropriate password and permissions. This PIN information can either be entered manually or via integration with the State. If the State desires, the Contractor will integrate to automatically load all inmate data (Name, PIN, etc.) into the ICM. When an inmate is released, the integration will instruct the ICM to disable the inmate's account so that it cannot be used by any other inmate. The Contractor can provide the State with a detailed set of integration related schema documents upon request.
86. The ITS shall include, at a minimum, an alert system that will detect and prohibit an attempted call made to a restricted number, an attempted call using a restricted PIN, or an attempted call made from a restricted telephone.
87. Once the inmate's account has been activated in the ITS, the inmate shall be allowed to place calls from any of the MDOC's correctional facilities. (If the inmate is moved, the MDOC would restrict the inmate from using the PIN at the old correctional facility and activate this at the new correctional facility.)
88. The ITS shall be capable of transferring inmate information (i.e. PINs, PANs, etc.) from one correctional facility to another correctional facility without requiring manual re-entry of the inmate information. An inmate's PIN cannot be activated in more than one correctional facility at a time.
89. The ITS shall be capable of documenting the date/time when an individual PIN entry was added to or modified in the ITS.

Monitoring and Recording Requirements

90. The ITS shall allow the MDOC's staff at the Central Office in Lansing, MI, to remotely monitor live conversations and to access call recordings from all of the MDOC's correctional facilities. The Central Office in Lansing, MI will be provided remote access, utilizing the State's existing computers.

All MDOC facilities (and the Lansing Central Office) will be networked, creating a state-wide system in which an authorized user at the Lansing Central Office or at any of the MDOC facilities can monitor a call in progress or a call previously recorded at any facility. Call recordings, blocked numbers, changes in allowed call times, and other administrative information can also be entered at the Lansing Central Office or at any of the MDOC facilities and have an immediate affect either at the facility level or MDOC-wide.

Investigators can access data from any computer with Internet access, whether they are at a Contractor workstation, in their office, at home, or on the road. No special software is required and all user activity is password-protected and logged in a user activity registry for auditing purposes.

91. The ITS shall be capable of permitting full monitoring and recording of all calls from any telephone within the correctional facility unless there are restrictions that prohibit the recording and monitoring of certain calls such as attorney-client restrictions. The ITS shall have the capability to exclude those calls.



As an alternative, the MDOC can also designate specific inmate phones for privileged calling, and the MDOC can turn off the monitoring and recording functionality for those phones. Authorized users can easily turn this functionality off or on, either temporarily or in the long term through the ICM.

92. The ITS shall comprehensively record all calls (with the exception of those marked "Private," such as calls protected under the attorney/client privilege). At a minimum, the correctional facility shall have the capability of playing back a recorded call. The Contractor shall be responsible for supplying all CDs/media for the storage of call records and recordings at no cost to the MDOC throughout the life of the Contract and any renewal terms.
93. All call records and recordings shall be stored on-line during the Contract term and for a minimum of (5) years after Contract termination. The Contractor will work with the incumbent vendor to pull all valid stored call data into the Contractor's system (to be stored online) and, upon termination of the contract, to leave behind the Contractor's workstations so that the MDOC will have access to the call records, documentation, reports, data, etc. The workstations will provide complete access to this data, without requiring that you or the incoming vendor pay for licensing or other fees to access this data. In addition, the Contractor will provide to the MDOC all call detail records, call recordings, documentation, reports, data, etc within ninety (90) days of request or termination of the contract. This data will be in a workable, software compatible format at no cost to the MDOC. At the Contractor's Data Centers, the Contractor will also store all call detail records and recordings, including all attempted and completed.
94. The monitoring and recording of calls shall be selectively programmable by one or all of the following:
 - Housing Unit
 - Start and stop time and date of call
 - Called number
 - PIN
95. The ITS shall be capable of showing real time call activity on a workstation. This activity shall be detailed by date of call, start time of call, stop time of call, originating telephone station number and called number.
96. The system shall automatically record and monitors ALL calls made at the facility except for those marked as "Private." The state can deactivate recording on any call or phone on an as-needed basis from the System Control screen of the ICM.
97. The ITS shall provide for simultaneous playback of recorded calls and continuous recording of live conversations. It is mandatory that the playback of any selected channel must be accomplished while continuing to record all input channels.
98. The ITS shall have the capability of automatically calling and alerting investigators and offering live monitoring of calls in progress, without detection by the inmate or called party. The alerts can also be delivered to an email address, pager, or PC.

The Contractor Solution allows for alerts to be set on specific telephone numbers or PINs. These PINs and dialed numbers are designated as "hot" in the system. When a "hot" PIN is used to place a call, or a call is placed to a "hot" number, an alert is triggered for the ICM to call, page, and/or email the designated investigator.

The investigator may terminate the call while in progress from any computer with network access. A valid secure log-in password is required to set an alert, but once an alert is triggered the party to whom the call is forwarded can hear the call immediately.

99. The ITS shall provide the capability to copy the conversations onto a CD or other storage device in a non-proprietary .wav, audio or MP3/data format. The storage device shall be provided by the Contractor and located with the recording equipment in the area designated by the MDOC. The



storage device shall produce transfer recordings with virtually no loss in quality. Call recordings shall be encrypted and date-and-time stamped, and are stored along with the associated call data. Workstations will be equipped with an amplifier and speakers so that investigators may confirm accurate transfers of call recordings.

The Contractor will provide expert testimony free of charge if requested by the State, regarding the reliability of the ITS records and call recordings if they are ever challenged.

100. Time and date entries for each recorded conversation shall be displayed on a per channel basis. The ITS shall display all conversations in chronological order to facilitate research and playback.
101. At the request of the MDOC, the Contractor shall provide remote access to the MDOC to the ITS at no cost to the MDOC. The provision of remote access shall allow the MDOC the same features and functionalities, permitted by the user's level of access, available on the workstations supplied by the Contractor. Remote access requires the same secure login with the associated levels of access that is used to log onto the ICM at the facility. Remote access shall be provided through the public internet. The State requires direct internet access for the purpose of using VPN to provide secure access into the system. The State estimates that there will be approximately 100 users with various security roles that would require remote access.
102. When an alarm or alert is generated for a system event, such as a three-way or forwarded call, the information is included in the call record. An automated report that includes this information can be generated and sent to a system user at a predefined interval. This way, users can setup the parameters by which they want to have their reports generated so that they aren't inundated with unnecessary information. The Contractor will provide these reports in addition to the standard alerting feature, which can call, page, or email a user with the live event.
103. The Contractor shall provide an uninterrupted power supply source to ensure there is no loss of recordings or real time call data in the event of a power failure. All telephones provided by the Contractor will be line-powered. The phone instruments will be powered by the ICM solution and require no separate power supply. All other on-site hardware will be connected to an uninterruptible power supply (UPS) back-up system that provides both electrical conditioning and battery back-up in case of a power outage. All call data and recordings will be kept on redundant servers within the Contractor's SAN at the Contractor's data centers and will be backed up by both carrier grade uninterruptible power supplies and generator backups. There will be no loss of recordings or real time call data in the event of a power failure. For more detail about the proposed UPS, please refer to Requirement #19.

Debit or Inmate-Based Pre-Paid Application

104. The Contractor must support both debit and pre-paid applications at all correctional facilities. The applications must include, but not be limited to, the following:
 - The debit/inmate-based pre-paid application shall work with the ITS provided.
 - The debit application shall interface with the current Trust Accounting System for ease of transfer of money from the inmates' account to the inmates' ITS accounts. The Trust Accounting System is managed by the MDOC.
 - The pre-paid application shall allow for pre-payment to a member of the inmate's PAN. The pre-paid option will allow a member of an inmate PAN to pre-pay for calls they will receive from that inmate.
 - The ITS shall provide the inmate with the balance of their debit and/or inmate-based pre-paid account at the time of the call. The Contractor shall provide a description of how this is accomplished in the response box below. In addition, the Contractor shall provide information on how the ITS handles debit balances if an inmate is transferred from one MDOC correctional facility to another.



The Contractor's debit calling option will be interfaced with the Trust Accounting and Payroll System (TAPS) to allow ease of transfer of money from inmates' accounts to the ITS. The ITS will provide the balance of the Debit account every time the inmate makes a Debit call. Additionally, an inmate can check his or her balance at any time by picking up an inmate phone and dialing the appropriate digit, as directed by the automated prompts. For Prepaid calls, once the call is accepted, the Prepaid balance is stated to the called party by the automated operator.

The system must have the ability to interface with the MDOC's TAPS system.

The Contractor will provide their full suite of calling and payment options including:

- Cardless Debit
- Daily DialTM for Called-Party Prepaid
- Speedpay - An Additional Payment Option for Called Parties
- Direct Funding
- All of the above must be consistent with the MDOC policies regarding prisoner phones and prisoner accounts

Training

105. The Contractor shall provide training to the MDOC's staff at the locations where the equipment is installed. Additional training shall be provided to new staff assigned during the Contract period at no cost to the MDOC. Video conferencing is acceptable.

The Contractor will be onsite the week of system installation to provide the State with detailed introductory training on the inmate telephone system. This New Client Training typically occurs within a few days of cutover to the new system, and it is intended for all MDOC investigators, site administrators, and any other facility staff who will be authorized to log into the system. A full complement of detailed training manuals will be provided to MDOC staff and will become the property of Michigan MDOC. A User guide is also available online while using the ICM.

New Client Training

New Client Training on the Contractor's Inmate Telephone System covers five categories:

- The Contractor's company information.
- The Contractor's contact information.
- The Contractor's escalation procedures.
- The Contractor's services.
- A live demo of the Inmate Calling Manager from the MDOC's dedicated login site at the Contractors website.

The Contractor's Client Services Representative will discuss call process, calling types (traditional collect, debit, and prepaid), and collect call restrictions, as well as trouble ticket procedures. They will also present the Contractor's marketing materials that will be provided for inmates and their loved ones, and they will take suggestions regarding the best display materials for the facility going forward.

The New Client Training concludes with a live demo of the Inmate Calling Manager (ICM). By scheduling training just following system cutover, your Contractor's Representative is able to train you live on your own system, and tailor the training session to fit your specific needs. Your Contractor's Representative will demonstrate how to log in to your customized system home page at www.pcsicm.com, and she will show you how to navigate the ICM user interface. This system overview will include:

- How to read and run call detail reports and frequently dialed number reports.
- How to create customized reports and save them for future use.
- How to track inmate activity by PIN.
- How to monitor both live and recorded calls.
- How to conduct investigative searches by PIN or by called party.



- How to use reverse look-up to track crime in progress.
- How to forward a call to an investigator.
- How to terminate a call when illegal activity is suspected.
- How to add notes to a call recording and search those notes later.
- How to archive call recordings and call detail records to CD or DVD.

Ongoing Client Training

In addition to the onsite New Client Training provided during transition, The Contractor offers clients ongoing, onsite training four times a year (or more, if needed). The Contractor will provide the State (at a minimum) an Annual Business Review, which may also be conducted on a semi-annual or quarterly basis. The Contractor also offers remote training via the Internet, as desired by the client.

The Contractor Business Review is an excellent opportunity for Contractor Representative to demonstrate and provide training on new features, review the State's revenue with the State, respond to questions and requests, and offer additional training as needed. The Contractor Business Review will include:

- A revenue overview that covers the number of calls, call types, total revenue, and commissions.
- A review of trouble ticket history.
- A systems-usage update that details who has been logging on to the system and what they've been doing.
- A Technology Roadmap update that includes a demo of all new calling system features.
- New Client Training for any new MDOC personnel or facility staff who may need training on the system, or a refresher session for staff who desire additional training.

106. Training manuals shall be provided to the MDOC's staff at all training meetings at no cost to the MDOC. All manuals shall become the property of the MDOC. The Contractor will also provide an online User Guide that is always accessible through the ICM. Authorized users can access the User Guide by clicking the User Guide menu heading from any screen in the system.
107. Informational pamphlets shall be available for inmates relative to the applicable features and functionalities of the ITS, when requested by the MDOC and at no cost to the MDOC. In addition, inmates will have the option to view a brief DVD detailing Contractor calling options and how to sign up for calling options. The Contractor will also provide information pamphlets to visitors, explaining the calling options and how they can set up a Prepaid account. This information is also available online for inmates' families and friends at the Contractors website.

At the MDOC's discretion, The Contractor will provide training to the detainees and visitors—*at no cost to the MDOC*—through a variety of approaches outlined below:

Video

The Contractor will create a video designed specifically for the Michigan MDOC and customized to meet the unique requirements, processes and procedures applicable to visitation (if the State chooses) and/or use of the Contractor's inmate phone system. This studio production-quality video is suitable for scheduled viewing sessions internally or externally, or it can be streamed in a loop over closed circuit televisions to both inmates and visitors.

The Contractor will work with Michigan MDOC personnel to ensure that the customized video captures the information and procedures requested by the State. The Contractor will supervise all production aspects of the video from start to finish at their Hollywood-based production studio, all at no cost to the Michigan MDOC. The Michigan MDOC shall have final approval authority over the script and visual content of this finished product.



Posters

The Contractor will provide signage to educate inmates and visitors on rates, as well as on how to set up family Prepaid and inmate Debit accounts. Signage is available in English and Spanish, and other languages at the MDOC's request. All signage content and placement will be approved by the MDOC before it is installed.

Town Hall Meeting

The Contractor staff will hold a "town hall" style meeting with all inmates prior to cutover. This will allow the Contractor to explain the new phone system and calling options; transition inmates to Contractor's Debit program; and answer any questions. The Contractor can also collect family members' telephone numbers, so that they can contact them prior to cutover to assist with setting up Prepaid accounts in the new phone system—ensuring that their Prepaid accounts will be ready to use as soon as the Contractor's system is in place. The Contractor will also provide an Interactive Voice Response (IVR) system to educate friends and family about calling options available through the Contractor's Solution, which can be accessed by calling the Contractor's toll-free customer service number.

General Maintenance

108. The Contractor shall provide the necessary labor, parts, materials, and transportation to maintain all proposed telephones in good working order and in compliance with the equipment manufacturer's specifications throughout the life of the Contract. No charge shall be made to the State for maintenance of the ITS. The Contractor will provide four technicians to cover ITS maintenance throughout the life of the contract. These technicians will maintain all on-site hardware and telephones in good working order and in compliance with equipment manufacturers' specifications throughout the life of the contract.
109. The Contractor system will provide the capability to perform remote diagnostics to determine if a reported problem is due to the inmate telephone, the network hardware, the ICM solution, the central office line (CO trunk), or is a Public Switched Telephone Network (PSTN) problem. Maintenance reports are available that help to isolate marginal inmate phones and trunks.

These maintenance reports display:

- The number of calls and attempts by individual phone, trunk and by day for the most recent 7 days.
 - Average number of calls per day by individual phone and trunk for the previous week and the previous 4 weeks.
 - The average conversation time for individual phones and trunks for the previous day.
 - The percentage of deviation in usage by individual phone and trunk between the 1 week average and the 4-week average.
 - Number of call attempts and completions by call and tariff type over any user-selected time period.
110. The ITS shall provide for continuous on-line diagnostics and continuous supervision, as well as local remote offline system control access for advanced programming and diagnostics. Access to the built-in advanced diagnostics and program control shall be accessible via modem by service center personnel and shall provide failure reports, service history and other diagnostics.

The Contractor's BMC Service Desk Express incident management system will be integrated with ShawnTech's TeleDocs System, and operate in tandem with it. When a trouble ticket is opened in ShawnTech's TeleDocs system a corresponding trouble ticket will also be opened in Contractor's trouble ticketing system, BMC. In addition, the BMC system will monitor and time the resolution of the



trouble ticket to ensure full compliance with the business rules identified in the RFP. The BMC system will manage and monitor SLA (service level activity) performance and report to the MDOC performance metrics on a routine and scheduled basis. The Contractor will work with the State to implement the trouble ticket interface, from either the Contractor or the maintenance subcontractor, that best meets the State’s needs.

111. The Contractor shall maintain all cable related to the ITS, whether reused or newly installed.

112. RESERVED

113. The Contractor shall provide all priority 1, 2, 3 and 4 tickets as they are opened, updated and closed by the field technicians, providing detail to show the problem and final resolution of said problem.

The following requirement will be applicable if a commission is reinstated.

Should the escalation plan as provided by the Contractor not be followed explicitly, the Contractor shall be liable for local commissions during the times that telephones were in need of repair and not properly operating. The lost commission will be calculated by multiplying the average number of calls for each call type times the prevailing calling rates times the commission rate. The specific commission shall be calculated by the MDOC and the MDOC will advise the Contractor of all commissions due. The Contractor shall pay the calculated lost commission with the next commission payment due the MDOC. The Contractor will be allotted time between the notification and the next commission payment to validate the lost commission.

114. The Contractor must provide the MDOC with a complete list of business, cellular and beeper numbers for its contractors/subcontractors, managers, administrators, technicians, etc. The Contractor’s management home and emergency telephone numbers must also be furnished.

115. The Contractor will provide maintenance and repair services according to the following priority levels, or at identified levels otherwise agreed upon with the State. Contractor has formal procedures for repair times and level of service in order to maximize customer satisfaction. The Contractor usually divides problems into three priority levels, ranging from a major problem (with a fast response time) to a minor problem, such as a single telephone not working out of a group of phones in a location. Following contract award, the Contractor will work with the State to establish onsite response times for each priority level.

The following are Contractor’s standard service levels and resolution times:

Priority Level	Definition of Priority	Examples	Target SLA
P1	Priority Level 1 items are major Service Events that globally or severely impact the ability of inmates to make telephone calls or other services.	<ul style="list-style-type: none"> Entire system fails Multiple entire housing areas not operational 	4 hour physical response and/or remote reset; Repair made in 1 business day
P2	Priority Level 2 items are Service Events impacting an entire housing area and that require immediate attention	<ul style="list-style-type: none"> One entire housing unit not operational 	Repair made in 24 hours
P3	Priority Level 3 items are basic service requests for minor, non-critical incidents.	<ul style="list-style-type: none"> One or more inmate phones in a housing unit is not operational 	Repair made by end of second business day



Priority Level	Definition of Priority	Examples	Target SLA
P4	Priority Level 4 items are lower priority requests that do not directly affect the availability of services.	<ul style="list-style-type: none"> Development of new features, report creation. 	As mutually agreed upon with facility personnel.

- 116. Either party shall report to the other party any misuse, destruction, damage, vandalism, liability, etc. to the ITS.
- 117. All issues surrounding the ITS service shall be reported by the Contractor to the MDOC.

Transition Plan

- 118. The Contractor shall work with the MDOC and the incumbent Michigan Inmate Telephone Vendor to ensure an orderly transition of services and responsibilities under the Contract and to ensure the continuity of the services required by the MDOC.
- 119. The Contractor must insure a smooth “cutover” to the new system.

The Contractor will use certified Project Management Professionals to both design and implement a comprehensive project plan that covers a smooth transition of service. To accomplish this smooth transition, The Contractor will work with the MDOC and the incumbent vendor to ensure that all required data is copied to the new system and verified before any facility is cutover. Once the data is in place and all testing is complete, The Contractor will execute “flash” cutovers to the new system to eliminate any potential down time. The flash cutover is possible thanks to the centralized network design of the Contractor’s inmate phone system solution and the minimal amount of hardware that must be located at each facility.

A description of the general approach to the transition plan is provided below:

Coordination with the Incumbent

The Contractor will work with the incumbent vendor and the MDOC to receive sample files of the data to be copied into the Contractor’s solution. This will include the PINs, PANs, inmate names, station (phone) names, call records, recordings, blocked numbers, free numbers, attorney numbers, and any other data that the MDOC feels is relevant. The data will be pulled into the Contractor’s database, mapped to the new database tags, and run through the quality control processes to ensure the accuracy of the copied data. Once all testing and quality control processes are complete, The Contractor will coordinate with the incumbent vendor to download the full database for each facility at the time of cutover so that the copied data is current as of the transition date.

Flash Cutover

To avoid disruption to telephone service, The Contractor will perform a flash cut. In a flash cut, the new inmate telephone system is installed parallel to the current telephone system. The current system remains in place and functioning normally during the installation. Once the new inmate telephone system has been fully installed and has been tested and approved by the MDOC, the actual system cutover can commence. At this point in time, the facilities’ phone closet will contain both the current inmate telephone system and the Contractor’s solution, and both will be fully operational.

The only step required for cutover is to connect the inmate phones to Contractor’s integrated access devices. At a pre-agreed time, the connectors will be changed from the current inmate telephone system to the new Contractor’s Solution. The new system will be operating fully within minutes. This process ensures ongoing operation of inmate phone service without any interruptions.



The flash cutover is possible due to the centralized architecture of the Contractor's solution and the minimal amount of hardware required on-site. With the Contractor's solution, the Contractor will install an integrated access device, router, switch, and UPS on-site to connect the phones across the Contractor's network to their redundant data centers where the calls will be processed. Since the integrated access devices use the same connectors and cables as the incumbent system, transition of service requires only that the cables be swapped and all calls will begin processing on the Contractor's system. Given the small footprint required by the Contractor's solution, all hardware can be installed and tested in parallel without any disruption to the existing phone service. By transitioning service in this way, the actual cutover of phone service can be completed in a matter of seconds.

Quality Testing

Following installation at each facility the project team leader at that facility will test every phone, circuit, component and feature of the new system and will complete an exhaustive **Test and Acceptance** checklist. Installation will not be considered complete until the MDOC is satisfied that every item and service required has been delivered and is working as promised. This will be accomplished through sign off on the Test and Acceptance checklist.

120. The Contractor shall retain the current system(s) database information including inmate profiles and call records during conversion to the new system.

The Contractor will work with the incumbent provider to ensure that the current system database information is copied to the new system. The Contractor will work with the incumbent vendor to translate their proprietary database information into a useable format that can be copied into the ICM system. Once the incumbent has agreed on a standard format for the data, the Contractor will go through a sample file test process to ensure that the converted data is received and processed as planned. The Contractor will follow the quality control test plan for data transfers and will only move forward with the full database conversion once the test plan has been completed. Upon successful completion of the plan, The Contractor will transfer the current database information and then validate with the incumbent that all relevant data has been received and is complete.

The data to be transferred will include the following:

- Inmate data, such as Name, Inmate ID, PIN, PANs, and security parameters.
- Blocked numbers, free numbers, speed dials, and non-recorded numbers (such as attorneys)
- On/off times, call durations, and other relevant system parameters
- Station names and other facility specific information
- Call records

The Contractor will deposit copies of the current call records onto the new calling system, making them accessible to authorized MDOC users from any computer with an Internet connection. The State will be able to access both legacy records and new records in the same manner from their onsite workstations, office computers, home computer, laptops, etc. To do this, the Contractor will map the existing call records and recordings into their database so that a call detail records and recordings appears in the Contractor's database for each call.

The Contractor will perform all work associated with this migration; no MDOC resources, finances, time, or effort will be required.

Responsibilities of the State include:

- providing security supervision,
- assisting with getting the incumbent vendors to provide the necessary data for the migration



Using the procedure described above, the call records and records for all the legacy calls will be included and searchable with the Inmate Calling Manager (ICM) software. For day-to-day searching, playback, and investigative CD-burning purposes, investigators can rely on the flexible and open database format provided through the ICM system.

121. **The installation and transition to the new system must be completed within one-hundred and eighty (180) calendar days from Contract Execution.** The schedule is dependent on reasonable cooperation from the State and the incumbent vendor. The Contractor shall submit an **Implementation Plan** within 10 business days of the completion of the site surveys which shall identify each correctional facility. This implementation plan shall include but not be limited to; an installation date, facility site visits, training, informational literature for public and inmates, etc.
122. Upon expiration, termination, or cancellation of the Contract, the Contractor shall cooperate in an orderly transfer of responsibility and/or the continuity of the services required under the terms of the Contract to an organization designated by the MDOC.
123. The call records, call recordings, documentation, reports, data, etc., contained in the ITS shall remain the property of the MDOC.
124. All ITS inside wiring shall become the property of the MDOC at the expiration, cancellation, or termination of this Contract.
125. The Contractor shall remove its equipment, which will include all equipment, materials, and proprietary software, except those that the State owns, or will own as listed under requirements 124, 126 and 127, at the conclusion of the Contract in a manner that will allow the reuse of that wire distribution.
126. The workstations shall become the property of the MDOC at the expiration, cancellation, or termination of this Contract so that the MDOC will have access to all the call records, documentation, reports, data, etc. that are contained in the ITS.
127. The State owns all call detail records, call recordings, documentation, reports, data, etc. which shall be provided to the MDOC by the Contractor within ninety (90) days of request or termination of the Contract. The data will be in a workable, software compatible format at no cost to the MDOC.
128. The following requirement will be applicable if a commission is reinstated.
Any commissions will be due and payable by the Contractor to the MDOC at the compensation rate provided in the Contract until collect, debit and/or pre-paid calls are no longer handled by the Contractor (not to exceed ninety [90] days).
129. As correctional facilities complete the "system functionality testing" the Contractor and MDOC shall mutually agree upon the billing start date. This start date may vary from correctional facility to correctional facility depending on the completion of the "system functionality testing." The Contractor will install its systems in parallel with the incumbent vendor so that transition can be done via a flash cutover. Once the MDOC has signed off that testing is complete, the Contractor can transition service to the new system and begin billing per the agreed upon billing start date and time. The Contractor understands that the billing start date may vary from facility-to-facility depending on the completion of system functionality testing.

Billing

130. The Contractor's billing and collection process is provided below:
 - A) RESERVED
 - B) Billing process for collecting, rating, sorting, distributing and billing of calls.
Call records from each call processor will be continuously delivered over Contractor's Wide Area Network (WAN) to their central database. All records will be backed up in three redundant co-



locations and analyzed to detect inconsistencies in the calling patterns. Each call is automatically rated, both during call progression and at the conclusion for prepaid and debit calls, according to the fee structure agreed upon with each client facility. Call records will be available for clients to view online immediately after call completion. Collect-call records are formatted according to an industry standard and sent to the billing clearinghouse(s) for end-user billing through the each user's local phone company. The Contractor presently uses two billing companies: ILD Telecommunications, and BSG (Billing Solution Group). Records of all billable calls are submitted to billing agencies daily to ensure prompt payment.

- A call record is established anytime a receiver is lifted and an inmate dials one or more digits.
- A completed-call record is established when a call is dialed to a valid number and an end-user accepts the charges. Records of calls that are not completed or are misdialed are also stored in the system.
- Billing for an inmate collect call begins after the called party has positively accepted the call. If the called party does not positively accept the call, there is never a charge. If a call is accepted, the time of the call prior to positive acceptance is never billed.
- The Contractor Solution provides back-up memory and storage of all call records so that in the event of any system disruption, all files are intact and retrievable.
- The Contractor's billing agents (ILD and BSG) contract with all the major phone companies and aggregators, who in turn handle billing and collections for many of the long established smaller phone companies. This is an efficient and proven way to accurately and promptly bill almost all end-users.

C) Payment options available to the called party.

Contractor will provide for secure and easy account set up for customers and home access by logging onto the Contractor's website. The Contractor will provide information on every page of their website describing how customers can contact them via phone or email and information about Contractor's in-house, live-answered, bilingual customer service call-centers.

The Contractor can also interface with the MDOC's JPay kiosks to enable cash, debit and credit card deposits to be made immediately by all facility visitors.

The Prepaid Account Payment Channels are outlined below:

The Contractor's Speedpay Option

- Automatically connects called party to IVR after 1-minute courtesy call
- Accepts major credit cards
- Funds available within 15 minutes
- No minimum deposit or service fees
- Users able to request refunds on prepaid accounts only
- Able to fund multiple prepaid accounts with one transaction

Toll Free Automated Pay by Phone

- 888-847-3206
- Available 24/7/365
- Accepts major credit cards
- Funds available within 15 minutes
- No minimum deposit or service fees
- Users able to request refunds on prepaid accounts only
- Able to fund multiple prepaid accounts with one transaction

e-Commerce Website

- www.pcstelcom.com
- Available 24/7/365
- Accepts major credit cards
- Funds available within 15 minutes



- **No minimum deposit or service fees**
- Users able to request refunds on prepaid accounts only
- Able to fund multiple prepaid accounts with one transaction
- Account management capabilities
- User-friendly informative website answering customer FAQs

Live Customer Care Call Center

- 888-288-9879
- Toll-free number
- Friendly, knowledgeable customer service representatives
- CPNI Compliant
- Accepts payments via major credit cards
- Funds available within 15 minutes
- No minimum deposit and service fees
- Users able to add refunds to prepaid or debit accounts
- Users can obtain account information and calling rates
- Able to fund multiple prepaid accounts with one transaction

Western Union

- 50,000+ locations nationwide
- Accepts cash only from Western Union locations in the continental United States
- Funds available within 15 minutes
- User needs to have an existing prepaid account
- Minimum deposit required by Western Union and Western Union service fee applicable
- Visit www.westernunion.com to find the nearest Western Union Center

MoneyGram

- 26,000+ locations nationwide – including Wal-Mart locations
- Accepts cash only from MoneyGram locations in the continental United States
- Funds available within 15 minutes
- User needs to have an existing prepaid account
- Minimum deposit required by MoneyGram and MoneyGram service fee applicable
- Visit www.moneygram.com to find the nearest MoneyGram location

Pay By Mail

- **No service fee**
- Accepts money orders
- Subject to a minimum deposit
- Takes up to five (5) business days from when the Contractor receives the check until money is added to the account
- Users able to request refunds on prepaid accounts only
- Toll-free number for customer support

D) Thresholds that will be imposed upon the called party.

The Contract sets various thresholds for called-parties of collect calls in order to avoid fraud and bad debt. These thresholds can be set differently for each individual billed-to number or globally for all numbers dialed from a particular facility. Typically an outside number is allowed to receive \$150-\$200 of collect calls before a monthly phone bill must be paid or a prepaid account set-up, and no more than \$50 in one day can be billed to a single outside number. This protects the community from fraud attempts involving identity theft.

To ensure that the called party is aware of the cost of collect-calls and their collect call balance, an automated operator contacts the billed-to number when that number is nearing the high-toll threshold and again when that pre-set threshold has been reached. To minimize called-party inconvenience The Contractor offers non-collect calling options which allow the called party to



easily manage their own monthly calling costs and prevent the Contractor and their partners from accruing uncollectible debts.

Each call is put through an automated call-validation process which includes Billed Number screening, Public Telephone Check, comparison with high-toll tables, call thresholds, a check for payment transaction fraud or irregularities in pre-paid accounts, and other proprietary fraud management procedures.

When a threshold is triggered an appropriate response will be produced.

E) Process for customer service inquiries and hours of availability.

Customers who accept calls from any of the Contractor’s-served correctional facilities may call a dedicated toll free number: (888) 288-9879. **This number is staffed with live representatives 24x7, seven days a week, with average wait times of less than 30 seconds.** The Customer Service Representatives handle issues such as setting up prepaid accounts, customer billing, call rate inquiries, disputes, credits, refunds, complaints, and questions.

The Contractor will provide callers with accurate information; efficient, live call-handling; and a streamlined and user-friendly off-hours automated system.

The Contractor’s Customer Service Representatives (CSRs) will be constantly monitored, and they will be tested, scored, and trained on the services they provide. The Contractor will use these findings to identify areas in which additional training could be utilized to further enhance our customers’ experiences with their service team.

Monitoring all customer service interactions opens a portal for customer feedback and allows the Contractor to proactively address customer needs and respond to complaints as soon as they are voiced. By constantly monitoring, testing, and training our Customer Service Representatives, the Contractor can ensure that the information they provide is accurate, complete, and up to date, and that the services they administer—such as prepaid account set-up—are conducted in a simple and efficient manner.

Customer support is also available 24 hours a day through a customer service line’s automated prompt options. And customers may visit Contractors website any time to enroll in a prepaid program or to obtain more information about offered products and services.

F) Description of the time when the billing for an inmate call begins.

Billing for an inmate call begins after the called party positively accepts the call, and not before. If the called party does not positively accept the call, there is no charge. If a call is accepted, that portion of the call that takes place before positive acceptance is never billed.

G) Description of additional fees, charged on the end user’s telephone bill (i.e. billing fee, etc.).

The Contractor will charge only those fees identified in Exhibit 5P.

131. A community member who has had a block placed on their line can have their number unblocked immediately by calling the Contractor’s toll-free Customer Service line and either making a payment or giving verbal approval for the Contractor to call their phone company and confirm with the phone company that their bill has been paid.

1.030 Roles and Responsibilities

1.031 Contractor Staff, Roles, and Responsibilities



The following Contractor account managers are considered Key Personnel and may be subject to the State’s interview and approval process. Any key staff substitutions must have the prior approval of the State:

- Major Account Executive - Chris Moore
- Major Account Executive - Andrew Merrill

The Contractor’s project team will be led by Chris Moore, Contractor’s Key Account Program Manager and Solutions Engineer. The Key Account Program Manager and Solutions Engineer is certified as a Project Management Professional (PMP) by the Project Management Institute (PMI) and will manage the project team, to ensure that every detail of the plan is precisely implemented.

The project team will be accountable to the MDOC and will provide weekly progress reports throughout the course of the project. All aspects of the systems and services implementation will be precisely designed and executed to **avoid service disruptions to operation of the existing phone system**.

The Contractor will provide site administrators for the administration of the ITS and technicians for the maintenance and repair of the inmate phone system. The Contractor will work the MDOC to ensure the right number of Site Administrators are available to meet the State’s needs. In addition, The Contractor’s technicians are located strategically throughout the State of Michigan. The Contractor also has two (2) site administrators currently in Hamtramck, Michigan who service the Wayne County inmate phone system who may provide backup assistance to the State in the event of an emergency. The service structure developed for the Michigan MDOC specifically includes the following.

- Site administrators located on-site where designated by the State
- Four (4) Field Technicians located throughout the State
- Backup personnel in Hamtramck, Michigan
- Network and Technical Services Center in Dallas, Texas
- Four (4) end user call centers located in Texas, California, and Mexico
- One (1) call center exclusively dedicated to addressing facility concerns 24x7x365
- One (1) end user call center located in Michigan, employing a minimum of 15 Michigan Residents.

In the table below, the Contractor has provided the names, titles, locations, and functional roles of personnel who will provide support to the State of Michigan throughout the life of the contract after implementation.

Name & Title	Location	Full (FT) or Part Time (PT)	Functional Role
Andrew Merrill, Account Executive	Sacramento, CA	FT	Contractual Management
Chris Moore, Program Manager and Account Executive	Greensboro, NC	FT	System design, Project Management, Implementation escalations and Contract Management.
Eric Gonzalez, Client Services Manager	Fort Worth, TX	PT	Responsible for training and post-implementation.
Janna Trowbridge, ShawnTech Lead Field Technical Engineer *Key Personnel per section 2.062	Grayling, MI	FT	Maintenance and repair of the inmate phone system.
Todd Poullion,	Jackson, MI	FT	Maintenance and repair of the inmate



Name & Title	Location	Full (FT) or Part Time (PT)	Functional Role
ShawnTech Field Technical Engineer *Key Personnel per section 2.062			phone system.
Tim Dolan, ShawnTech Field Technical Engineer *Key Personnel per section 2.062	Coleman, MI	FT	Maintenance and repair of the inmate phone system.
Tony Belpedio, ShawnTech Field Technical Engineer *Key Personnel per section 2.062	Ishpeming, MI	FT	Maintenance and repair of the inmate phone system.
Andre Ballard, Site Administrator/Technician	Hamtramck, MI	PT	Wayne County Site Administrator/Technician who will provide backup assistance to MDOC Site Administrators and ShawnTech technicians, if needed.
Site Administrators, Will hire as needed upon contract award	Throughout Michigan, as designated by the State	FT or PT as needed	Assist with running reports, burning CDs, monitoring calls, and PIN & PAN administration as needed
Rita Simerly, Backup Site Administrator	Hamtramck, MI	PT	Wayne County Site Administrator who will provide backup assistance to MDOC Site Administrators, if needed.

Subcontractors

The Contractor has partnered with ShawnTech Communications, Inc.

ShawnTech Communications, Inc.

ShawnTech Communications, Inc. is an Ohio based Corporation with its principal location at One Aset Centre, suite 102 Vandalia, Ohio 45377. ShawnTech is a certified Minority Business Enterprise (MBE). Lance S. Fancher (937) 898-4900 is President and CEO. ShawnTech Communications, Inc. will provide installation and maintenance services for the MDOC.

ShawnTech will provide four technicians to cover ITS maintenance throughout the life of the contract. These technicians will maintain all on-site hardware and telephones in good working order and in compliance with equipment manufacturers’ specifications throughout the life of the contract.

- The Contract may require frequent visits to MDOC correctional facilities. Upon request by the State, The Contractor shall provide the results of all security background checks.

The Contractor and its subcontractors shall comply with the security access requirements of individual State facilities; see section 2.051, Background Checks and Security.



Regardless of any background screenings performed by placement agencies, the Contractor will conduct an independent background check on everyone considered for employment.

The Contractor’s installation team members and Client Services representatives who will be onsite at Michigan’s correctional facilities for installation are routinely submitted for clearance by correctional departments and have a half a dozen background checks or more a year run on them.

While the Contractor’s personnel are working at a secure facility they will wear uniforms with the Contractor’s name on the shirt and will also wear any ID badge provided by the facility.

All technicians and Contractor Site Administrators will be required to pass and maintain an acceptable criminal history background check and drug testing as required by the Michigan Department of Corrections.

All service and installation personnel will, at the sole option of the Michigan Department of Corrections, be subject to security checks, required to be accompanied by MDOC Security staff while on institutional grounds and that the MDOC reserves the right to refuse entry to any of Contractor personnel for security reasons.

The Contractor will provide Michigan Department of Corrections a current list of all service and installation personnel, which will be entering any institution. The list will be kept up to date, with the MDOC notified of any changes within twenty-four (24) hours and at least forty-eight (48) hours prior to entry of any new personnel.

1.040 Project Plan

1.041 Project Plan Management

The Contractor shall provide a Project Plan that will include the necessary time frames and deliverables for the various stages of the project and the responsibilities and obligations of both the Contractor and the State.

1. In particular, the Project Plan will include a MS Project plan (or an equivalent tool, if and only if pre-approved):
 - a. A description of the deliverables to be provided under this contract.
 - b. Target dates and critical paths for the deliverables.
 - c. Identification of roles and responsibilities, including the organization responsible. Contractor is to provide a roles and responsibility matrix.
 - d. The labor, hardware, materials and supplies required to be provided by the State in meeting the target dates established in the Project Plan.
 - e. Internal milestones.
 - g. Task durations.
2. The Project Plan shall include key deliverables
3. The Project Plan shall include general approach/handling of the following:
 - a. Communications Plan.
 - b. Quality Management Plan.
 - c. Change Management Plan.
 - d. Risk Management Plan.
 - e. Resource/Staffing Plan.
 - f. Procurement Plan.

Orientation Meeting

If requested by SOM, upon 15 calendar days from execution of the Contract, the Contractor shall be required to attend an orientation meeting to discuss the content and procedures of the Contract. The meeting will be held in Lansing, Michigan, at a date and time mutually acceptable to the State and the



Contractor. The State shall bear no cost for the time and travel of the Contractor for attendance at the meeting.

1.042 Reports

See Reporting Requirements 50-55 in section 1.022 Work and Deliverable

1. The Contractor will provide reporting and querying methods and capabilities which provide maximum flexibility, a user friendly interface, speed, efficiency and accuracy at both central and remote sites. The system including without limitation the ability of the system to access reports or a subset of reports to designated MDOC personnel by password or other structured access.

Central & Remote Access

MDOC staff will be able to access all of the ICM's features—based on their user permissions—whether they are onsite or accessing the system remotely. The system will allow MDOC staff to access the system from any PC with Internet connectivity. There is never a need to install proprietary software on each PC, nor to constantly install and upgrade java applets.

Remote access to the system is through a Secure Sockets Layer (SSL) and access over the public Internet is through a Virtual Private Network (VPN).

Password-Protected, Structured Access

In order to access the Contractor's system, each user must login with a valid user name and password. To login to the ITS, users simply log into <http://www.pcsicm.com> and enter a valid user name, password, and facility number.

Each user has an assigned role, which gives them permission to access certain functions and not others. Administrators create a role and assign privileges to that role in the User Management screen. Once the role Login Screen has been created and given a name, it can then be assigned to a user. Roles can be used as assigned pre-set security access levels, or roles may be created specifically for an individual user. Those with administrator level access will be able to create and assign roles to other users. Each role can be allowed to use only those ICM features that the administrators permit them when creating or editing that role.

Accessing Reports

Once the user selects the parameters of the report, the users can listen to call recordings, access inmate and called party information, print reports and more.

2. Standard Reports

All reports will be accessible from the desktop workstations accessed by MDOC staff. Access to reports will be secure, password-controlled, and administered by the State. These reports will be fully customizable to suit the State's needs. Standard facility reports may be generated and saved for later use, requiring only a date parameter to generate the next report. The following list includes just some of the standard reports available.

- List of calls made on which an alert had been set by inmate calling, for a designated time period
- List of numbers called by more than one inmate during a designated period.
- List of calls made for which an alert had been set on the dialed telephone number, for a designated time period
- List of all telephone numbers blocked by the facility
- List of the telephone numbers and emails to which alerts have been sent
- List of all telephone numbers that are blocked in all facilities of the agency.
- List of alerts that have been set and the numbers and email to be notified for each alert
- List of completed calls made by an inmate over a designated time period
- List of numbers dialed by multiple inmates
- List of frequently dialed numbers



- List of numbers on the allowed list of one inmate, or all inmates.
 - List of calls attempted with an invalid PIN for that facility
 - List of numbers on the allowed list of more than one inmate.
 - List of all call attempts over a designated period (all call records)
 - List of inmates that are allowed to call a particular number
 - Call attempts shown by stop type: unanswered, refused, accepted, etc.
 - List of inmates who have called a particular number during a designated period.
 - Statistical compilation of call records by call type
 - Count of all calls attempted and connected over a designated period of time
 - Call attempts shown by bill type: debit, collect, pre-paid collect, free
 - List of inmates with telephone accounts suspended
 - List of call records for a specific inmate
 - List of all calls made where extra dialed digits were detected
 - List of inmates released and removed from the inmate telephone system.
 - List of all inmates at a facility
 - List of all calls made to a particular telephone number
 - List of all transactions for an inmate over a designated period, including calls attempted and completed, financial transactions, and changes to the inmate's telephone account.
 - List of telephone numbers called more than a specified number of times over a specified period (time period and call frequency specified by the investigator)
 - List of every outside number which has been called by more than one inmate PIN or card.
 - List of all call attempts where a three-way call attempt was detected.
 - List of all toll-free numbers called by inmates
3. The System will produce monitoring reports that can be provided or sorted by any or all of the following criteria shall include, but are not limited to:
- Daily statistical reports
 - Correctional facility name
 - Originating number
 - Terminating number
 - Date of call
 - Time of day
 - Length of call
 - Type of call
 - PIN number
 - Frequently called numbers (for all numbers called more than five times in one day)
 - Common numbers called (for all numbers called by more than one inmate)
 - Originating station
 - Bill type
4. The System will produce billing reports that can be provided or sorted by any or all of the following criteria:
- Call detail report
 - Amount charged per call
 - Gross revenue
 - Daily statistics
 - Monthly statistics
 - Called party/number accepting report
 - Fraud/velocity report
 - Separate correctional facility totals and statistics
 - All correctional facility totals and statistics
 - Total calls



- Calls by date
- Time of day
- Length of call

The Contractor will provide a Monthly Revenue and Usage Report in Excel Format, which will allow all data to be sorted by any or all of the above criteria. In addition, reports can be run at any time by any authorized ICM user by logging onto the ICM. In the ICM, call data can be sorted easily by all of the above criteria, as well.

5. The ITS shall be capable, upon request by the MDOC, to provide specific information for tracking inmate calling activities and calling patterns by individual telephone numbers. The following reports shall be available for monitoring purposes:

- PANs per inmate or identifying number
- Calls by PIN or other identifying number

For a complete description of these features, see Requirement #54 in section 1.022 Work and Deliverable.

6. The ITS shall also provide the capability to customize reports in a form mutually agreed upon by the MDOC and the Contractor.

7. Additional Reports and Meetings requirements:

(a) Reports.

Within thirty (30) days after the Effective Date, the parties shall determine an appropriate set of periodic reports to be issued by Contractor to the State. Such reports may include:

- (i) separately address Contractor’s performance in each area of the Services;
- (ii) for each area of the Services, assess the degree to which Contractor has attained or failed to attain the pertinent objectives in that area, including on-time completion and delivery of Deliverables;
- (iii) explain the reasons for any failure to achieve on-time completion and delivery of Deliverables and include a plan for corrective action where appropriate;
- (iv) describe any circumstances that Contractor anticipates will impair or prevent on-time completion and delivery of Deliverables in upcoming reporting periods;
- (v) include plans for corrective action or risk mitigation where appropriate and describe the status of ongoing problem resolution efforts;
- (vi) provide reports setting forth a comparison of actual hours spent by Contractor (including its augmented personnel and Subcontractors) in performing the Project versus hours budgeted by Contractor.
- (vii) set forth a record of the material personnel changes that pertain to the Services and describe planned changes during the upcoming month that may affect the Services.
- (viii) include such documentation and other information may be mutually agreed to verify compliance with, and meeting the objectives of, this Contract.
- (ix) set forth an updated schedule that provides information on the status of upcoming Deliverables, expected dates of delivery (or redelivery) of such Deliverables and estimates on timing for completion of the Project.

(b) Meetings.

Within thirty (30) days after the Effective Date, the parties shall determine an appropriate set of meetings to be held between representatives of the State and Contractor. Contractor shall prepare and circulate an agenda sufficiently in advance of each such meeting to give participants an opportunity to prepare for the meeting. Contractor shall incorporate into such agenda items that the State desires to discuss. At the State’s request, Contractor shall prepare and circulate minutes promptly after a meeting.



1.050 Acceptance

1.051 Criteria

The State Project Manager will sign off on the completion of each successful implementation at each facility. Acceptance will occur when the equipment has been installed and is operating per the Contract requirements within the correctional facility.

1.052 Final Acceptance

Final acceptance is expressly conditioned upon completion of all deliverables and/or milestones, completion of all tasks in the project plan as approved, completion of all applicable inspection and/or testing procedures, and the certification by the State Project Manager that the Contractor has met the defined requirements of a successfully operating Inmate Telephones System.

1.060 Contract Pricing

1.061 Contract Pricing

Pricing is provided in **Exhibit 5P**. Pricing for Optional services are Provided in **Exhibit 6P**.

Contractor's out-of-pocket expenses are not separately reimbursable by the State unless, on a case-by-case basis for unusual expenses, the State has agreed in advance and in writing to reimburse Contractor for the expense at the State's current travel reimbursement rates. See www.michigan.gov/dmb for current rates.

1.062 Price Term

This Contract will be a fixed price for the duration of this Contract.

1.063 Tax Excluded from Price

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

(b) Federal Excise Tax: The State may be exempt from Federal Excise Tax, or the taxes may be reimbursable, if articles purchased under any resulting Contract are used for the State's exclusive use. Certificates showing exclusive use for the purposes of substantiating a tax-free, or tax-reimbursable sale will be sent upon request. If a sale is tax exempt or tax reimbursable under the Internal Revenue Code, prices must not include the Federal Excise Tax.



Article 2, Terms and Conditions

2.000 Contract Structure and Term

2.001 Contract Term

This Contract is for a period of five (5) years beginning February 9, 2011 through February 8, 2016. All outstanding Purchase Orders must also expire upon the termination (cancellation for any of the reasons listed in **Section 2.150**) of the Contract, unless otherwise extended under 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.

2.002 Options to Renew

This Contract may be renewed in writing by mutual agreement of the parties not less than 30 days before its expiration. The Contract may be renewed for up to two (2) additional one (1) year periods.

2.003 Legal Effect

Contractor shall show acceptance of this Contract by signing two copies of the Contract and returning them to the Contract Administrator. The Contractor shall not proceed with the performance of the work to be done under the Contract, including the purchase of necessary materials, until both parties have signed the Contract to show acceptance of its terms, and the Contractor receives a contract release/purchase order that authorizes and defines specific performance requirements.

Except as otherwise agreed in writing by the parties, the State assumes no liability for costs incurred by Contractor or payment under this Contract, until Contractor is notified in writing that this Contract (or Change Order) has been approved by the State Administrative Board (if required), approved and signed by all the parties, and a Purchase Order against the Contract has been issued.

2.004 Attachments & Exhibits

All Attachments and Exhibits affixed to any and all Statement(s) of Work, or appended to or referencing this Contract, are incorporated in their entirety and form part of this Contract.

2.005 Ordering

The State will issue a written Purchase Order, Blanket Purchase Order, Direct Voucher or Procurement Card Order, which must be approved by the Contract Administrator or the Contract Administrator's designee, to order any Services/Deliverables under this Contract. All orders are subject to the terms and conditions of this Contract. No additional terms and conditions contained on either a Purchase Order or Blanket Purchase Order apply unless they are also specifically contained in that Purchase Order's or Blanket Purchase Order's accompanying Statement of Work. Exact quantities to be purchased are unknown, however, the Contractor will be required to furnish all such materials and services as may be ordered during the CONTRACT period. Quantities specified, if any, are estimates based on prior purchases, and the State is not obligated to purchase in these or any other quantities.

2.006 Order of Precedence

(a) The Contract, including any Statements of Work and Exhibits, to the extent not contrary to the Contract, each of which is incorporated for all purposes, constitutes the entire agreement between the parties with respect to the subject matter and supersedes all prior agreements, whether written or oral, with respect to the subject matter and as additional terms and conditions on the purchase order must apply as limited by **Section 2.005**.

(b) In the event of any inconsistency between the terms of the Contract and a Statement of Work, the terms of the Statement of Work will take precedence (as to that Statement of Work only); provided, however, that a Statement of Work may not modify or amend the terms of the Contract, which may be modified or amended only by a formal Contract amendment.



2.007 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 the Contract.

2.008 Form, Function & Utility

If the Contract is for use of more than one State agency and if the Deliverable/Service does not meet the form, function, and utility required by that State agency, that agency may, subject to State purchasing policies, procure the Deliverable/Service from another source.

2.009 Reformation and Severability

Each provision of the Contract is severable from all other provisions of the Contract and, if one or more of the provisions of the Contract is declared invalid, the remaining provisions of the Contract remain in full force and effect.

2.010 Consents and Approvals

Except as expressly provided otherwise in the Contract, if either party requires the consent or approval of the other party for the taking of any action under the Contract, the consent or approval must be in writing and must not be unreasonably withheld or delayed.

2.011 No Waiver of Default

If a party fails to insist upon strict adherence to any term of the Contract then the party has not waived the right to later insist upon strict adherence to that term, or any other term, of the Contract.

2.012 Survival

Any provisions of the Contract that impose continuing obligations on the parties, including without limitation the parties' respective warranty, indemnity and confidentiality obligations, survive the expiration or termination of the Contract for any reason. Specific references to survival in the Contract are solely for identification purposes and not meant to limit or prevent the survival of any other section.

2.020 Contract Administration

2.021 Issuing Office

This Contract is issued by the Department of Technology, Management and Budget, Purchasing Operations and the Michigan Department of Corrections (collectively, including all other relevant State of Michigan departments and agencies, the "State"). Purchasing Operations is the sole point of contact in the State with regard to all procurement and contractual matters relating to the Contract. Purchasing Operations **is the only State office authorized to change, modify, amend, alter or clarify the prices, specifications, terms and conditions of this Contract.** The Contractor Administrator within Purchasing Operations for this Contract is:

Steve Motz, Buyer
Purchasing Operations
Department of Technology, Management and Budget
Mason Bldg, 2nd Floor
PO Box 30026
530 West Allegan
Lansing, MI 48909
Email: motzs@michigan.gov
Phone: (517) 241-3215

2.022 Contract Compliance Inspector (CCI)

After DTMB-PurchOps receives the properly executed Contract, it is anticipated that the Director of Purchasing Operations, in consultation with Michigan Department of Corrections, will direct the person named below, or any other person so designated, to monitor and coordinate the activities for the Contract on a day-to-day basis during its term. However, monitoring of this Contract implies **no authority to change, modify, clarify,**



amend, or otherwise alter the prices, terms, conditions and specifications of the Contract as that authority is retained by DTMB Purchasing Operations. The Contract Compliance Inspectors for this Contract are:

Cheryl Groves
Administrative Lead
Michigan Department of Corrections
PO Box 30003
Lansing, MI 48909
Email: grovesc@michigan.gov
Phone: (517) 373-0287
Fax: (517) 373-3882

Larry Brown
Technical Lead
Michigan Department of Corrections
PO Box 5000
Carson City, MI 48846
Email: brownlh@michigan.gov
Phone: (989) 584-3941 ext 2135

2.023 Project Manager

The following individual will oversee the project from an executive level:

Edward E. Mize
Michigan Department of Corrections
PO Box 30003
Lansing, MI 48909
Email: mizeeee@michigan.gov
Phone: (517) 335-1385
Fax: (517) 373-3882

2.024 Change Requests

The State reserves the right to request from time to time any changes to the requirements and specifications of the Contract and the work to be performed by the Contractor under the Contract. During the course of ordinary business, it may become necessary for the State to discontinue certain business practices or create Additional Services/Deliverables. At a minimum, to the extent applicable, the State would like the Contractor to provide a detailed outline of all work to be done, including tasks necessary to accomplish the services/deliverables, timeframes, listing of key personnel assigned, estimated hours for each individual per task, and a complete and detailed cost justification.

If the Contractor does not so notify the State, the Contractor has no right to claim thereafter that it is entitled to additional compensation for performing that service or providing that deliverable.

Change Requests:

(a) By giving Contractor written notice within a reasonable time, the State must be entitled to accept a Contractor proposal for Change, to reject it, or to reach another agreement with Contractor. Should the parties agree on carrying out a Change, a written Contract Change Notice must be prepared and issued under this Contract, describing the Change and its effects on the Services and any affected components of this Contract (a "Contract Change Notice").

(b) No proposed Change must be performed until the proposed Change has been specified in a duly executed Contract Change Notice issued by the Department of Technology, Management and Budget, Purchasing Operations.



(c) If the State requests or directs the Contractor to perform any activities that Contractor believes constitute a Change, the Contractor must notify the State that it believes the requested activities are a Change before beginning to work on the requested activities. If the Contractor fails to notify the State before beginning to work on the requested activities, then the Contractor waives any right to assert any claim for additional compensation or time for performing the requested activities. If the Contractor commences performing work outside the scope of this Contract and then ceases performing that work, the Contractor must, at the request of the State, retract any out-of-scope work that would adversely affect the Contract.

2.025 Notices

Any notice given to a party under the Contract must be deemed effective, if addressed to the 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 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.

State:

Steve Motz, Buyer
Purchasing Operations
Department of Technology, Management and Budget
PO Box 30026
530 West Allegan
PO Box 30026
Lansing, MI 48909

Contractor: See Cover Page of RFP for Contact information

Either party may change its address where notices are to be sent by giving notice according to this Section.

2.026 Binding Commitments

Representatives of Contractor must have the authority to make binding commitments on Contractor's behalf within the bounds set forth in the table. Contractor may change the representatives from time to time upon written notice.

2.027 Relationship of the Parties

The relationship between the State and Contractor is that of client and independent contractor. No agent, employee, or servant of Contractor or any of its Subcontractors must be or must be deemed to be an employee, agent or servant of the State for any reason. Contractor will be solely and entirely responsible for its acts and the acts of its agents, employees, servants and Subcontractors during the performance of the Contract.

2.028 Covenant of Good Faith

Each party must act reasonably and in good faith. Unless stated otherwise in the Contract, the parties will not unreasonably delay, condition or withhold the giving of any consent, decision or approval that is either requested or reasonably required of them in order for the other party to perform its responsibilities under the Contract.

2.029 Assignments

(a) Neither party may assign the Contract, or assign 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 other party; provided, however, that the State may assign the Contract to any other State agency, department, division or department without the prior consent of Contractor and Contractor may assign the Contract to an affiliate so long as the affiliate is adequately capitalized and can provide adequate assurances that the affiliate can perform the Contract. The State may withhold consent from proposed assignments, subcontracts, or novations when the transfer of responsibility would operate to decrease the State's likelihood of receiving performance on the Contract or the State's ability to recover damages.



(b) Contractor may not, without the prior written approval of the State, assign its right to receive payments due under the Contract. If the State permits an assignment, the Contractor is not relieved of its responsibility to perform any of its contractual duties, and the requirement under the Contract that all payments must be made to one entity continues.

(c) If the Contractor intends to assign the contract or any of the Contractor's rights or duties under the Contract, the Contractor must notify the State in writing at least 90 days before the assignment. The Contractor also must provide the State with adequate information about the assignee within a reasonable amount of time before the assignment for the State to determine whether to approve the assignment.

2.030 General Provisions

2.031 Media Releases

News releases (including promotional literature and commercial advertisements) pertaining to the RFP and Contract or project to which it relates shall not be made without prior written State approval, and then only in accordance with the explicit written instructions from the State. No results of the activities associated with the RFP and Contract are to be released without prior written approval of the State and then only to persons designated.

2.032 Contract Distribution

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

2.033 Permits

Contractor must obtain and pay any associated costs for all required governmental permits, licenses and approvals for the delivery, installation and performance of the Services. The State must pay for all costs and expenses incurred in obtaining and maintaining any necessary easements or right of way.

2.034 Website Incorporation

The State is not 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 the content and has expressly agreed to be bound by it in a writing that has been manually signed by an authorized representative of the State.

2.035 Future Bidding Preclusion

Contractor acknowledges that, to the extent this Contract involves the creation, research, investigation or generation of a future RFP, it may be precluded from bidding on the subsequent RFP. The State reserves the right to disqualify any bidder if the State determines that the bidder has used its position (whether as an incumbent Contractor, or as a Contractor hired to assist with the RFP development, or as a Vendor offering free assistance) to gain a competitive advantage on the RFP.

2.036 Freedom of Information

All information in any proposal submitted to the State by Contractor and this Contract is subject to the provisions of the Michigan Freedom of Information Act, 1976 Public Act No. 442, as amended, MCL 15.231, et seq (the "FOIA").

2.037 Disaster Recovery

Contractor and the State recognize that the State provides essential services in times of natural or man-made disasters. Therefore, except as so mandated by Federal disaster response requirements, Contractor personnel dedicated to providing Services/Deliverables under this Contract will provide the State with priority service for repair and work around in the event of a natural or man-made disaster.

2.040 Financial Provisions

**2.041 Fixed Prices for Services/Deliverables**

Each Statement of Work or Purchase Order issued under this Contract shall specify (or indicate by reference to the appropriate Contract Exhibit) the firm, fixed prices for all Services/Deliverables, and the associated payment milestones and payment amounts. The State 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.

2.042 Adjustments for Reductions in Scope of Services/Deliverables

If the scope of the Services/Deliverables under any Statement of Work issued under this Contract is subsequently reduced by the State, the parties shall negotiate an equitable reduction in Contractor's charges under such Statement of Work commensurate with the reduction in scope.

2.043 Services/Deliverables Covered

For all Services/Deliverables to be provided by Contractor (and its Subcontractors, if any) under this Contract, the State shall not be obligated to pay any amounts in addition to the charges specified in this Contract.

2.044 Invoicing and Payment – In General

(a) Each Statement of Work issued under this Contract shall list (or indicate by reference to the appropriate Contract Exhibit) the prices for all Services/Deliverables, equipment and commodities to be provided, and the associated payment milestones and payment amounts.

(b) Each Contractor invoice will show details as to charges by Service/Deliverable component and location at a level of detail reasonably necessary to satisfy the State's accounting and charge-back requirements. Invoices for Services performed on a time and materials basis will show, for each individual, the number of hours of Services performed during the billing period, the billable skill/labor category for such person and the applicable hourly billing rate. Prompt payment by the State is contingent on the Contractor's invoices showing the amount owed by the State minus any holdback amount to be retained by the State.

(c) Correct invoices will be due and payable by the State, in accordance with the State's standard payment procedure as specified in 1984 Public Act No. 279, MCL 17.51 et seq., within 45 days after receipt, provided the State determines that the invoice was properly rendered.

(d) All invoices should reflect actual work done. Specific details of invoices and payments will be agreed upon between the Contract Administrator and the Contractor after the proposed Contract Agreement has been signed and accepted by both the Contractor and the Director of Purchasing Operations, Department of Management & Budget. This activity will occur only upon the specific written direction from Purchasing Operations.

The specific payment schedule for any Contract(s) entered into, as the State and the Contractor(s) will mutually agree upon. 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.

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.

2.045 Pro-ration

To the extent there are any Services that are to be paid for on a monthly basis, the cost of such Services shall be pro-rated for any partial month.

2.046 Antitrust Assignment

The Contractor assigns to the State any claim for overcharges resulting from antitrust violations to the extent that those violations concern materials or services supplied by third parties to the Contractor, toward fulfillment of this Contract.

**2.047 Final Payment**

The making of final payment by the State to Contractor does not constitute a waiver by either party of any rights or other claims as to the other party's continuing obligations under the Contract, nor will it constitute a waiver of any claims by one party against the other arising from unsettled claims or failure by a party to comply with this Contract, including claims for Services and Deliverables not reasonably known until after acceptance to be defective or substandard. Contractor's acceptance of final payment by the State under this Contract shall constitute a waiver of all claims by Contractor against the State for payment under this Contract, other than those claims previously filed in writing on a timely basis and still unsettled.

2.048 Electronic Payment Requirement

Electronic transfer of funds is required for payments on State Contracts. Contractors are required to register with the State electronically at <http://www.cpexpress.state.mi.us>. As stated in Public Act 431 of 1984, all contracts that the State enters into for the purchase of goods and services shall provide that payment will be made by electronic fund transfer (EFT).

2.050 Taxes**2.051 Employment Taxes**

Contractors are expected to collect and pay all applicable federal, state, and local employment taxes, including the taxes.

2.052 Sales and Use Taxes

Contractors are required to be registered and to remit sales and use taxes on taxable sales of tangible personal property or services delivered into the State. Contractors that lack sufficient presence in Michigan to be required to register and pay tax must do so as a volunteer. This requirement extends to: (1) all members of any controlled group as defined in § 1563(a) of the Internal Revenue Code and applicable regulations of which the company is a member, and (2) all organizations under common control as defined in § 414(c) of the Internal Revenue Code and applicable regulations of which the company is a member that make sales at retail for delivery into the State are registered with the State for the collection and remittance of sales and use taxes. In applying treasury regulations defining "two or more trades or businesses under common control" the term "organization" means sole proprietorship, a partnership (as defined in § 701(a)(2) of the Internal Revenue Code), a trust, an estate, a corporation, or a limited liability company.

2.060 Contract Management**2.061 Contractor Personnel Qualifications**

All persons assigned by Contractor to the performance of Services under this Contract must be employees of Contractor or its majority-owned (directly or indirectly, at any tier) subsidiaries (or a State-approved Subcontractor) and must be fully qualified to perform the work assigned to them. Contractor must include a similar provision in any subcontract entered into with a Subcontractor. For the purposes of this Contract, independent contractors engaged by Contractor solely in a staff augmentation role must be treated by the State as if they were employees of Contractor for this Contract only; however, the State understands that the relationship between Contractor and Subcontractor is an independent contractor relationship.

2.062 Contractor Key Personnel

- (a) The Contractor must provide the Contract Compliance Inspector with the names of the Key Personnel.
- (b) Key Personnel must be dedicated as defined in the Statement of Work to the Project for its duration in the applicable Statement of Work with respect to other individuals designated as Key Personnel for that Statement of Work.
- (c) The State will have the right to recommend and approve in writing the initial assignment, as well as any proposed reassignment or replacement, of any Key Personnel. Before assigning an individual to any Key Personnel position, Contractor will notify the State of the proposed assignment, will introduce the individual to the appropriate State representatives, and will provide the State with a resume and any other information about the individual reasonably requested by the State. The State reserves the right to interview the individual before



granting written approval. In the event the State finds a proposed individual unacceptable, the State will provide a written explanation including reasonable detail outlining the reasons for the rejection.

(d) Contractor must not remove any Key Personnel from their assigned roles on the Contract without the prior written consent of the State. The Contractor's removal of Key Personnel without the prior written consent of the State is an unauthorized removal ("Unauthorized Removal"). Unauthorized Removals does not include replacing Key Personnel for reasons beyond the reasonable control of Contractor, including illness, disability, leave of absence, personal emergency circumstances, resignation or for cause termination of the Key Personnel's employment. Unauthorized Removals does not include replacing Key Personnel because of promotions or other job movements allowed by Contractor personnel policies or Collective Bargaining Agreement(s) as long as the State receives prior written notice before shadowing occurs and Contractor provides 30 days of shadowing unless parties agree to a different time period. The Contractor with the State must review any Key Personnel replacements, and appropriate transition planning will be established. Any Unauthorized Removal may be considered by the State to be a material breach of the Contract, in respect of which the State may elect to exercise its termination and cancellation rights.

(e) The Contractor must notify the Contract Compliance Inspector and the Contract Administrator at least 10 business days before redeploying non-Key Personnel, who are dedicated to primarily to the Project, to other projects. If the State does not object to the redeployment by its scheduled date, the Contractor may then redeploy the non-Key Personnel.

2.063 Re-assignment of Personnel at the State's Request

The State reserves the right to require the removal from the Project of Contractor personnel found, in the judgment of the State, to be unacceptable. The State's request must be written with reasonable detail outlining the reasons for the removal request. Additionally, the State's request must be based on legitimate, good-faith reasons. Replacement personnel for the removed person must be fully qualified for the position. If the State exercises this right, and the Contractor cannot immediately replace the removed personnel, the State agrees to an equitable adjustment in schedule or other terms that may be affected by the State's required removal. If any incident with removed personnel results in delay not reasonably anticipatable under the circumstances and which is attributable to the State, the applicable SLAs for the affected Service will not be counted for a time as agreed to by the parties.

2.064 Contractor Personnel Location

All staff assigned by Contractor to work on the Contract will perform their duties either primarily at Contractor's offices and facilities or at State facilities. Without limiting the generality of the foregoing, Key Personnel will, at a minimum, spend at least the amount of time on-site at State facilities as indicated in the applicable Statement of Work. Subject to availability, selected Contractor personnel may be assigned office space to be shared with State personnel.

2.065 Contractor Identification

Contractor employees must be clearly identifiable while on State property by wearing a State-issued badge, as required. Contractor employees are required to clearly identify themselves and the company they work for whenever making contact with State personnel by telephone or other means.

2.066 Cooperation with Third Parties

Contractor agrees to cause its personnel and the personnel of any Subcontractors to cooperate with the State and its agents and other contractors including the State's Quality Assurance personnel. As reasonably requested by the State in writing, the Contractor will provide to the State's agents and other contractors reasonable access to Contractor's Project personnel, systems and facilities to the extent the access relates to activities specifically associated with this Contract and will not interfere or jeopardize the safety or operation of the systems or facilities. The State acknowledges that Contractor's time schedule for the Contract is very specific and agrees not to unnecessarily or unreasonably interfere with, delay or otherwise impeded Contractor's performance under this Contract with the requests for access.

2.067 Contract Management 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.

2.068 Contractor Return of State Equipment/Resources

The Contractor must return to the State any State-furnished equipment, facilities and other resources when no longer required for the Contract in the same condition as when provided by the State, reasonable wear and tear excepted.

2.070 Subcontracting by Contractor

2.071 Contractor full Responsibility

Contractor shall have full responsibility for the successful performance and completion of all of the Services and Deliverables. The State will consider Contractor to be the sole point of contact with regard to all contractual matters under this Contract, including payment of any and all charges for Services and Deliverables.

2.072 State Consent to delegation

Contractor shall not delegate any duties under this Contract to a Subcontractor unless the Department of Technology, Management and Budget, Purchasing Operations has given written consent to such delegation. The State shall have the right of prior written approval of all Subcontractors and to require Contractor to replace any Subcontractors found, in the reasonable judgment of the State, to be unacceptable. The State's request shall be written with reasonable detail outlining the reasons for the removal request. Additionally, the State's request shall be based on legitimate, good-faith reasons. Replacement Subcontractor(s) for the removed Subcontractor shall be fully qualified for the position. If the State exercises this right, and the Contractor cannot immediately replace the removed Subcontractor, the State will agree to an equitable adjustment in schedule or other terms that may be affected by the State's required removal. If any such incident with a removed Subcontractor results in delay not reasonable anticipatable under the circumstances and which is attributable to the State, the applicable SLA for the affected Work will not be counted in time agreed upon by the parties.

2.073 Subcontractor bound to Contract

In any subcontracts entered into by Contractor for the performance of the Services, Contractor shall require the Subcontractor, to the extent of the Services to be performed by the Subcontractor, to be bound to Contractor by the terms of this Contract and to assume toward Contractor all of the obligations and responsibilities that Contractor, by this Contract, assumes toward the State. The State reserves the right to receive copies of and review all subcontracts, although Contractor may delete or mask any proprietary information, including pricing, contained in such contracts before providing them to the State. The management of any Subcontractor will be the responsibility of Contractor, and Contractor shall remain responsible for the performance of its Subcontractors to the same extent as if Contractor had not subcontracted such performance. Contractor shall make all payments to Subcontractors or suppliers of Contractor. Except as otherwise agreed in writing by the State and Contractor, the State will not be obligated to direct payments for the Services other than to Contractor. The State's written approval of any Subcontractor engaged by Contractor to perform any obligation under this Contract shall not relieve Contractor of any obligations or performance required under this Contract. Subcontractors approved by the State as of the execution of this Contract are identified in Article 1.

2.074 Flow Down

Except where specifically approved in writing by the State on a case-by-case basis, Contractor shall flow down the obligations in **Sections 2.031, 2.060, 2.100, 2.110, 2.120, 2.130, 2.200** in all of its agreements with any Subcontractors.

**2.075 Competitive Selection**

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.

2.080 State Responsibilities**2.081 Equipment**

The State will provide only the equipment and resources identified in the Statements of Work and other Contract Exhibits.

2.082 Facilities

The State must designate space as long as it is available and as provided in the Statement of Work, to house the Contractor's personnel whom the parties agree will perform the Services/Deliverables at State facilities (collectively, the "State Facilities"). The Contractor must have reasonable access to, and unless agreed otherwise by the parties in writing must observe and comply with all rules and regulations relating to each of the State Facilities (including hours of operation) used by the Contractor in the course of providing the Services. Contractor agrees that it will not, without the prior written consent of the State, use any State Facilities or access any State information systems provided for the Contractor's use, or to which the Contractor otherwise gains access in the course of performing the Services, for any purpose other than providing the Services to the State.

2.090 Security**2.091 Background Checks**

On a case-by-case basis, the State may investigate the Contractor's personnel before they may have access to State facilities and systems. The scope of the background check is at the discretion of the State and the results will be used to determine Contractor personnel eligibility for working within State facilities and systems. The investigations will include Michigan State Police Background checks (ICHAT) and Law Enforcement Information Network (LEIN) and may include the National Crime Information Center (NCIC) Finger Prints. Proposed Contractor personnel may be required to complete and submit an RI-8 Fingerprint Card for the NCIC Finger Print Check. Any request for background checks will be initiated by the State and will be reasonably related to the type of work requested.

All Contractor personnel will also be expected to comply with the State's security and acceptable use policies for State IT equipment and resources. See <http://www.michigan.gov/dit>. Furthermore, Contractor personnel will be expected to agree to the State's security and acceptable use policies before the Contractor personnel will be accepted as a resource to perform work for the State. It is expected the Contractor will present these documents to the prospective employee before the Contractor presents the individual to the State as a proposed resource. Contractor staff will be expected to comply with all Physical Security procedures in place within the facilities where they are working.

2.092 Security Breach Notification

If the Contractor breaches this Section, the Contractor must (i) promptly cure any deficiencies and (ii) comply with any applicable federal and state laws and regulations pertaining to unauthorized disclosures. Contractor and the State will cooperate to mitigate, to the extent practicable, the effects of any breach, intrusion, or unauthorized use or disclosure. Contractor must report to the State in writing any use or disclosure of Confidential Information, whether suspected or actual, other than as provided for by the Contract within 10 days of becoming aware of the use or disclosure or the shorter time period as is reasonable under the circumstances.

2.093 PCI Data Security Requirements

Contractors with access to credit/debit card cardholder data must adhere to the Payment Card Industry (PCI) Data Security requirements. Contractor agrees that they are responsible for security of cardholder data in their possession. Contractor agrees that data can ONLY be used for assisting the State in completing a transaction, supporting a loyalty program, supporting the State, providing fraud control services, or for other uses specifically required by law.



Contractor agrees to provide business continuity in the event of a major disruption, disaster or failure.

The Contractor will contact the Michigan Department of Corrections immediately to advise them of any breaches in security where card data has been compromised. In the event of a security intrusion, the Contractor agrees the Payment Card Industry representative, or a Payment Card Industry approved third party, will be provided with full cooperation and access to conduct a thorough security review. The review will validate compliance with the Payment Card Industry Data Security Standard for protecting cardholder data.

Contractor agrees to properly dispose sensitive cardholder data when no longer needed. The Contractor will continue to treat cardholder data as confidential upon contract termination.

The Contractor will provide the Michigan Department of Corrections documentation showing PCI Data Security certification has been achieved. The Contractor will advise the Michigan Department of Corrections of all failures to comply with the PCI Data Security Requirements. Failures include, but are not limited to system scans and self-assessment questionnaires. The Contractor will provide a time line for corrective action.

2.100 Confidentiality

2.101 Confidentiality

Contractor and the State each acknowledge that the other possesses and will continue to possess confidential information that has been developed or received by it. As used in this Section, "Confidential Information" of Contractor must mean all non-public proprietary information of Contractor (other than Confidential Information of the State as defined below) which is marked confidential, restricted, proprietary or with a similar designation or any information that could reasonable be construed as confidential or proprietary based on the nature of information and context of disclosure, regardless of any such designation. "Confidential Information" of the State must mean any information which is retained in confidence by the State (or otherwise required to be held in confidence by the State under applicable federal, state and local laws and regulations) or which, in the case of tangible materials provided to Contractor by the State under its performance under this Contract, is marked as confidential, proprietary or with a similar designation by the State. "Confidential Information" excludes any information (including this Contract) that is publicly available under the Michigan FOIA.

2.102 Protection and Destruction of Confidential Information

The State and Contractor will each use at least the same degree of care to prevent disclosing to third parties the Confidential Information of the other as it employs to avoid unauthorized disclosure, publication or dissemination of its own confidential information of like character, but in no event less than reasonable care. Neither Contractor nor the State will (i) make any use of the Confidential Information of the other except as contemplated by this Contract, (ii) acquire any right in or assert any lien against the Confidential Information of the other, or (iii) if requested to do so, refuse for any reason to promptly return the other party's Confidential Information to the other party. Each party will limit disclosure of the other party's Confidential Information to employees and Subcontractors who must have access to fulfill the purposes of this Contract. Disclosure to, and use by, a Subcontractor is permissible where (A) use of a Subcontractor is authorized under this Contract, (B) the disclosure is necessary or otherwise naturally occurs in connection with work that is within the Subcontractor's scope of responsibility, and (C) Contractor obligates the Subcontractor in a written Contract to maintain the State's Confidential Information in confidence. At the State's request, any employee of Contractor and of any Subcontractor having access or continued access to the State's Confidential Information may be required to execute an acknowledgment that the employee has been advised of Contractor's and the Subcontractor's obligations under this Section and of the employee's obligation to Contractor or Subcontractor, as the case may be, to protect the Confidential Information from unauthorized use or disclosure.

Promptly upon termination or cancellation of the Contract for any reason, Contractor must certify to the State that Contractor has destroyed all State Confidential Information.

2.103 Exclusions

Notwithstanding the foregoing, the provisions of **Section 2.080** will not apply to any particular information which the State or Contractor can demonstrate (i) was, at the time of disclosure to it, in the public domain; (ii) after disclosure to it, is published or otherwise becomes part of the public domain through no fault of the



receiving party; (iii) was in the possession of the receiving party at the time of disclosure to it without an obligation of confidentiality; (iv) was received after disclosure to it from a third party who had a lawful right to disclose the information to it without any obligation to restrict its further disclosure; or (v) was independently developed by the receiving party without reference to Confidential Information of the furnishing party. Further, the provisions of **Section 2.080** will not apply to any particular Confidential Information to the extent the receiving party is required by law to disclose the Confidential Information, provided that the receiving party (i) promptly provides the furnishing party with notice of the legal request, and (ii) assists the furnishing party in resisting or limiting the scope of the disclosure as reasonably requested by the furnishing party.

2.104 No Implied Rights

Nothing contained in this Section must be construed as obligating a party to disclose any particular Confidential Information to the other party, or as granting to or conferring on a party, expressly or impliedly, any right or license to the Confidential Information of the other party.

2.105 Respective Obligations

The parties' respective obligations under this Section must survive the termination or expiration of this Contract for any reason.

2.110 Records and Inspections

2.111 Inspection of Work Performed

The State's authorized representatives must at all reasonable times and with 10 days prior written request, have the right to enter Contractor's premises, or any other places, where the Services are being performed, and must have access, upon reasonable request, to interim drafts of Deliverables or work-in-progress. Upon 10 Days prior written notice and at all reasonable times, the State's representatives must be allowed to inspect, monitor, or otherwise evaluate the work being performed and to the extent that the access will not reasonably interfere or jeopardize the safety or operation of the systems or facilities. Contractor must provide all reasonable facilities and assistance for the State's representatives.

2.112 Examination of Records

For seven years after the Contractor provides any work under this Contract (the "Audit Period"), the State may examine and copy any of Contractor's books, records, documents and papers pertinent to establishing Contractor's compliance with the Contract and with applicable laws and rules. The State must notify the Contractor 20 days before examining the Contractor's books and records. The State does not have the right to review any information deemed confidential by the Contractor to the extent access would require the confidential information to become publicly available. This provision also applies to the books, records, accounts, documents and papers, in print or electronic form, of any parent, affiliated or subsidiary organization of Contractor, or any Subcontractor of Contractor performing services in connection with the Contract.

2.113 Retention of Records

Contractor must maintain at least until the end of the Audit Period all pertinent financial and accounting records (including time sheets and payroll records, and information pertaining to the Contract and to the Services, equipment, and commodities provided under the Contract) pertaining to the Contract according to generally accepted accounting principles and other procedures specified in this Section. Financial and accounting records must be made available, upon request, to the State at any time during the Audit Period. If an audit, litigation, or other action involving Contractor's records is initiated before the end of the Audit Period, the records must be retained until all issues arising out of the audit, litigation, or other action are resolved or until the end of the Audit Period, whichever is later.

2.114 Audit Resolution

If necessary, the Contractor and the State will meet to review each audit report promptly after issuance. The Contractor will respond to each audit report in writing within 30 days from receipt of the report, unless a shorter response time is specified in the report. The Contractor and the State must develop, agree upon and monitor an action plan to promptly address and resolve any deficiencies, concerns, and/or recommendations in the audit report.



2.115 Errors

- (a) If the audit demonstrates any errors in the documents provided to the State, then the amount in error must be reflected as a credit or debit on the next invoice and in subsequent invoices until the amount is paid or refunded in full. However, a credit or debit may not be carried for more than four invoices. If a balance remains after four invoices, then the remaining amount will be due as a payment or refund within 45 days of the last quarterly invoice that the balance appeared on or termination of the contract, whichever is earlier.
- (b) In addition to other available remedies, the difference between the payment received and the correct payment amount is greater than 10%, then the Contractor must pay all of the reasonable costs of the audit.

2.120 Warranties

2.121 Warranties and Representations

The Contractor represents and warrants:

- (a) It is capable in all respects of fulfilling and must fulfill all of its obligations under this Contract. The performance of all obligations under this Contract must be provided in a timely, professional, and workman-like manner and must meet the performance and operational standards required under this Contract.
- (b) The Contract Appendices, Attachments and Exhibits identify the equipment and software and services necessary for the Deliverable(s) to perform and Services to operate in compliance with the Contract's requirements and other standards of performance.
- (c) It 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 licensed use, as applicable, of any and all Deliverables. None of the Deliverables provided by Contractor to the State under this Contract, nor their use by the State, will infringe the patent, copyright, trade secret, or other proprietary rights of any third party.
- (d) 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 the items in this Contract, Contractor must assign or otherwise transfer to the State or its designees, or afford the State the benefits of, any manufacturer's warranty for the Deliverable.
- (e) The contract signatory has the power and authority, including any necessary corporate authorizations, necessary to enter into this Contract, on behalf of Contractor.
- (f) It is qualified and registered to transact business in all locations where required.
- (g) Neither the Contractor nor any Affiliates, nor any employee of either, has, must have, or must 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 must notify the State about the nature of the conflict or appearance of impropriety within two days of learning about it.
- (h) Neither Contractor nor any Affiliates, nor any employee of either has accepted or must accept anything of value based on an understanding that the actions of the Contractor or Affiliates or employee on behalf of the State would be influenced. Contractor must not attempt to influence any State employee by the direct or indirect offer of anything of value.
- (i) Neither Contractor nor any Affiliates, nor any employee of either has paid or agreed to pay any person, other than bona fide employees and consultants working solely for Contractor or the Affiliate, any fee, commission, percentage, brokerage fee, gift, or any other consideration, contingent upon or resulting from the award or making of this Contract.



- (j) The prices proposed by Contractor were arrived at independently, without consultation, communication, or agreement with any other bidder for the purpose of restricting competition; the prices quoted were not knowingly disclosed by Contractor to any other bidder; and no attempt was made by Contractor to induce any other person to submit or not submit a proposal for the purpose of restricting competition.
- (k) All financial statements, reports, and other information furnished by Contractor to the State as part of its response to the RFP 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 the financial statements, reports, other information. Since the respective dates or periods covered by the financial statements, reports, or other information, there have been no material adverse change in the business, properties, financial condition, or results of operations of Contractor.
- (l) All written information furnished to the State by or for the Contractor in connection with this Contract, including its bid, is true, accurate, and complete, and contains no untrue statement of material fact or omits any material fact necessary to make the information not misleading.
- (m) It is not in material default or breach of any other contract or agreement that it may have with the State or any of its departments, commissions, boards, or agencies. Contractor further represents and warrants that it has not been a party to any contract with the State or any of its departments that was terminated by the State or the department within the previous five years for the reason that Contractor failed to perform or otherwise breached an obligation of the contract.
- (n) If any of the certifications, representations, or disclosures made in the Contractor's original bid response change after contract award, the Contractor is required to report those changes immediately to the Department of Technology, Management and Budget, Purchasing Operations.

2.122 Warranty of Merchantability

Goods provided by Contractor under this agreement shall be merchantable. All goods provided under this Contract shall be of good quality within the description given by the State, shall be fit for their ordinary purpose, shall be adequately contained and packaged within the description given by the State, shall conform to the agreed upon specifications, and shall conform to the affirmations of fact made by the Contractor or on the container or label.

2.123 Warranty of Fitness for a Particular Purpose

When the Contractor has reason to know or knows any particular purpose for which the goods are required, and the State is relying on the Contractor's skill or judgment to select or furnish suitable goods, there is a warranty that the goods are fit for such purpose.

2.124 Warranty of Title

Contractor shall, in providing goods to the State, convey good title in those goods, whose transfer is right and lawful. All goods provided by Contractor shall be delivered free from any security interest, lien, or encumbrance of which the State, at the time of contracting, has no knowledge. Goods provided by Contractor, under this Contract, shall be delivered free of any rightful claim of any third person by of infringement or the like.

2.125 Equipment Warranty

To the extent Contractor is responsible under this Contract for maintaining equipment/system(s), Contractor represents and warrants that it will maintain the equipment/system(s) in good operating condition and will undertake all repairs and preventive maintenance according to the applicable manufacturer's recommendations for the period specified in this Contract.

The Contractor represents and warrants that the equipment/system(s) are in good operating condition and operate and perform to the requirements and other standards of performance contained in this Contract, when installed, at the time of Final Acceptance by the State, and for a period of one year commencing upon the first day following Final Acceptance.



The Contractor must adjust, repair or replace all equipment that is defective or not performing in compliance with the Contract. The Contractor must assume all costs for replacing parts or units and their installation including transportation and delivery fees, if any.

The Contractor must provide a toll-free telephone number to allow the State to report equipment failures and problems to be remedied by the Contractor.

The Contractor agrees that all warranty service it provides under this Contract must be performed by Original Equipment Manufacturer (OEM) trained, certified and authorized technicians.

The Contractor is the sole point of contact for warranty service. The Contractor warrants that it will pass through to the State any warranties obtained or available from the original equipment manufacturer, including any replacement, upgraded, or additional equipment warranties.

All warranty work must be performed on the State of Michigan worksite(s).

2.126 Equipment to be New

If applicable, all equipment provided under this Contract by Contractor shall be new where Contractor has knowledge regarding whether the equipment is new or assembled from new or serviceable used parts that are like new in performance or has the option of selecting one or the other. Equipment that is assembled from new or serviceable used parts that are like new in performance is acceptable where Contractor does not have knowledge or the ability to select one or other, unless specifically agreed otherwise in writing by the State.

2.127 Prohibited Products

The State will not accept salvage, distressed, outdated or discontinued merchandise. Shipping of such merchandise to any State agency, as a result of an order placed against the Contract, shall be considered default by the Contractor of the terms and conditions of the Contract and may result in cancellation of the Contract by the State. The brand and product number offered for all items shall remain consistent for the term of the Contract, unless Purchasing Operations has approved a change order pursuant to **Section 2.024**.

2.128 Consequences For Breach

In addition to any remedies available in law, if the Contractor breaches any of the warranties contained in this section, the breach may be considered as a default in the performance of a material obligation of this Contract.

2.130 Insurance

2.131 Liability Insurance

The Contractor must provide proof of the minimum levels of insurance coverage as indicated below. The insurance must 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 the 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 under this Contract.

All insurance coverages 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 must 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 must have an A.M. Best rating of A or better, or as otherwise approved in writing by the State, or if the ratings are no longer available, with a comparable rating from a recognized insurance rating agency. All policies of insurance required in this Contract must be issued by companies that have been approved to do business in the State. See www.michigan.gov/dleg.



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

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

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 according to 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 must 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 ten million dollars (\$10,000,000.00), which must 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 (\$3,000,000.00) 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 the office space, including without limitation, those contents used by Contractor to provide the Services to the State, up to its replacement value, where the office space and its contents are under the care, custody and control of Contractor. The policy must 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 must be endorsed on the policy as a loss payee as its interests appear.

2.132 Subcontractor Insurance Coverage

Except where the State has approved in writing a Contractor subcontract with other insurance provisions, Contractor must 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) must 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.

2.133 Certificates of Insurance and Other Requirements

Contractor must furnish to DTMB-PurchOps, certificate(s) of insurance verifying insurance coverage or providing satisfactory evidence of self-insurance as required in this Section (the "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) must contain a provision indicating that coverages afforded under the policies WILL NOT BE CANCELLED, MATERIALLY CHANGED, OR NOT RENEWED without 30 days prior written notice, except for 10 days for non-payment of premium, having been given to the Director of Purchasing Operations, Department of Technology, Management and Budget. The notice must include the Contract or Purchase Order number affected. Before the Contract is signed, and not less than 20 days before the insurance expiration date every year thereafter, the Contractor must 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.

The Contractor must maintain all required insurance coverage throughout the term of the Contract and any extensions and, in the case of claims-made Commercial General Liability policies, must secure tail coverage for at least three years following the expiration or termination for any reason of this Contract. The minimum limits of coverage specified above are not intended, and must not be construed, to limit any liability or indemnity of Contractor under this Contract to any indemnified party or other persons. Contractor is responsible for all deductibles with regard to the insurance. If the 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, then the State may, after the State has given the Contractor at least 30 days written notice, pay the premium or procure similar insurance coverage from another company or companies. The State may deduct any part of the cost from any payment due the Contractor, or the Contractor must pay that cost upon demand by the State.

2.140 Indemnification

2.141 General Indemnification

To the extent permitted by law, the Contractor must 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.

2.142 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.

2.143 Employee Indemnification

In any 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 must 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.

2.144 Patent/Copyright Infringement Indemnification

To the extent permitted by law, the Contractor must 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 the 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 the equipment, software, commodity or service, or the use or reproduction of any documentation provided with the 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 must at the Contractor's sole expense (i) procure for the State the right to continue using the equipment, software, commodity or service or, if the 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 the 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 has 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; (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.

2.145 Continuation of Indemnification Obligations

The Contractor's duty to indemnify under 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 before expiration or cancellation.

2.146 Indemnification Procedures

The procedures set forth below must apply to all indemnity obligations under this Contract.

(a) After the State receives notice of the action or proceeding involving a claim for which it will seek indemnification, the State must promptly notify Contractor of the 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 the Contractor relieves the Contractor of its indemnification obligations except to the extent that the Contractor can prove damages attributable to the failure. Within 10 days following receipt of written notice from the State relating to any claim, the Contractor must 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 before the State receiving Contractor's Notice of Election, the State is entitled to defend against the claim, at the Contractor's expense, and the Contractor will be responsible for any reasonable costs incurred by the State in defending against the claim during that period.

(b) If Contractor delivers a Notice of Election relating to any claim: (i) the State is entitled to participate in the defense of the claim and to employ counsel at its own expense to assist in the handling of the claim and to monitor and advise the State about the status and progress of the defense; (ii) the Contractor must, at the request of the State, demonstrate to the reasonable satisfaction of the State, the Contractor's financial ability to carry out its defense and indemnity obligations under this Contract; (iii) the Contractor must periodically advise the State about the status and progress of the defense and must obtain the prior written approval of the State before entering into any settlement of the claim or ceasing to defend against the claim and (iv) to the extent that any principles of Michigan governmental or public law may be involved or challenged, the State has the right, at its own expense, to control the defense of that portion of the claim involving the principles of Michigan governmental or public law. But the State may retain control of the defense and settlement of a claim by notifying the Contractor in writing within 10 days after the State's receipt of Contractor's information requested by the State under clause (ii) of this paragraph if the State determines that the Contractor has failed to demonstrate to the reasonable satisfaction of the State the Contractor's financial ability to carry out its defense and indemnity obligations under this Section. Any litigation activity on behalf of the State, or any of its subdivisions under this Section, must be coordinated with the Department of Attorney General. In the event the insurer's attorney represents the State under 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 may defend the claim in the 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 must promptly reimburse the State for all the reasonable costs and expenses.

2.150 Termination/Cancellation

2.151 Notice and Right to Cure

If the Contractor breaches the contract, and the State in its sole discretion determines that the breach is curable, then the State will provide the Contractor with written notice of the breach and a time period (not less than 30 days) to cure the Breach. The notice of breach and opportunity to cure is inapplicable for successive or repeated breaches 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.

2.152 Termination for Cause

(a) The State may terminate this contract, for cause, by notifying the Contractor in writing, if the Contractor (i) breaches any of its material duties or obligations under this Contract (including a Chronic Failure to meet any particular SLA), or (ii) fails to cure a breach within the time period specified in the written notice of breach provided by the State

(b) If this Contract is terminated for cause, the Contractor must pay all costs incurred by the State in terminating this Contract, including but not limited to, State administrative costs, reasonable attorneys' fees and court costs, and any reasonable additional costs the State may incur to procure the Services/Deliverables required by this Contract from other sources. Re-procurement costs are not consequential, indirect or incidental damages, and cannot be excluded by any other terms otherwise included in this Contract, provided the costs are not in excess of 50% more than the prices for the Service/Deliverables provided under this Contract.



(c) If the State chooses to partially terminate this Contract for cause, charges payable under this Contract will be equitably adjusted to reflect those Services/Deliverables that are terminated and the State must pay for all Services/Deliverables for which Final Acceptance has been granted provided up to the termination date. Services and related provisions of this Contract that are terminated for cause must cease on the effective date of the termination.

(d) If the State terminates this Contract for cause under this Section, and it is determined, for any reason, that Contractor was not in breach of contract under the provisions of this section, that termination for cause must be deemed to have been a termination for convenience, effective as of the same date, and the rights and obligations of the parties must be limited to that otherwise provided in this Contract for a termination for convenience.

2.153 Termination for Convenience

The State may terminate this Contract for its convenience, in whole or part, if the State determines that a termination is in the State's best interest. Reasons for the termination must be left to the sole discretion of the State and may include, but not necessarily be 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 Services no longer practical or feasible, (c) unacceptable prices for Additional Services or New Work requested by the State, or (d) falsification or misrepresentation, by inclusion or non-inclusion, of information material to a response to any RFP issued by the State. The State may terminate this Contract for its convenience, in whole or in part, by giving Contractor written notice at least 30 days before the date of termination. If the State chooses to terminate this Contract in part, the charges payable under this Contract must be equitably adjusted to reflect those Services/Deliverables that are terminated. Services and related provisions of this Contract that are terminated for cause must cease on the effective date of the termination.

2.154 Termination for Non-Appropriation

(a) 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 Contract. If funds to enable the State to effect continued payment under this Contract are not appropriated or otherwise made available, the State must terminate this Contract and all affected Statements of Work, in whole or in part, at the end of the last period for which funds have been appropriated or otherwise made available by giving written notice of termination to Contractor. The State must give Contractor at least 30 days advance written notice of termination for non-appropriation or unavailability (or the time as is available if the State receives notice of the final decision less than 30 days before the funding cutoff).

(b) If funding for the Contract is reduced by law, or funds to pay Contractor for the agreed-to level of the Services or production of Deliverables to be provided by Contractor are not appropriated or otherwise unavailable, the State may, upon 30 days written notice to Contractor, reduce the level of the Services or the change the production of Deliverables in the manner and for the periods of time as the State may elect. The charges payable under this Contract will be equitably adjusted to reflect any equipment, services or commodities not provided by reason of the reduction.

(c) If the State terminates this Contract, eliminates certain Deliverables, or reduces the level of Services to be provided by Contractor under this Section, the State must pay Contractor for all Work-in-Process performed through the effective date of the termination or reduction in level, as the case may be and as determined by the State, to the extent funds are available. This Section will not preclude Contractor from reducing or stopping Services/Deliverables or raising against the State in a court of competent jurisdiction, any claim for a shortfall in payment for Services performed or Deliverables finally accepted before the effective date of termination.

2.155 Termination for Criminal Conviction

The State may terminate this Contract immediately and without further liability or penalty in the event Contractor, an officer of Contractor, or an owner of a 25% or greater share of Contractor is convicted of a criminal offense related to a State, public or private Contract or subcontract.



2.156 Termination for Approvals Rescinded

The State may terminate this Contract if any final administrative or judicial decision or adjudication disapproves a previously approved request for purchase of personal services under Constitution 1963, Article 11, § 5, and Civil Service Rule 7-1. In that case, the State will pay the Contractor for only the work completed to that point under the Contract. 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 the written notice.

2.157 Rights and Obligations upon Termination

(a) If the State terminates this Contract for any reason, the Contractor must (a) stop all work as specified in the notice of termination, (b) take any action that may be necessary, or that the State may direct, for preservation and protection of Deliverables or other property derived or resulting from this Contract that may be in Contractor's possession, (c) return all materials and property provided directly or indirectly to Contractor by any entity, agent or employee of the State, (d) transfer title in, and deliver to, the State, unless otherwise directed, all Deliverables intended to be transferred to the State at the termination of the Contract and which are resulting from the Contract (which must be provided to the State on an "As-Is" basis except to the extent the amounts paid by the State in respect of the items included compensation to Contractor for the provision of warranty services in respect of the materials), and (e) take any action to mitigate and limit any potential damages, or requests for Contractor adjustment or termination settlement costs, to the maximum practical extent, including terminating or limiting as otherwise applicable those subcontracts and outstanding orders for material and supplies resulting from the terminated Contract.

(b) If the State terminates this Contract before its expiration for its own convenience, the State must pay Contractor for all charges due for Services provided before the date of termination and, if applicable, as a separate item of payment under this Contract, for Work In Process, on a percentage of completion basis at the level of completion determined by the State. All completed or partially completed Deliverables prepared by Contractor under this Contract, at the option of the State, becomes the State's property, and Contractor is entitled to receive equitable fair compensation for the Deliverables. Regardless of the basis for the termination, the State is not obligated to pay, or otherwise compensate, Contractor for any lost expected future profits, costs or expenses incurred with respect to Services not actually performed for the State.

(c) Upon a good faith termination, the State may assume, at its option, any subcontracts and agreements for services and deliverables provided under this Contract, and may further pursue completion of the Services/Deliverables under this Contract by replacement contract or otherwise as the State may in its sole judgment deem expedient.

2.158 Reservation of Rights

Any termination of this Contract or any Statement of Work issued under it by a party must be with full reservation of, and without prejudice to, any rights or remedies otherwise available to the party with respect to any claims arising before or as a result of the termination.

2.160 Termination by Contractor

2.161 Termination by Contractor

If the State breaches the Contract, and the Contractor in its sole discretion determines that the breach is curable, then the Contractor will provide the State with written notice of the breach and a time period (not less than 30 days) to cure the breach. The Notice of Breach and opportunity to cure is inapplicable for successive and repeated breaches.

The Contractor may terminate this Contract if the State (i) materially breaches its obligation to pay the Contractor undisputed amounts due and owing under this Contract, (ii) breaches its other obligations under this Contract to an extent that makes it impossible or commercially impractical for the Contractor to perform the Services, or (iii) does not cure the breach within the time period specified in a written notice of breach. But the Contractor must discharge its obligations under **Section 2.160** before it terminates the Contract.



2.170 Transition Responsibilities

2.171 Contractor Transition Responsibilities

If the State terminates this contract, for convenience or cause, or if the Contract is otherwise dissolved, voided, rescinded, nullified, expires or rendered unenforceable, the Contractor agrees to comply with direction provided by the State to assist in the orderly transition of equipment, services, software, leases, etc. to the State or a third party designated by the State. If this Contract expires or terminates, the Contractor agrees to make all reasonable efforts to effect an orderly transition of services within a reasonable period of time that in no event will exceed ninety (90) days. These efforts must include, but are not limited to, those listed in **Sections 2.141, 2.142, 2.143, 2.144, and 2.145.**

2.172 Contractor Personnel Transition

The Contractor must work with the State, or a specified third party, to develop a transition plan setting forth the specific tasks and schedule to be accomplished by the parties, to effect an orderly transition. The Contractor must allow as many personnel as practicable to remain on the job to help the State, or a specified third party, maintain the continuity and consistency of the services required by this Contract. In addition, during or following the transition period, in the event the State requires the Services of the Contractor's subcontractors or vendors, as necessary to meet its needs, Contractor agrees to reasonably, and with good-faith, work with the State to use the Services of Contractor's subcontractors or vendors. Contractor will notify all of Contractor's subcontractors of procedures to be followed during transition.

2.173 Contractor Information Transition

The Contractor agrees to provide reasonable detailed specifications for all Services/Deliverables needed by the State, or specified third party, to properly provide the Services/Deliverables required under this Contract. The Contractor will provide the State with asset management data generated from the inception of this Contract through the date on which this Contractor is terminated in a comma-delineated format unless otherwise requested by the State. The Contractor will deliver to the State any remaining owed reports and documentation still in Contractor's possession subject to appropriate payment by the State.

2.174 Contractor Software Transition

The Contractor must reasonably assist the State in the acquisition of any Contractor software required to perform the Services/use the Deliverables under this Contract. This must include any documentation being used by the Contractor to perform the Services under this Contract. If the State transfers any software licenses to the Contractor, those licenses must, upon expiration of the Contract, transfer back to the State at their current revision level. Upon notification by the State, Contractor may be required to freeze all non-critical changes to Deliverables/Services.

2.175 Transition Payments

If the transition results from a termination for any reason, reimbursement must be governed by the termination provisions of this Contract. If the transition results from expiration, the Contractor will be reimbursed for all reasonable transition costs (i.e. costs incurred within the agreed period after contract expiration that result from transition operations) at the rates agreed upon by the State. The Contractor will prepare an accurate accounting from which the State and Contractor may reconcile all outstanding accounts.

2.176 State Transition Responsibilities

In the event that this Contract is terminated, dissolved, voided, rescinded, nullified, or otherwise rendered unenforceable, the State agrees to perform the following obligations, and any others upon which the State and the Contractor agree:

- (a) Reconciling all accounts between the State and the Contractor;
- (b) Completing any pending post-project reviews.



2.180 Stop Work

2.181 Stop Work Orders

The State may, at any time, by written stop work order to Contractor, require that Contractor stop all, or any part, of the work called for by the Contract for a period of up to 90 calendar days after the stop work order is delivered to Contractor, and for any further period to which the parties may agree. The stop work order must be identified as a stop work order and must indicate that it is issued under this **Section 2.150**. Upon receipt of the stop work order, Contractor must immediately comply with its terms and take all reasonable steps to minimize incurring costs allocable to the work covered by the stop work order during the period of work stoppage. Within the period of the stop work order, the State must either: (a) cancel the stop work order; or (b) terminate the work covered by the stop work order as provided in **Section 2.130**.

2.182 Cancellation or Expiration of Stop Work Order

The Contractor must resume work if the State cancels a Stop Work Order or if it expires. The parties will agree upon an equitable adjustment in the delivery schedule, the Contract price, or both, and the Contract must be modified, in writing, accordingly, if: (a) the stop work order results in an increase in the time required for, or in Contractor's costs properly allocable to, the performance of any part of the Contract; and (b) Contractor asserts its right to an equitable adjustment within 30 calendar days after the end of the period of work stoppage; provided that, if the State decides the facts justify the action, the State may receive and act upon a Contractor proposal submitted at any time before final payment under the Contract. Any adjustment will conform to the requirements of **Section 2.024**.

2.183 Allowance of Contractor Costs

If the stop work order is not canceled and the work covered by the stop work order is terminated for reasons other than material breach, the termination must be deemed to be a termination for convenience under **Section 2.130**, and the State will pay reasonable costs resulting from the stop work order in arriving at the termination settlement. For the avoidance of doubt, the State is not be liable to Contractor for loss of profits because of a stop work order issued under this **Section 2.150**.

2.190 Dispute Resolution

2.191 In General

Any claim, counterclaim, or dispute between the State and Contractor arising out of or relating to the Contract or any Statement of Work must be resolved as follows. For all Contractor claims seeking an increase in the amounts payable to Contractor under the Contract, or the time for Contractor's performance, Contractor must submit a letter, together with all data supporting the claims, executed by Contractor's Contract Administrator or the Contract Administrator's designee certifying that (a) the claim is made in good faith, (b) the amount claimed accurately reflects the adjustments in the amounts payable to Contractor or the time for Contractor's performance for which Contractor believes the State is liable and covers all costs of every type to which Contractor is entitled from the occurrence of the claimed event, and (c) the claim and the supporting data are current and complete to Contractor's best knowledge and belief.

2.192 Informal Dispute Resolution

(a) All disputes between the parties must be resolved under the Contract Management procedures in this Contract. If the parties are unable to resolve any disputes after compliance with the processes, the parties must meet with the Director of Purchasing Operations, DTMB, or designee, for the purpose of attempting to resolve the dispute without the need for formal legal proceedings, as follows:

(i) The representatives of Contractor and the State must meet as often as the parties reasonably deem necessary to gather and furnish to each other all information with respect to the matter in issue which the parties believe to be appropriate and germane in connection with its resolution. The representatives must discuss the problem and negotiate in good faith in an effort to resolve the dispute without the necessity of any formal proceeding.

(ii) During the course of negotiations, all reasonable requests made by one party to another for non-privileged information reasonably related to the Contract will be honored in order that each of the parties may be fully advised of the other's position.



(iii) The specific format for the discussions will be left to the discretion of the designated State and Contractor representatives, but may include the preparation of agreed upon statements of fact or written statements of position.

(iv) Following the completion of this process within 60 calendar days, the Director of Purchasing Operations, DTMB, or designee, must issue a written opinion regarding the issue(s) in dispute within 30 calendar days. The opinion regarding the dispute must be considered the State's final action and the exhaustion of administrative remedies.

(b) This Section will not be construed to prevent either party from instituting, and a party is authorized to institute, formal proceedings earlier to avoid the expiration of any applicable limitations period, to preserve a superior position with respect to other creditors, or under **Section 2.163**.

(c) The State will not mediate disputes between the Contractor and any other entity, except state agencies, concerning responsibility for performance of work under the Contract.

2.193 Injunctive Relief

The only circumstance in which disputes between the State and Contractor will not be subject to the provisions of **Section 2.162** is where a party makes a good faith determination that a breach of the terms of the Contract by the other party is the that the damages to the party resulting from the breach will be so immediate, so large or severe and so incapable of adequate redress after the fact that a temporary restraining order or other immediate injunctive relief is the only adequate remedy.

2.194 Continued Performance

Each party agrees to continue performing its obligations under the Contract while a dispute is being resolved except to the extent the issue in dispute precludes performance (dispute over payment must not be deemed to preclude performance) and without limiting either party's right to terminate the Contract as provided in **Section 2.150**, as the case may be.

2.200 Federal and State Contract Requirements

2.201 Nondiscrimination

In the performance of the Contract, Contractor agrees not to discriminate against any employee or applicant for employment, with respect to his or her hire, tenure, terms, conditions or privileges of employment, or any matter directly or indirectly related to employment, because of race, color, religion, national origin, ancestry, age, sex, height, weight, marital status, physical or mental disability. Contractor further agrees that every subcontract entered into for the performance of this Contract or any purchase order resulting from this Contract will contain a provision requiring non-discrimination in employment, as specified here, binding upon each Subcontractor. This covenant is required under the Elliot Larsen Civil Rights Act, 1976 PA 453, MCL 37.2101, et seq., and the Persons with Disabilities Civil Rights Act, 1976 PA 220, MCL 37.1101, et seq., and any breach of this provision may be regarded as a material breach of the Contract.

2.202 Unfair Labor Practices

Under 1980 PA 278, MCL 423.321, et seq., the State must not award a Contract or subcontract to an employer whose name appears in the current register of employers failing to correct an unfair labor practice compiled under section 2 of the Act. This information is compiled by the United States National Labor Relations Board. A Contractor of the State, in relation to the Contract, must not enter into a contract with a Subcontractor, manufacturer, or supplier whose name appears in this register. Under section 4 of 1980 PA 278, MCL 423.324, the State may void any Contract if, after award of the Contract, the name of Contractor as an employer or the name of the Subcontractor, manufacturer or supplier of Contractor appears in the register.

2.203 Workplace Safety and Discriminatory Harassment

In performing Services for the State, the Contractor must comply with the Department of Civil Services Rule 2-20 regarding Workplace Safety and Rule 1-8.3 regarding Discriminatory Harassment. In addition, the Contractor must comply with Civil Service regulations and any applicable agency rules provided to the Contractor. For Civil Service Rules, see <http://www.mi.gov/mdcs/0,1607,7-147-6877---,00.html>.



2.204 Prevailing Wage

The rates of wages and fringe benefits to be paid each class of individuals employed by the Contractor, its subcontractors, their subcontractors, and all persons involved with the performance of this Contract in privity of contract with the Contractor shall not be less than the wage rates and fringe benefits established by the Michigan Department of Labor and Economic Development, Wage and Hour Bureau, schedule of occupational classification and wage rates and fringe benefits for the local where the work is to be performed. The term Contractor shall include all general contractors, prime contractors, project managers, trade contractors, and all of their contractors or subcontractors and persons in privity of contract with them.

The Contractor, its subcontractors, their subcontractors and all persons involved with the performance of this contract in privity of contract with the Contractor shall keep posted on the work site, in a conspicuous place, a copy of all wage rates and fringe benefits as prescribed in the contract. You must also post, in a conspicuous place, the address and telephone number of the Michigan Department of Labor and Economic Development, the office responsible for enforcement of the wage rates and fringe benefits. You shall keep an accurate record showing the name and occupation of the actual wage and benefits paid to each individual employed in connection with this contract. This record shall be available to the State upon request for reasonable inspection.

If any trade is omitted from the list of wage rates and fringe benefits to be paid to each class of individuals by the Contractor, it is understood that the trades omitted shall also be paid not less than the wage rate and fringe benefits prevailing in the local where the work is to be performed.

2.210 Governing Law

2.211 Governing Law

The Contract must in all respects be governed by, and construed according to, the substantive laws of the State of Michigan without regard to any Michigan choice of law rules that would apply the substantive law of any other jurisdiction to the extent not inconsistent with, or pre-empted by federal law.

2.212 Compliance with Laws

Contractor shall comply with all applicable state, federal and local laws and ordinances in providing the Services/Deliverables.

2.213 Jurisdiction

Any dispute arising from the Contract must be resolved in the State of Michigan. With respect to any claim between the parties, Contractor consents to venue in Ingham County, Michigan, and irrevocably waives any objections it may have to the jurisdiction on the grounds of lack of personal jurisdiction of the court or the laying of venue of the court or on the basis of forum non conveniens or otherwise. Contractor agrees to appoint agents in the State of Michigan to receive service of process.

2.220 Limitation of Liability

2.221 Limitation of Liability

Neither the Contractor nor the State is liable to each other, regardless of the form of action, for consequential, incidental, indirect, or special damages. This limitation of liability does not apply to claims for infringement of United States patent, copyright, trademark 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; or to court costs or attorney's fees awarded by a court in addition to damages after litigation based on this Contract.

2.230 Disclosure Responsibilities

2.231 Disclosure of Litigation

(a) Disclosure. Contractor must disclose any material criminal litigation, investigations or proceedings involving the Contractor (and each Subcontractor) or any of its officers or directors or any litigation, investigations or proceedings under the Sarbanes-Oxley Act. In addition, each Contractor (and each Subcontractor) must notify the State of any material civil litigation, arbitration or proceeding which arises during



the term of the Contract and extensions, to which Contractor (or, to the extent Contractor is aware, any Subcontractor) is a party, and which involves: (i) disputes that might reasonably be expected to adversely affect the viability or financial stability of Contractor or any Subcontractor; or (ii) a claim or written allegation of fraud against Contractor or, to the extent Contractor is aware, any Subcontractor by a governmental or public entity arising out of their business dealings with governmental or public entities. The Contractor must disclose in writing to the Contract Administrator any litigation, investigation, arbitration or other proceeding (collectively, "Proceeding") within 30 days of its occurrence. Details of settlements which are prevented from disclosure by the terms of the settlement may be annotated. Information provided to the State from Contractor's publicly filed documents referencing its material litigation will be deemed to satisfy the requirements of this Section.

(b) Assurances. If any Proceeding disclosed to the State under this Section, or of which the State otherwise becomes aware, during the term of this Contract would cause a reasonable party to be concerned about:

- (i) the ability of Contractor (or a Subcontractor) to continue to perform this Contract according to its terms and conditions, or
- (ii) whether Contractor (or a Subcontractor) in performing Services for the State is engaged in conduct which is similar in nature to conduct alleged in the Proceeding, which conduct would constitute a breach of this Contract or a violation of Michigan law, regulations or public policy, then the Contractor must provide the State all reasonable assurances requested by the State to demonstrate that:
 - (a) Contractor and its Subcontractors will be able to continue to perform this Contract and any Statements of Work according to its terms and conditions, and
 - (b) Contractor and its Subcontractors have not and will not engage in conduct in performing the Services which is similar in nature to the conduct alleged in the Proceeding.

(c) Contractor must make the following notifications in writing:

- (1) Within 30 days of Contractor becoming aware that a change in its ownership or officers has occurred, or is certain to occur, or a change that could result in changes in the valuation of its capitalized assets in the accounting records, Contractor must notify DTMB PurchOps.
- (2) Contractor must also notify DTMB PurchOps within 30 days whenever changes to asset valuations or any other cost changes have occurred or are certain to occur as a result of a change in ownership or officers.
- (3) Contractor must also notify DTMB PurchOps within 30 days whenever changes to company affiliations occur.

2.232 Call Center Disclosure

Contractor 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 is a material breach of this Contract.

2.233 Bankruptcy

The State may, without prejudice to any other right or remedy, terminate this Contract, in whole or in part, and, at its option, may take possession of the "Work in Process" and finish the Works in Process by whatever appropriate method the State may deem expedient if:

- (a) the Contractor files for protection under the bankruptcy laws;
- (b) an involuntary petition is filed against the Contractor and not removed within 30 days;
- (c) the Contractor becomes insolvent or if a receiver is appointed due to the Contractor's insolvency;
- (d) the Contractor makes a general assignment for the benefit of creditors; or
- (e) the Contractor or its affiliates are unable to provide reasonable assurances that the Contractor or its affiliates can deliver the services under this Contract.

Contractor will fix appropriate notices or labels on the Work in Process to indicate ownership by the State. To the extent reasonably possible, materials and Work in Process must be stored separately from other stock and marked conspicuously with labels indicating ownership by the State.



2.240 Performance

2.241 Time of Performance

- (a) Contractor must use commercially reasonable efforts to provide the resources necessary to complete all Services and Deliverables according to the time schedules contained in the Statements of Work and other Exhibits governing the work, and with professional quality.
- (b) Contractor must notify the State in a timely manner upon becoming aware of any circumstances that may reasonably be expected to jeopardize the timely and successful completion of any Deliverables/Services on the scheduled due dates in the latest State-approved delivery schedule and must inform the State of the projected actual delivery date.
- (c) If the Contractor believes that a delay in performance by the State has caused or will cause the Contractor to be unable to perform its obligations according to specified Contract time periods, the Contractor must notify the State in a timely manner and must use commercially reasonable efforts to perform its obligations according to the Contract time periods notwithstanding the State's failure. Contractor will not be in default for a delay in performance to the extent the delay is caused by the State.

2.242 Service Level Agreements (SLAs)

- (a) SLAs will be completed with the following operational considerations:
- (i) SLAs will not be calculated for individual Incidents where any event of Excusable Failure has been determined; Incident means any interruption in Services.
- (ii) SLAs will not be calculated for individual Incidents where loss of service is planned and where the State has received prior notification or coordination.
- (iii) SLAs will not apply if the applicable Incident could have been prevented through planning proposed by Contractor and not implemented at the request of the State. To invoke this consideration, complete documentation relevant to the denied planning proposal must be presented to substantiate the proposal.
- (iv) Time period measurements will be based on the time Incidents are received by the Contractor and the time that the State receives notification of resolution based on 24x7x365 time period, except that the time period measurement will be suspended based on the following:
1. Time period(s) will not apply where Contractor does not have access to a physical State Location and where access to the State Location is necessary for problem identification and resolution.
 2. Time period(s) will not apply where Contractor needs to obtain timely and accurate information or appropriate feedback and is unable to obtain timely and accurate information or appropriate feedback from the State.
- (b) Chronic Failure for any Service(s) will be defined as three unscheduled outage(s) or interruption(s) on any individual Service for the same reason or cause or if the same reason or cause was reasonably discoverable in the first instance over a rolling 30 day period. Chronic Failure will result in the State's option to terminate the effected individual Service(s) and procure them from a different vendor for the chronic location(s) with Contractor to pay the difference in charges for up to three additional months. The termination of the Service will not affect any tiered pricing levels.
- (c) Root Cause Analysis will be performed on any Business Critical outage(s) or outage(s) on Services when requested by the Contract Administrator. Contractor will provide its analysis within two weeks of outage(s) and provide a recommendation for resolution.
- (d) All decimals must be rounded to two decimal places with five and greater rounding up and four and less rounding down unless otherwise specified.

2.243 Liquidated Damages

The parties acknowledge that late or improper completion of the implementation schedule will cause loss and damage to the State, and that it would be impracticable and extremely difficult to fix the actual damage sustained by the State as a result. Therefore, Contractor and the State agree that if there is late or improper completion of the Work attributable to the Contractor or their Subcontractor and the State does not elect to exercise its rights under **Section 2.141**, the State is entitled to collect liquidated damages in the amount of \$5,000.00 and an additional \$100.00 per day for each day Contractor fails to remedy the late or improper completion of the Work.



It is acknowledged that an Unauthorized Removal will interfere with the timely and proper completion of the Contract, to the loss and damage of the State, and that it would be impracticable and extremely difficult to fix the actual damage sustained by the State as a result of any Unauthorized Removal. Therefore, Contractor and the State agree that in the case of any Unauthorized Removal in respect of which the State does not elect to exercise its rights under **Section 2.141**, the State may assess liquidated damages against Contractor as specified below.

For the Unauthorized Removal of any Key Personnel designated in the applicable Statement of Work, the liquidated damages amount is \$25,000.00 per individual if the Contractor identifies a replacement approved by the State under **Section 2.060** and assigns the replacement to the Project to shadow the Key Personnel who is leaving for a period of at least 30 days before the Key Personnel's removal.

If Contractor fails to assign a replacement to shadow the removed Key Personnel for at least 30 days, in addition to the \$25,000.00 liquidated damages for an Unauthorized Removal, Contractor must pay the amount of \$833.33 per day for each day of the 30 day shadow period that the replacement Key Personnel does not shadow the removed Key Personnel, up to \$25,000.00 maximum per individual. The total liquidated damages that may be assessed per Unauthorized Removal and failure to provide 30 days of shadowing must not exceed \$50,000.00 per individual.

If the equipment and services are not implemented according to the agreed upon schedule, the Contractor will owe the MDOC Prisoner Benefit Fund \$1,000.00 per day for services not completed and operational.

The Contractor shall be liable for lost commissions during the times that telephones are in need of repair and not properly operating. The lost commission will be calculated by multiplying the average number of calls for each call type times the then prevailing calling rates times the commission rate. The specific commission shall be calculated by the MDOC and the MDOC will advise the Contractor of all commissions due. The Contractor shall pay the calculated lost commission with the next commission payment due the MDOC.

2.244 Excusable Failure

Neither party will be liable for any default, damage or delay in the performance of its obligations under the Contract to the extent the default, damage or delay is caused by government regulations or requirements (executive, legislative, judicial, military or otherwise), power failure, electrical surges or current fluctuations, lightning, earthquake, war, water or other forces of nature or acts of God, delays or failures of transportation, equipment shortages, suppliers' failures, or acts or omissions of common carriers, fire; riots, civil disorders; strikes or other labor disputes, embargoes; 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 a party; provided the non-performing party and its Subcontractors are without fault in causing the default or delay, and the 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.

If a party does not perform its contractual obligations for any of the reasons listed above, the non-performing party will be excused from any further performance of its affected obligation(s) for as long as the circumstances prevail. But the party must use commercially reasonable efforts to recommence performance whenever and to whatever extent possible without delay. A party must promptly notify the other party in writing immediately after the excusable failure occurs, and also when it abates or ends.

If any of the above-enumerated circumstances substantially prevent, hinder, or delay the Contractor's performance of the Services/provision of Deliverables for more than 10 Business 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/Deliverables from an alternate source, and the State is not be liable for payment for the unperformed Services/ Deliverables not provided under the Contract for so long as the delay in performance continues; (b) the State may terminate any portion of the Contract so affected and the charges payable will be equitably adjusted to reflect those Services/Deliverables terminated; or (c) the State may terminate the affected



Statement of Work without liability to Contractor as of a date specified by the State in a written notice of termination to the Contractor, except to the extent that the State must pay for Services/Deliverables provided through the date of termination.

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/Deliverables not provided as a result of the Excusable Failure condition. Defaults or delays in performance by Contractor which are caused by acts or omissions of its Subcontractors will not relieve Contractor of its obligations under the Contract except to the extent that a Subcontractor is itself subject to an Excusable Failure condition described above and 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.

2.250 Approval of Deliverables

2.251 Delivery Responsibilities

Unless otherwise specified by the State within an individual order, the following must be applicable to all orders issued under this Contract.

- (a) Shipment responsibilities - Services performed/Deliverables provided under this Contract must be delivered "F.O.B. Destination, within Government Premises." The Contractor must have complete responsibility for providing all Services/Deliverables to all site(s) unless otherwise stated. Actual delivery dates will be specified on the individual purchase order.
- (b) Delivery locations - Services will be performed/Deliverables will be provided at every State of Michigan location within Michigan unless otherwise stated in the SOW. Specific locations will be provided by the State or upon issuance of individual purchase orders.
- (c) Damage Disputes - At the time of delivery to State Locations, the State must examine all packages. The quantity of packages delivered must be recorded and any obvious visible or suspected damage must be noted at time of delivery using the shipper's delivery document(s) and appropriate procedures to record the damage.

Where there is no obvious or suspected damage, all deliveries to a State Location must be opened by the State and the contents inspected for possible internal damage not visible externally within 14 days of receipt. Any damage must be reported to the Contractor within five days of inspection.

2.252 Delivery of Deliverables

Where applicable, the Statements of Work/POs contain lists of the Deliverables to be prepared and delivered by Contractor including, for each Deliverable, the scheduled delivery date and a designation of whether the Deliverable is a document ("Written Deliverable"), a good ("Physical Deliverable") or a Service. All Deliverables must be completed and delivered for State review and written approval and, where applicable, installed according to the State-approved delivery schedule and any other applicable terms and conditions of the Contract.

2.253 Testing

- (a) Before delivering any of the above-mentioned Statement of Work Physical Deliverables or Services to the State, Contractor will first perform all required quality assurance activities to verify that the Physical Deliverable or Service is complete and conforms with its specifications listed in the applicable Statement of Work or Purchase Order. Before delivering a Physical Deliverable or Service to the State, Contractor must certify to the State that (1) it has performed the quality assurance activities, (2) it has performed any applicable testing, (3) it has corrected all material deficiencies discovered during the quality assurance activities and testing, (4) the Deliverable or Service is in a suitable state of readiness for the State's review and approval, and (5) the Deliverable/Service has all Critical Security patches/updates applied.
- (b) If a Deliverable includes installation at a State Location, then Contractor must (1) perform any applicable testing, (2) correct all material deficiencies discovered during the quality assurance activities and testing, and (3) inform the State that the Deliverable is in a suitable state of readiness for the State's review and approval. To the extent that testing occurs at State Locations, the State is entitled to observe or otherwise participate in testing.



2.254 Approval of Deliverables, In General

- (a) All Deliverables (Physical Deliverables and Written Deliverables) and Services require formal written approval by the State, according to the following procedures. Formal approval by the State requires the State to confirm in writing that the Deliverable meets its specifications. Formal approval may include the successful completion of Testing as applicable in **Section 2.253**, to be led by the State with the support and assistance of Contractor. The approval process will be facilitated by ongoing consultation between the parties, inspection of interim and intermediate Deliverables and collaboration on key decisions.
- (b) The State's obligation to comply with any State Review Period is conditioned on the timely delivery of Deliverables/Services being reviewed.
- (c) Before commencement of its review or testing of a Deliverable/Service, the State may inspect the Deliverable/Service to confirm that all components of the Deliverable/Service have been delivered without material deficiencies. If the State determines that the Deliverable/Service has material deficiencies, the State may refuse delivery of the Deliverable/Service without performing any further inspection or testing of the Deliverable/Service. Otherwise, the review period will be deemed to have started on the day the State receives the Deliverable or the Service begins, and the State and Contractor agree that the Deliverable/Service is ready for use and, where applicable, certification by Contractor in accordance with this section
- (d) The State will approve in writing a Deliverable/Service after confirming that it conforms to and performs according to its specifications without material deficiency. The State may, but is not be required to, conditionally approve in writing a Deliverable/Service that contains material deficiencies if the State elects to permit Contractor to rectify them post-approval. In any case, Contractor will be responsible for working diligently to correct within a reasonable time at Contractor's expense all deficiencies in the Deliverable/Service that remain outstanding at the time of State approval.
- (e) If, after three opportunities (the original and two repeat efforts), the Contractor is unable to correct all deficiencies preventing Final Acceptance of a Deliverable/Service, the State may: (i) demand that the Contractor cure the failure and give the Contractor additional time to cure the failure at the sole expense of the Contractor; or (ii) keep the Contract in force and do, either itself or through other parties, whatever the Contractor has failed to do, and recover the difference between the cost to cure the deficiency and the contract price plus an additional sum equal to 10% of the cost to cure the deficiency to cover the State's general expenses provided the State can furnish proof of the general expenses; or (iii) terminate the particular Statement of Work for default, either in whole or in part by notice to Contractor provided Contractor is unable to cure the breach. Notwithstanding the foregoing, the State cannot use, as a basis for exercising its termination rights under this Section, deficiencies discovered in a repeat State Review Period that could reasonably have been discovered during a prior State Review Period.
- (f) The State, at any time and in its reasonable discretion, may halt the testing or approval process if the process reveals deficiencies in or problems with a Deliverable/Service in a sufficient quantity or of a sufficient severity that renders continuing the process unproductive or unworkable. If that happens, the State may stop using the Service or return the applicable Deliverable to Contractor for correction and re-delivery before resuming the testing or approval process.

2.255 Process For Approval of Written Deliverables

The State Review Period for Written Deliverables will be the number of days set forth in the applicable Statement of Work following delivery of the final version of the Deliverable (and if the Statement of Work does not state the State Review Period, it is by default five Business Days for Written Deliverables of 100 pages or less and 10 Business Days for Written Deliverables of more than 100 pages). The duration of the State Review Periods will be doubled if the State has not had an opportunity to review an interim draft of the Written Deliverable before its submission to the State. The State agrees to notify Contractor in writing by the end of the State Review Period either stating that the Deliverable is approved in the form delivered by Contractor or describing any deficiencies that must be corrected before approval of the Deliverable (or at the State's election, after approval of the Deliverable). If the State notifies the Contractor about deficiencies, the Contractor will correct the described deficiencies and within 30 Business Days resubmit the Deliverable in a form that shows



all revisions made to the original version delivered to the State. Contractor's correction efforts will be made at no additional charge. Upon receipt of a corrected Deliverable from Contractor, the State will have a reasonable additional period of time, not to exceed the length of the original State Review Period, to review the corrected Deliverable to confirm that the identified deficiencies have been corrected.

2.256 Process for Approval of Services

The State Review Period for approval of Services is governed by the applicable Statement of Work (and if the Statement of Work does not state the State Review Period, it is by default 30 Business Days for Services). The State agrees to notify the Contractor in writing by the end of the State Review Period either stating that the Service is approved in the form delivered by the Contractor or describing any deficiencies that must be corrected before approval of the Services (or at the State's election, after approval of the Service). If the State delivers to the Contractor a notice of deficiencies, the Contractor will correct the described deficiencies and within 30 Business Days resubmit the Service in a form that shows all revisions made to the original version delivered to the State. The Contractor's correction efforts will be made at no additional charge. Upon implementation of a corrected Service from Contractor, the State will have a reasonable additional period of time, not to exceed the length of the original State Review Period, to review the corrected Service for conformity and that the identified deficiencies have been corrected.

2.257 Process for Approval of Physical Deliverables

The State Review Period for approval of Physical Deliverables is governed by the applicable Statement of Work (and if the Statement of Work does not state the State Review Period, it is by default 30 continuous Business Days for a Physical Deliverable). The State agrees to notify the Contractor in writing by the end of the State Review Period either stating that the Deliverable is approved in the form delivered by the Contractor or describing any deficiencies that must be corrected before approval of the Deliverable (or at the State's election, after approval of the Deliverable). If the State delivers to the Contractor a notice of deficiencies, the Contractor will correct the described deficiencies and within 30 Business Days resubmit the Deliverable in a form that shows all revisions made to the original version delivered to the State. The Contractor's correction efforts will be made at no additional charge. Upon receipt of a corrected Deliverable from the Contractor, the State will have a reasonable additional period of time, not to exceed the length of the original State Review Period, to review the corrected Deliverable to confirm that the identified deficiencies have been corrected.

2.258 Final Acceptance

Unless otherwise stated in the Article 1, Statement of Work or Purchase Order, "Final Acceptance" of each Deliverable must occur when each Deliverable/Service has been approved by the State following the State Review Periods identified in **Sections 2.251-2.257**. Payment will be made for Deliverables installed and accepted. Upon acceptance of a Service, the State will pay for all Services provided during the State Review Period that conformed to the acceptance criteria.

2.260 Ownership

2.261 Ownership of Work Product by State

The State owns all Deliverables as they are works made for hire by the Contractor for the State. The State owns all United States and international copyrights, trademarks, patents or other proprietary rights in the Deliverables.

2.262 Vesting of Rights

With the sole exception of any preexisting licensed works identified in the SOW, the Contractor assigns, and upon creation of each Deliverable automatically assigns, to the State, ownership of all United States and international copyrights, trademarks, patents, or other proprietary rights in each and every Deliverable, whether or not registered by the Contractor, insofar as any the Deliverable, by operation of law, may not be considered work made for hire by the Contractor for the State. From time to time upon the State's request, the Contractor must confirm the assignment by execution and delivery of the assignments, confirmations of assignment, or other written instruments as the State may request. The State may obtain and hold in its own name all copyright, trademark, and patent registrations and other evidence of rights that may be available for Deliverables.

**2.263 Rights in Data**

(a) The State is the owner of all data made available by the State to the Contractor or its agents, Subcontractors or representatives under the Contract. The Contractor will not use the State's data for any purpose other than providing the Services, nor will any part of the State's data be disclosed, sold, assigned, leased or otherwise disposed of to the general public or to specific third parties or commercially exploited by or on behalf of the Contractor. No employees of the Contractor, other than those on a strictly need-to-know basis, have access to the State's data. Contractor will not possess or assert any lien or other right against the State's data. Without limiting the generality of this Section, the Contractor must only use personally identifiable information as strictly necessary to provide the Services and must disclose the information only to its employees who have a strict need-to-know the information. The Contractor must comply at all times with all laws and regulations applicable to the personally identifiable information.

(b) The State is the owner of all State-specific data under the Contract. The State may use the data provided by the Contractor for any purpose. The State will not possess or assert any lien or other right against the Contractor's data. Without limiting the generality of this Section, the State may use personally identifiable information only as strictly necessary to utilize the Services and must disclose the information only to its employees who have a strict need to know the information, except as provided by law. The State must comply at all times with all laws and regulations applicable to the personally identifiable information. Other material developed and provided to the State remains the State's sole and exclusive property.

2.264 Ownership of Materials

The State and the Contractor will continue to own their respective proprietary technologies developed before entering into the Contract. Any hardware bought through the Contractor by the State, and paid for by the State, will be owned by the State. Any software licensed through the Contractor and sold to the State, will be licensed directly to the State.

2.270 State Standards**2.271 Existing Technology Standards**

The Contractor will adhere to all existing standards as described within the comprehensive listing of the State's existing technology standards at <http://www.michigan.gov/dit>.

2.272 Acceptable Use Policy

To the extent that Contractor has access to the State computer system, Contractor must comply with the State's Acceptable Use Policy, see <http://www.michigan.gov/ditservice>. All Contractor employees must be required, in writing, to agree to the State's Acceptable Use Policy before accessing the State system. The State reserves the right to terminate Contractor's access to the State system if a violation occurs.

2.273 Systems Changes

Contractor is not responsible for and not authorized to make changes to any State systems without written authorization from the Project Manager. Any changes Contractor makes to State systems with the State's approval must be done according to applicable State procedures, including security, access and configuration management procedures.

2.280 Extended Purchasing**2.281 MiDEAL**

Deleted – Not Applicable

2.282 State Employee Purchases

Deleted – Not Applicable



2.290 Environmental Provision

2.291 Environmental Provision

Energy Efficiency Purchasing Policy – The State seeks wherever possible to purchase energy efficient products. This includes giving preference to U.S. Environmental Protection Agency (EPA) certified ‘Energy Star’ products for any category of products for which EPA has established Energy Star certification. For other purchases, the State may include energy efficiency as one of the priority factors to consider when choosing among comparable products.

Environmental Purchasing Policy – The State of Michigan is committed to encouraging the use of products and services that impact the environment less than competing products. The State is accomplishing this by including environmental considerations in purchasing decisions, while remaining fiscally responsible, to promote practices that improve worker health, conserve natural resources, and prevent pollution.

Environmental components that are to be considered include: recycled content and recyclability; energy efficiency; and the presence of undesirable materials in the products, especially those toxic chemicals which are persistent and bioaccumulative. The Contractor should be able to supply products containing recycled and environmentally preferable materials that meet performance requirements and is encouraged to offer such products throughout the duration of this Contract. Information on any relevant third party certification (such as Green Seal, Energy Star, etc.) should also be provided.

Hazardous Materials:

For the purposes of this Section, “Hazardous Materials” is a generic term used to describe asbestos, ACBMs, PCBs, petroleum products, construction materials including paint thinners, solvents, gasoline, oil, and any other material the manufacture, use, treatment, storage, transportation or disposal of which is regulated by the federal, state or local laws governing the protection of the public health, natural resources or the environment. This includes, but is not limited to, materials the as batteries and circuit packs, and other materials that are regulated as (1) “Hazardous Materials” under the Hazardous Materials Transportation Act, (2) “chemical hazards” under the Occupational Safety and Health Administration standards, (3) “chemical substances or mixtures” under the Toxic Substances Control Act, (4) “pesticides” under the Federal Insecticide Fungicide and Rodenticide Act, and (5) “hazardous wastes” as defined or listed under the Resource Conservation and Recovery Act.

(a) The Contractor must use, handle, store, dispose of, process, transport and transfer any material considered a Hazardous Material according to all federal, State and local laws. The State must provide a safe and suitable environment for performance of Contractor’s Work. Before the commencement of Work, the State must advise the Contractor of the presence at the work site of any Hazardous Material to the extent that the State is aware of the Hazardous Material. If the Contractor encounters material reasonably believed to be a Hazardous Material and which may present a substantial danger, the Contractor must immediately stop all affected Work, notify the State in writing about the conditions encountered, and take appropriate health and safety precautions.

(b) Upon receipt of a written notice, the State will investigate the conditions. If (a) the material is a Hazardous Material that may present a substantial danger, and (b) the Hazardous Material was not brought to the site by the Contractor, or does not result in whole or in part from any violation by the Contractor of any laws covering the use, handling, storage, disposal of, processing, transport and transfer of Hazardous Materials, the State must order a suspension of Work in writing. The State must proceed to have the Hazardous Material removed or rendered harmless. In the alternative, the State must terminate the affected Work for the State’s convenience.

(c) Once the Hazardous Material has been removed or rendered harmless by the State, the Contractor must resume Work as directed in writing by the State. Any determination by the Michigan Department of Community Health or the Michigan Department of Environmental Quality that the Hazardous Material has either been removed or rendered harmless is binding upon the State and Contractor for the purposes of resuming the Work. If any incident with Hazardous Material results in delay not reasonable anticipatable under the circumstances and which is attributable to the State, the applicable SLAs for the affected Work will not be counted in time as mutually agreed by the parties.



(d) If the Hazardous Material was brought to the site by the Contractor, or results in whole or in part from any violation by the Contractor of any laws covering the use, handling, storage, disposal of, processing, transport and transfer of Hazardous Material, or from any other act or omission within the control of the Contractor, the Contractor must bear its proportionate share of the delay and costs involved in cleaning up the site and removing and rendering harmless the Hazardous Material according to Applicable Laws to the condition approved by applicable regulatory agency(ies).

Michigan has a Consumer Products Rule pertaining to labeling of certain products containing volatile organic compounds. For specific details visit http://www.michigan.gov/deq/0,1607,7-135-3310_4108-173523--,00.html

Refrigeration and Air Conditioning:

The Contractor shall comply with the applicable requirements of Sections 608 and 609 of the Clean Air Act (42 U.S.C. 7671g and 7671h) as each or both apply to this contract.

Environmental Performance:

Waste Reduction Program - Contractor shall establish a program to promote cost-effective waste reduction in all operations and facilities covered by this contract. The Contractor's programs shall comply with applicable Federal, State, and local requirements, specifically including Section 6002 of the Resource Conservation and Recovery Act (42 U.S.C. 6962, et seq.).



Exhibit 1 – RESERVED

Exhibit 2 – RESERVED

Exhibit 3 – RESERVED



Exhibit 4 – Optional Services

Exhibit 4 includes a description of the Optional Services available through this contract. Pricing for these Optional Services is included **Exhibit 6P**.

The Contractor will provide the following **optional services**, at the State of Michigan’s discretion.

Feature	Description of Services and Benefits	Cost
InTime Labor Management	Improve your methods of maintaining staff scheduling Reduce overtime costs up to 25% Reduce staff time spent on daily scheduling The most user-friendly scheduling tool on the market	See Exhibit 6P
Information Data Sharing with Wayne County	Share information with Michigan’s largest county to enhance investigations No need to set up inmate accounts for transfers from Wayne County Automatically transfer inmate data, such as PANs and call detail records Reduce administrative burden in booking all Wayne County transfers	No Additional Cost (included in Exhibit 5P)
Keyword search	Quickly scan thousands of recordings to locate key words Vastly reduce staff time spent listening to call recordings Search for sounds that make up words (phonetically)	See Exhibit 6P
Cell Phone Detection/ Control	Military-grade hardware that controls inmate access to cell phones “Detects” the presence of cell phones Provides investigative information on the cell phone and SIM card	See Exhibit 6P
Over-the-phone Debit time and commissary ordering*	Inmates order commissary items using the inmate phones Orders processed through automated system prompts Staff spend less time collecting and processing commissary forms *Available with the integration with TAPS.	No Additional Cost (included in Exhibit 5P)
iPhones	Easy and secure website login on the state-of-the-art iPhone Convenient mobile access for administrative and investigative tools No special software or hardware required Investigators can work from their office, their home, or the road Touch the screen to access data, reports, recordings, etc.	See Exhibit 6P
Real-time Debit Transfer*	Debit funds are processed instantly Inmates can make calls as soon as they complete the transfer *Available with the integration with TAPS.	No Additional Cost (included in Exhibit 5P)
Inmate tip/messaging lines	Inmates can record messages for facility staff Can be used to assist in PREA efforts Staff can solicit and track anonymous crime tips	No Additional Cost (included in Exhibit 5P)
Quarterly Business Reviews	Meet face-to-face with your Account Manager on a regular basis Learn about new technology and system features Analyze your account’s financial and technical performance Obtain additional training face-to-face or over-the-phone, as <i>you</i> prefer	No Additional Cost (included in Exhibit 5P)
Special Equipment Fund	Funds provided each year to support the State’s Special Equipment Fund. This could be used to procure cell phone detection technology, or other further technology initiatives within the MDOC.	See Exhibit 6P
Inmate sick calls (medical ordering)	Inmates select medical appointment times over the phone Appointment selection processed through automated prompts Reduce staff time spent scheduling medical appointments	No Additional Cost (included in Exhibit 5P)
Reverse Lookup	Look up name and address for any dialed number Staff can look up an unlimited number of dialed numbers Display results on a map or satellite image Use Reverse Lookup for calls in progress or completed calls	No Additional Cost (included in Exhibit 5P)
Inmate information lines*	Inmates can obtain recorded information over the phone Includes inmate appointments, court dates, and release dates Reduce staff time spent responding to information requests *Available when ITS is integrated with the OMS	No Additional Cost (included in Exhibit 5P)



Feature	Description of Services and Benefits	Cost
Integration with JPay Release Card Program	Integrate with JPay’s card release program to allow inmates to receive phone account refunds on a debit card upon release	No Additional Cost (included in Exhibit 5P)
Voice Verification/ Biometrics	Verifies an inmate’s voice and locks it to their PIN number to prevent PIN theft	See Exhibit 6P

Information Sharing with Michigan’s Biggest County

With prior approval from the State and Wayne County, the Contractor can provide the MDOC with access to Wayne County call records and recordings. If the State and Wayne County authorize the information sharing capability, the MDOC will have immediate access to inmate PINs, PANs, call detail records and recordings from Wayne County to assist the State in their investigations and inmate transfers. This information integration greatly reduces the administrative burden on staff, freeing up valuable time to attend to other pressing needs of the MDOC.

In the information sharing process, only authorized Michigan MDOC staff can assign user privileges to access the MDOC’s ICM. This same security standard is applied to Wayne County’s user management so that only Wayne County staff can assign user level access to their inmate information. In addition, with the ICM’s auditing feature, staff can view all actions performed on the ICM by all users, such as when a call is listened to or when an inmate PAN is updated.

Nexidia Keyword Search

The Contractor can provide keyword search through Nexidia™. The system allows investigators to search call recordings for keywords or phrases by using Nexidia’s uniquely effective phonetic search methods. Nexidia can search a large number of recordings quickly and can take the investigator directly to the location in a conversation where the keyword was used.

Nexidia currently supports search in 35 spoken languages and dialects, including North American English and Latin American Spanish. Nexidia typically produces two model acoustic databases for each language: a model for media with higher sampling rates, good signal-to-noise ratios, and more formal, rehearsed speech; and a model from a commercial telephony network, either landline or cellular handset, optimized for the more spontaneous, conversational speech of telephone calls.

AudioFinder

Nexidia’s AudioFinder™ can be configured to automatically consume media files from multiple sources, search for any number of user-defined term lists and queries, and analyze these results for statistical patterns. AudioFinder first creates a Phonetic Audio Track (PAT) file – a highly compressed representation of the phonetic content of the speech from all of the input files. Unlike the LVCSR (Large Vocabulary Conversational Speech Recognition) used by other systems – which make irreversible (and often incorrect) associations between speech sounds and specific words as spelled and entered by the user – phonetic indexing starts by identifying the sounds that make up speech and a likelihood percentage of matching each phoneme in each of the language databases.

Only during a search are these speech sounds associated with words. A phonetic dictionary is referenced for each word in the query term. Nexidia has created detailed phonetic dictionaries for more than 35 languages and spoken dialects including special databases for North American spoken English and Latin American spoken Spanish. Any word not found in the dictionary is then processed by consulting a spelling-to-sound database to determine possible pronunciations ranging from most to least likely.



Media Search

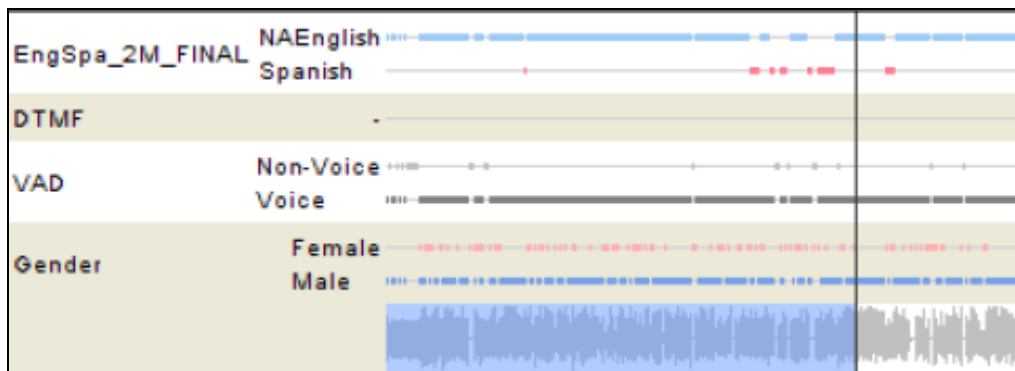
Type a word or phrase in the search box:

Enter Threshold: Returns calls with score (=) or (>) threshold.

Enter Max Results: Returns Max(X) calls with the highest score.

Enter the word or phrase and click search

As part of the indexing process AudioFinder identifies silences, music, and DTMF tones, and the likely gender and language of the speaker at each point in the file, and displays that information for each audio file that matches the search terms.



PAT files are simple files that can be treated as metadata, **associated and distributed with the original call recordings for searching**. The PAT file grows in size roughly with the length in time of the source media file, at around 5MB per hour, or slightly smaller than storing highly compressed GSM telephony audio, and are less than 1/10th the size of common 128kbps MP3s. This enables ultra-rapid searches for words, whole phrases, words in proximity to certain topics, etc., within a large number of audio files after the files are indexed just once.

Search and Results Lists

After words, phrases, and sounds (phonetic strings and temporal operators) within the query term are parsed, actual searching begins. Multiple PAT files can be scanned at high speed during a single search for phonetic sequences that closely match the strings of sounds in the query term.

Media Search

Type a word or phrase in the search box:

Enter Threshold: Returns calls with score (=) or (>) threshold.

Enter Max Results: Returns Max(X) calls with the highest score.

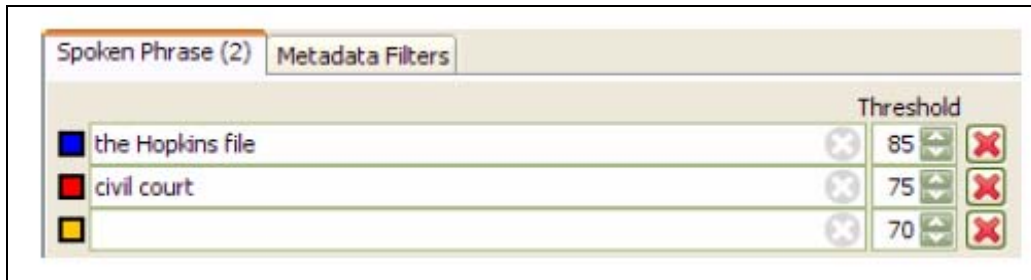
Score of the result

The media player starts where the word or phrase was found

Btn	Pin	Phone	Call Date	Call Time	First Name	Last Name	Offset	Score	Search Term
	5407102263	2003422109939 216	20080808	1040			03:35	97.99232	prosecutor
	5405827473	2005261131638 183	20080808	2205	KENNETH	EDWARDS	13:26	97.96668	prosecutor



In addition to single-word or phrase searches, Nexidia provides more sophisticated tools: structured queries and nested searches. A structured query allows users to search for times when words appear near each other or in the same call as other chosen words. Users simply enter multiple keywords or phrases and specify whether they want results that include ALL or ANY of those terms.



Each search term would be assigned a color so that after the search the audio files returned can display the proximity and order of the terms to each other.



Several helpful specifications may be made within these searches, such as attaching time windows to operators (ANY/ALL, for instance) to restrict the search to only instances wherein the two or more terms occur within any defined proximity to each other. Scores for both likelihood-of-match for the query term and time proximity are listed for each audio file that the search returns. By constructing complex queries, users are able to easily classify recordings by topic in addition to just detecting word or phrase occurrences. Structured queries are extremely simple to write, as shown in the following query to find prisoners who talk about a witness.

Description - Identify calls where a prisoner threatens a witness.

Testify1 = "Testify" AND "that woman"

Testify2 = "Testify" ANDNOT "church"

Testify3 = "Testify" ANY "show up"

Testify4 = "that woman" AND "show up"

Testify5 = "That woman" AND "see her"

Testify6 = "Woman" AND "in court"

Testify = OR (Testify 1, Testify 2, Testify 3, Testify 4, Testify 5, Testify 6)

Specialized training on how to use Nexidia's contextual and topic matter search capabilities will be provided following system cutover.

Investigators may also make "nested searches," meaning secondary searches within the set of files that a first search returns. For example, if an investigator is curious whether inmates may have disclosed in phone conversation any information about a fight that occurred in the cafeteria last week, they might first perform a search for all calls wherein inmates mentioned a "Fight" OR "beat down." In the event that the search returned a large number of calls, the investigator might then run a nested search for calls within the original results wherein inmates also used the words ANY "revenge," "lesson," "payback."



In the results of a nested search the points in the file where the original search term occurred would be shown with black lines and the results for the secondary “nested” search would be shown in color(s).



Cell Phone Detection/Control

Should the State decide to implement a Cell Phone Detection/Control solution, the Contractor agrees to work with the State in good faith to define the scope and details of the solutions, including the terms and conditions that would be associated with such a solution. The method for funding this cell phone detection would be agreed upon between the State and Contractor.”

The State reserves the right to procure Cell Phone Detection/Control solution through this contract, or to utilize the special equipment fund to purchase this technology through other procurement channels and vendors.

Over-the-Phone Debit Time Ordering in Real-Time

With the cooperation of the MDOC and an integration with the MDOC's Inmate Trust System, the Contractor can offer inmates the ability to use the offender phones to transfer funds directly from their inmate trust account to their debit phone account and even to check their Inmate Trust Fund balance.

Mobile Access through PCS-Provided iPhones

The Contractor can provide mobile accessibility to the ICM inmate phone system for State of Michigan investigators, using Contractor-provided iPhones. At the State’s approval, Contractor would negotiate the quantity and type of service packages the MDOC needs to satisfy investigative purposes.

Inmate Tip Lines and Messaging

In addition to processing and recording all outgoing calls, the onsite call-processor can also serve as a messaging center for one or more inmate tip lines. Each facility can designate full ten-digit numbers or simple speed dial numbers for these tip lines. The inmate can be required to dial the entire 10 digit telephone number, or simply dial the speed dial number, which in turn would automatically dial the associated telephone number for them.

One number can be used for all inmate tips and complaints, or separate numbers can be designated for different types of inmate tips. A line might also be designated to receive complaints about instances of rape as many prisons are doing to comply with the PREA (Prison Rape Elimination Act). Contractor would assist with postings instructing how lines can be accessed.

When the numbers are called, the system can be setup to allow the inmate to leave a message. The message length can be set from 1 minute to several minutes depending on facility requirements. The limit can be set differently for each specific line.

Each internal tip-line can also be set to automatically send an email alert each time it is called. Each line can send an alert to a different designated investigator or staff member. For instance, a designated investigator could receive an alert each time a message was left on the line designated for PREA complaints, and another investigator could receive an alert each time a message was left on the line designated to receive reports of theft or harassment in the prison.

In the Call Detail Reporting section of the ICM, investigators can select “Inmate MSG” in the Call Type field and enter the number associated with the line they are interested in reviewing. The recordings will show up as normal calls for review, playback, burning to CD, etc.



Periodic Business Reviews

As part of the services the Contractor offers to our clients during every cutover and annually, semi-annually or quarterly, as the MDOC prefers, a member of our regional Client Services team will meet with all MDOC personnel who use or depend on Contractor services and software. During this Periodic Business Review clients will have an opportunity to receive ongoing training or training for their own recently hired personnel; and have an opportunity to hear about new product offerings or enhancements.

The MDOC will also have a chance to review and discuss whether the existing system is fully meeting the expectations defined during the original contracting and installation process and will be offered information based on a consultation with Contractor's in-house financial and technical experts about how modifications in the existing system might help better satisfy them.

This review process and expertise will be offered throughout the life of the contract and may significantly help maintain MDOC satisfaction with Contractor's offerings even as usage patterns and the MDOC's expectations for installed systems change over time.

Special Equipment Fund

If this option is selected, the Contractor would work with the State to setup a Special Equipment Fund for the purpose of purchasing special equipment on a discretionary basis throughout the life of the contract. The Contractor would deposit funds into the Special Equipment Fund to support the cost of MDOC special equipment purchases, either through this Contract or alternative procurement channels that, on an ongoing basis, MDOC determines that it requires. The Contractor would work with the State to select the deposit schedule, be it monthly, quarterly, or yearly, that best meets the State's needs.

Inmate Sick Calls: A Medical Ordering Solution

The Inmate "Sick Calls" feature offers an inmate the ability to schedule an appointment and receive confirmation over the phone from the Contractor's automated operator.

Reverse Lookup by BTN

The Contractor's Solution includes Reverse Lookup as a standard feature that can be utilized to check a called-to number while a call is in progress, for any frequently called number, or for numbers that have not yet been called before they are added to the inmate's personal number list (PAN). **The Reverse Lookup feature is offered at no cost to the MDOC.**

Access Reverse Lookup by BTN

The Reverse Lookup feature provides the billing name and address associated with a given telephone number and a map, and satellite photo if available. The user merely clicks on the called-to number to bring up the Reverse Lookup dialog box that shows the name and address of the called party.

Inmate Information Lines

The Contractor can configure internal lines, much like the inmate message lines, which inmates can call to check information. If the State's OMS vendor is amenable the Contractor can interface—which can be done simply and require no additional onsite hardware or administration—with the JMS to import data such as inmate medical, dental and barber appointments, court dates, release dates, bail amounts etc. and allow inmates to call an internal line to have this information read to them by the Automated Operator. They could also be allowed to request appointments on these in-house lines and learn whether their appointment was made and at what time when next they called the Inmate Information line.

Integration with JPay for Card Release Services

With JPay's cooperation, the Contractor has the ability to integrate with JPay's solution to allow inmates to receive debit account refunds through JPay's Release Debit Card service. When an inmate is released, The Contractor can transfer inmate phone account funds to the inmates' trust account. The funds can then be loaded onto a debit card from JPay that the inmate can use at any ATM or merchant. Alternately, the Contractor has a kiosk product line that also includes the integrated release debit card service.



Voice Verification/Biometrics

The Solution's Voice Verification feature can be employed in conjunction with the keyed-in PIN numbers. With this technology, inmates are required to speak their PIN as well as provide a keyed-in PIN number in order to make a telephone call. The inmate's voice is matched against the spoken PIN as recorded during account enrollment and also against the PIN number. The call will only go through if the voice and PIN match. This prevents inmates from making fraudulent calls using another inmate's PIN.

Other Services

The Contractor understands that the State is working with JPay to provide inmate voicemail, email and lobby kiosks. The Contractor has the capability to provide these services in the future, should the State so desire.

- **Inmate Voicemail** - The Contractor's solution can provide inmate voicemail that is fully monitored and recorded.
- **Inmate Email** – The Contractor has several solutions for providing inmate email. Emails can be printed and distributed to inmates, or inmates can access email through a designated kiosk.
- **Lobby Kiosks** - The Contractor can provide an online centralized deposit solution that provides additional payment channels for funding inmate trust accounts that includes a kiosk release solution.
- **Visitation Telephones** - The Contractor has the ability to provide the State with PIN-operated visitation phones that would allow visitation phone calls to be monitored and recorded, just as the inmate phones are monitored and recorded. The Contractor can provide Navitel (OTC-2120S Visitor Side; OTC-2110V Inmate Side) visitation phones.

With this solution, the inmate is required to enter his/her PIN on the inmate visitation phone keypad in order to connect to their visitor. This allows for the identification of the inmate through the ICM. Once the inmate is identified, the call can be recorded and monitored just like a standard inmate telephone call.

- **Disposable Hospital Phones** - The Contractor has the ability to provide disposable hospital phones for inmates in the infirmary.



Exhibit 5P - Pricing

The Contractor will have full responsibility for project implementation. Items, which are not produced or provided directly, shall be marked as such. Prices shall be inclusive of any and all costs associated with full implementation, which may include but is not limited to applicable, such cost of manufacture, packing, handling loading/unloading, removal of debris, transportation, inside delivery, installation, training, maintenance, documentation, insurance, and any other item that could be interpreted as the overall cost to procurement.

The firm fixed price for performing services in accordance with the provisions and requirements stated in this Contract is provided below. This price is fixed/firm throughout the life of the contract.

Collect/Pre-paid Collect Calls:

Call Type	Per Call Surcharge (Firm Fixed Price)	Rate per minute (Firm fixed Price)
Local	\$0	\$0.0393
Intralata	\$0	\$0.0393
Intrastate	\$0	\$0.0393
Interstate	\$0	\$0.0393

Debit/Debit Cards:

Call Type	Per Call Surcharge (Firm Fixed Price)	Rate per minute (Firm fixed Price)
Local	\$0	\$0.0343
Intralata	\$0	\$0.0343
Intrastate	\$0	\$0.0343
Interstate	\$0	\$0.0343
International	\$0	\$0.4995

Additional Costs:

The above rates are inclusive of **all fees** (except for a credit card fee). There will be no fees or taxes allowed other than those identified below:

Allowable Additional Costs not included in the Firm Fixed Per Minute Rates include:

- Federal and local taxes and Universal Service Fund may be passed through, however they shall not exceed the actual cost to the provider
- Credit Card Transaction Fee
 - Vendors charging a Credit Card Transaction Fee must provide a **single fee** that will be applicable for all funding methods (IVR, Live Operator, Kiosk, Website, etc.) in all amounts.

Single Credit Card Transaction Fee
\$3.95

- Other than the Allowable Additional Costs disclosed by the Contractor in Exhibit 5P, no additional fee/cost or billing statement fee or other expenses may be charged by the vendor's, subcontractor(s), or by a vendor's third-party agent.
- In the event kiosks or alternative payment channels are implemented, other than the Allowable Additional Costs disclosed by the Contractor in Exhibit 5P, no additional taxes or other expenses may be charged by another vendor's subcontractor, or vendor's third-party alternative payment channel provider, such as TouchPay, JPay, ICSolutions (ICS), V-Connect (Value Added Communications / VAC), EZCard, or any other third-party account funding channel or company.



- The amount charged for credit card transactions must be provided as the \$3.95 single fixed fee regardless of the amount deposited – i.e. \$25, \$50 or \$500.
- The all-inclusive firm fixed per minute rate includes bill rendering fees/bill service fees for collect calls, pre-paid collect account set up fees, account maintenance fees, minimum usage fees, inactivity fees and account termination fees.
- Per minute pricing shall be based on the understanding that Carrier Assessed Administrative Fees will not be allowed.
- All allowable additional costs are included in the table below:

Additional costs not included in Firm Fixed Per Minute Call Rate Contractor is allowed to charge.	Pre-Paid Collect Calls	Collect Calls	Debit/Debit Card Calls
account close-out fees	No	No	No
account maintenance fees	No	No	No
automated IVR deposit fee	No	No	No
bill processing/rendering fee	No	No	No
bill statement or billing recovery fees	No	No	No
check by phone processing fees	No	No	No
credit card transaction fees	*\$3.95	No	No
internet web deposit fee	No	No	No
regulatory recovery fees	No	No	No
single bill fees	No	No	No
Universal Service Fund	**Yes	**Yes	**Yes
Taxes	**Yes	**Yes	**Yes
Account Inactivity Fee	No	No	No
Zero utilization fees	No	No	No
Other fees not identified in table	No	No	No

* Vendors charging a Credit Card Transaction Fee must provide a **single fee** that will be applicable for all funding methods (IVR, Live Operator, Kiosk, Website, etc.) in all amounts.

** Federal and local taxes and Universal Service Fund may be passed through; however they shall not exceed the actual cost to the provider



Exhibit 6P – Pricing for Optional Services

Exhibit 6P includes pricing for the optional services described in Exhibit 4. The State may select to procure these optional services at any time during the contract period.

The following rate adjustments are provided for each of the Optional Services listed below:

Optional Service	Addition to the Per-Minute Rate for Each Call Type
1 - Special Equipment Fund (1)	See Special Equipment Fund Table for pricing
2 - RESERVED	
3 - Nexidia Key Word Search	\$0.0075
4 - InTime Labor Management	\$0.0050
5 - Cell Phone Detection/Control	To be determined based on the product, scope, and features selected by the State
6 - iPhones (2)	To be determined based on quantity
7 - Additional Investigative Site Administrators (3)	\$0.0035
8 - Voice Verification/Biometrics	\$0.0450

(1) See Special Equipment Fund Table for pricing.

(2) The PCS Team would work with the MDOC to determine the number of phones and service desired and would then negotiate whether any additional per-minute price is required to meet those needs.

(3) This includes 3 or more site administrators in addition to the 5 that are already included as part of the standard service offering.



		Special Equipment Fund (per Month)											
		<p>If the base per minute rates are increased by the totals provided in row 1 of this table, the Contractor will deposit the following percentage of the Special Equipment Fund (SEF) rate increase as identified below:</p> <p>For Example: At 8,333,333 minutes per month or less, PCS will deposit 70% of the Special Equipment Fund (SEF) rate increase, or \$43,750, whichever is higher, into the SEF. From 8,333,334 minutes per month to 8,541,667 minutes per month, PCS will deposit 70.25% of the SEF rate into the SEF Fund. For each additional increment of 208,333 minutes per month, PCS will add an additional 0.25% to the SEF deposit percent as outlined.</p> <p>If the State increases the rate for the SEF by more than \$0.15 or if volume drops below 80,000,000 minutes/year (64% of today's 125mil minutes/year), the State and Contractor will mutually agree on any modifications to this table.</p>											
Total Minutes/Year	Total Minutes /Month	\$ 0.0075	\$ 0.0150	\$ 0.0300	\$ 0.0450	\$ 0.0600	\$ 0.0750	\$ 0.0900	\$ 0.1050	\$ 0.1200	\$ 0.1300	\$ 0.1350	\$ 0.1500
100,000,000 or less	8,333,333 or less	\$ 43,750	\$ 87,500	\$175,000	\$262,500	\$350,000	\$437,500	\$525,000	\$612,500	\$700,000	\$758,333	\$787,500	\$875,000
100,000,001 - 102,500,000	8,333,334 - 8,541,667	70.25%	70.25%	70.25%	70.25%	70.25%	70.25%	70.25%	70.25%	70.25%	70.25%	70.25%	70.25%
102,500,001 - 105,000,000	8,541,668 - 8,750,000	70.50%	70.50%	70.50%	70.50%	70.50%	70.50%	70.50%	70.50%	70.50%	70.50%	70.50%	70.50%
105,000,001 - 107,500,000	8,750,001 - 8,958,333	70.75%	70.75%	70.75%	70.75%	70.75%	70.75%	70.75%	70.75%	70.75%	70.75%	70.75%	70.75%
107,500,001 - 110,000,000	8,958,334 - 9,166,667	71.00%	71.00%	71.00%	71.00%	71.00%	71.00%	71.00%	71.00%	71.00%	71.00%	71.00%	71.00%
110,000,001 - 112,500,000	9,166,668 - 9,375,000	71.25%	71.25%	71.25%	71.25%	71.25%	71.25%	71.25%	71.25%	71.25%	71.25%	71.25%	71.25%
112,500,001 - 115,000,000	9,375,001 - 9,583,333	71.50%	71.50%	71.50%	71.50%	71.50%	71.50%	71.50%	71.50%	71.50%	71.50%	71.50%	71.50%
115,000,001 - 117,500,000	9,583,334 - 9,791,667	71.75%	71.75%	71.75%	71.75%	71.75%	71.75%	71.75%	71.75%	71.75%	71.75%	71.75%	71.75%
117,500,001 - 120,000,000	9,791,668 - 10,000,000	72.00%	72.00%	72.00%	72.00%	72.00%	72.00%	72.00%	72.00%	72.00%	72.00%	72.00%	72.00%
120,000,001 - 122,500,000	10,000,001 - 10,208,333	72.25%	72.25%	72.25%	72.25%	72.25%	72.25%	72.25%	72.25%	72.25%	72.25%	72.25%	72.25%
122,500,001 - 125,000,000	10,208,334 - 10,416,667	72.50%	72.50%	72.50%	72.50%	72.50%	72.50%	72.50%	72.50%	72.50%	72.50%	72.50%	72.50%
125,000,001 - 127,500,000	10,416,668 - 10,625,000	72.75%	72.75%	72.75%	72.75%	72.75%	72.75%	72.75%	72.75%	72.75%	72.75%	72.75%	72.75%
127,500,001 - 130,000,000	10,625,001 - 10,833,333	73.00%	73.00%	73.00%	73.00%	73.00%	73.00%	73.00%	73.00%	73.00%	73.00%	73.00%	73.00%
130,000,001 - 132,500,000	10,833,334 - 11,041,667	73.25%	73.25%	73.25%	73.25%	73.25%	73.25%	73.25%	73.25%	73.25%	73.25%	73.25%	73.25%
132,500,001 - 135,000,000	11,041,668 - 11,250,000	73.50%	73.50%	73.50%	73.50%	73.50%	73.50%	73.50%	73.50%	73.50%	73.50%	73.50%	73.50%
135,000,001 - 137,500,000	11,250,001 - 11,458,333	73.75%	73.75%	73.75%	73.75%	73.75%	73.75%	73.75%	73.75%	73.75%	73.75%	73.75%	73.75%
137,500,001 - 140,000,000	11,458,334 - 11,666,667	74.00%	74.00%	74.00%	74.00%	74.00%	74.00%	74.00%	74.00%	74.00%	74.00%	74.00%	74.00%
140,000,001 - 142,500,000	11,666,668 - 11,875,000	74.25%	74.25%	74.25%	74.25%	74.25%	74.25%	74.25%	74.25%	74.25%	74.25%	74.25%	74.25%
142,500,001 - 145,000,000	11,875,001 - 12,083,333	74.50%	74.50%	74.50%	74.50%	74.50%	74.50%	74.50%	74.50%	74.50%	74.50%	74.50%	74.50%
145,000,001 - 147,500,000	12,083,334 - 12,291,667	74.75%	74.75%	74.75%	74.75%	74.75%	74.75%	74.75%	74.75%	74.75%	74.75%	74.75%	74.75%
147,500,001 - 150,000,000	12,291,668 - 12,500,000	75.00%	75.00%	75.00%	75.00%	75.00%	75.00%	75.00%	75.00%	75.00%	75.00%	75.00%	75.00%
150,000,001 - 152,500,000	12,500,001 - 12,708,333	75.25%	75.25%	75.25%	75.25%	75.25%	75.25%	75.25%	75.25%	75.25%	75.25%	75.25%	75.25%
152,500,001 - 155,000,000	12,708,334 - 12,916,667	75.50%	75.50%	75.50%	75.50%	75.50%	75.50%	75.50%	75.50%	75.50%	75.50%	75.50%	75.50%
155,000,001 - 157,500,000	12,916,668 - 13,125,000	75.75%	75.75%	75.75%	75.75%	75.75%	75.75%	75.75%	75.75%	75.75%	75.75%	75.75%	75.75%
157,500,001 - 160,000,000	13,125,001 - 13,333,333	76.00%	76.00%	76.00%	76.00%	76.00%	76.00%	76.00%	76.00%	76.00%	76.00%	76.00%	76.00%
160,000,001 - 162,500,000	13,333,334 - 13,541,667	76.25%	76.25%	76.25%	76.25%	76.25%	76.25%	76.25%	76.25%	76.25%	76.25%	76.25%	76.25%
162,500,001 - 165,000,000	13,541,668 - 13,750,000	76.50%	76.50%	76.50%	76.50%	76.50%	76.50%	76.50%	76.50%	76.50%	76.50%	76.50%	76.50%



165,000,001 - 167,500,000	13,750,001 - 13,958,333	76.75%	76.75%	76.75%	76.75%	76.75%	76.75%	76.75%	76.75%	76.75%	76.75%	76.75%	76.75%
167,500,001 - 170,000,000	13,958,334 - 14,166,667	77.00%	77.00%	77.00%	77.00%	77.00%	77.00%	77.00%	77.00%	77.00%	77.00%	77.00%	77.00%
170,000,001 - 172,500,000	14,166,668 - 14,375,000	77.25%	77.25%	77.25%	77.25%	77.25%	77.25%	77.25%	77.25%	77.25%	77.25%	77.25%	77.25%
172,500,001 - 175,000,000	14,375,001 - 14,583,333	77.50%	77.50%	77.50%	77.50%	77.50%	77.50%	77.50%	77.50%	77.50%	77.50%	77.50%	77.50%
175,000,001 - 177,500,000	14,583,334 - 14,791,667	77.75%	77.75%	77.75%	77.75%	77.75%	77.75%	77.75%	77.75%	77.75%	77.75%	77.75%	77.75%
177,500,001 - 180,000,000	14,791,668 - 15,000,000	78.00%	78.00%	78.00%	78.00%	78.00%	78.00%	78.00%	78.00%	78.00%	78.00%	78.00%	78.00%
180,000,001 - 182,500,000	15,000,000 - 15,208,333	78.25%	78.25%	78.25%	78.25%	78.25%	78.25%	78.25%	78.25%	78.25%	78.25%	78.25%	78.25%
182,500,001 - 185,000,000	15,208,334 - 15,416,667	78.50%	78.50%	78.50%	78.50%	78.50%	78.50%	78.50%	78.50%	78.50%	78.50%	78.50%	78.50%
185,000,001 - 187,500,000	15,416,668 - 15,625,000	78.75%	78.75%	78.75%	78.75%	78.75%	78.75%	78.75%	78.75%	78.75%	78.75%	78.75%	78.75%
187,500,001 - 190,000,000	15,625,001 - 15,833,333	79.00%	79.00%	79.00%	79.00%	79.00%	79.00%	79.00%	79.00%	79.00%	79.00%	79.00%	79.00%
190,000,001 - 192,500,000	15,833,334 - 16,041,667	79.25%	79.25%	79.25%	79.25%	79.25%	79.25%	79.25%	79.25%	79.25%	79.25%	79.25%	79.25%
192,500,001 - 195,000,000	16,041,668 - 16,250,000	79.50%	79.50%	79.50%	79.50%	79.50%	79.50%	79.50%	79.50%	79.50%	79.50%	79.50%	79.50%
195,000,001 - 197,500,000	16,250,001 - 16,458,333	79.75%	79.75%	79.75%	79.75%	79.75%	79.75%	79.75%	79.75%	79.75%	79.75%	79.75%	79.75%
197,500,001 - 200,000,000	16,458,334 - 16,666,667	80.00%	80.00%	80.00%	80.00%	80.00%	80.00%	80.00%	80.00%	80.00%	80.00%	80.00%	80.00%



		Special Equipment Fund (per Month) EXAMPLE of PAYOUTS											
Total Minutes/Year	Total Minutes /Month	\$ 0.0075	\$ 0.0150	\$ 0.0300	\$ 0.0450	\$ 0.0600	\$ 0.0750	\$ 0.0900	\$ 0.1050	\$ 0.1200	\$ 0.1300	\$ 0.1350	\$ 0.1500
100,000,000 or less	8,333,333 or less	\$ 43,750	\$ 87,500	\$175,000	\$262,500	\$350,000	\$ 437,500	\$ 525,000	\$ 612,500	\$ 700,000	\$ 758,333	\$ 787,500	\$ 875,000
102,500,000	8,541,667	\$ 45,004	\$ 90,008	\$180,016	\$270,023	\$360,031	\$ 450,039	\$ 540,047	\$ 630,055	\$ 720,063	\$ 780,068	\$ 810,070	\$ 900,078
105,000,000	8,750,000	\$ 46,266	\$ 92,531	\$185,063	\$277,594	\$370,125	\$ 462,656	\$ 555,188	\$ 647,719	\$ 740,250	\$ 801,938	\$ 832,781	\$ 925,313
107,500,000	8,958,333	\$ 47,535	\$ 95,070	\$190,141	\$285,211	\$380,281	\$ 475,352	\$ 570,422	\$ 665,492	\$ 760,563	\$ 823,943	\$ 855,633	\$ 950,703
110,000,000	9,166,667	\$ 48,813	\$ 97,625	\$195,250	\$292,875	\$390,500	\$ 488,125	\$ 585,750	\$ 683,375	\$ 781,000	\$ 846,083	\$ 878,625	\$ 976,250
112,500,000	9,375,000	\$ 50,098	\$100,195	\$200,391	\$300,586	\$400,781	\$ 500,977	\$ 601,172	\$ 701,367	\$ 801,563	\$ 868,359	\$ 901,758	\$1,001,953
115,000,000	9,583,333	\$ 51,391	\$102,781	\$205,563	\$308,344	\$411,125	\$ 513,906	\$ 616,688	\$ 719,469	\$ 822,250	\$ 890,771	\$ 925,031	\$1,027,813
117,500,000	9,791,667	\$ 52,691	\$105,383	\$210,766	\$316,148	\$421,531	\$ 526,914	\$ 632,297	\$ 737,680	\$ 843,062	\$ 913,318	\$ 948,445	\$1,053,828
120,000,000	10,000,000	\$ 54,000	\$108,000	\$216,000	\$324,000	\$432,000	\$ 540,000	\$ 648,000	\$ 756,000	\$ 864,000	\$ 936,000	\$ 972,000	\$1,080,000
122,500,000	10,208,333	\$ 55,316	\$110,633	\$221,266	\$331,898	\$442,531	\$ 553,164	\$ 663,797	\$ 774,430	\$ 885,062	\$ 958,818	\$ 995,695	\$1,106,328
125,000,000	10,416,667	\$ 56,641	\$113,281	\$226,563	\$339,844	\$453,125	\$ 566,406	\$ 679,687	\$ 792,969	\$ 906,250	\$ 981,771	\$1,019,531	\$1,132,813
127,500,000	10,625,000	\$ 57,973	\$115,945	\$231,891	\$347,836	\$463,781	\$ 579,727	\$ 695,672	\$ 811,617	\$ 927,562	\$1,004,859	\$1,043,508	\$1,159,453
130,000,000	10,833,333	\$ 59,312	\$118,625	\$237,250	\$355,875	\$474,500	\$ 593,125	\$ 711,750	\$ 830,375	\$ 949,000	\$1,028,083	\$1,067,625	\$1,186,250
132,500,000	11,041,667	\$ 60,660	\$121,320	\$242,641	\$363,961	\$485,281	\$ 606,602	\$ 727,922	\$ 849,242	\$ 970,562	\$1,051,443	\$1,091,883	\$1,213,203
135,000,000	11,250,000	\$ 62,016	\$124,031	\$248,063	\$372,094	\$496,125	\$ 620,156	\$ 744,187	\$ 868,219	\$ 992,250	\$1,074,938	\$1,116,281	\$1,240,313
137,500,000	11,458,333	\$ 63,379	\$126,758	\$253,516	\$380,273	\$507,031	\$ 633,789	\$ 760,547	\$ 887,305	\$1,014,063	\$1,098,568	\$1,140,820	\$1,267,578
140,000,000	11,666,667	\$ 64,750	\$129,500	\$259,000	\$388,500	\$518,000	\$ 647,500	\$ 777,000	\$ 906,500	\$1,036,000	\$1,122,333	\$1,165,500	\$1,295,000
142,500,000	11,875,000	\$ 66,129	\$132,258	\$264,516	\$396,773	\$529,031	\$ 661,289	\$ 793,547	\$ 925,805	\$1,058,063	\$1,146,234	\$1,190,320	\$1,322,578
145,000,000	12,083,333	\$ 67,516	\$135,031	\$270,063	\$405,094	\$540,125	\$ 675,156	\$ 810,187	\$ 945,219	\$1,080,250	\$1,170,271	\$1,215,281	\$1,350,313
147,500,000	12,291,667	\$ 68,910	\$137,820	\$275,641	\$413,461	\$551,281	\$ 689,102	\$ 826,922	\$ 964,742	\$1,102,563	\$1,194,443	\$1,240,383	\$1,378,203
150,000,000	12,500,000	\$ 70,312	\$140,625	\$281,250	\$421,875	\$562,500	\$ 703,125	\$ 843,750	\$ 984,375	\$1,125,000	\$1,218,750	\$1,265,625	\$1,406,250
152,500,000	12,708,333	\$ 71,723	\$143,445	\$286,891	\$430,336	\$573,781	\$ 717,227	\$ 860,672	\$1,004,117	\$1,147,563	\$1,243,193	\$1,291,008	\$1,434,453
155,000,000	12,916,667	\$ 73,141	\$146,281	\$292,562	\$438,844	\$585,125	\$ 731,406	\$ 877,687	\$1,023,969	\$1,170,250	\$1,267,771	\$1,316,531	\$1,462,813
157,500,000	13,125,000	\$ 74,566	\$149,133	\$298,266	\$447,398	\$596,531	\$ 745,664	\$ 894,797	\$1,043,930	\$1,193,063	\$1,292,484	\$1,342,195	\$1,491,328
160,000,000	13,333,333	\$ 76,000	\$152,000	\$304,000	\$456,000	\$608,000	\$ 760,000	\$ 912,000	\$1,064,000	\$1,216,000	\$1,317,333	\$1,368,000	\$1,520,000
162,500,000	13,541,667	\$ 77,441	\$154,883	\$309,766	\$464,648	\$619,531	\$ 774,414	\$ 929,297	\$1,084,180	\$1,239,063	\$1,342,318	\$1,393,945	\$1,548,828
165,000,000	13,750,000	\$ 78,891	\$157,781	\$315,562	\$473,344	\$631,125	\$ 788,906	\$ 946,687	\$1,104,469	\$1,262,250	\$1,367,438	\$1,420,031	\$1,577,813
167,500,000	13,958,333	\$ 80,348	\$160,695	\$321,391	\$482,086	\$642,781	\$ 803,477	\$ 964,172	\$1,124,867	\$1,285,563	\$1,392,693	\$1,446,258	\$1,606,953
170,000,000	14,166,667	\$ 81,812	\$163,625	\$327,250	\$490,875	\$654,500	\$ 818,125	\$ 981,750	\$1,145,375	\$1,309,000	\$1,418,083	\$1,472,625	\$1,636,250
172,500,000	14,375,000	\$ 83,285	\$166,570	\$333,141	\$499,711	\$666,281	\$ 832,852	\$ 999,422	\$1,165,992	\$1,332,563	\$1,443,609	\$1,499,133	\$1,665,703
175,000,000	14,583,333	\$ 84,766	\$169,531	\$339,062	\$508,594	\$678,125	\$ 847,656	\$1,017,188	\$1,186,719	\$1,356,250	\$1,469,271	\$1,525,781	\$1,695,313
177,500,000	14,791,667	\$ 86,254	\$172,508	\$345,016	\$517,523	\$690,031	\$ 862,539	\$1,035,047	\$1,207,555	\$1,380,063	\$1,495,068	\$1,552,570	\$1,725,078



180,000,000	15,000,000	\$ 87,750	\$175,500	\$351,000	\$526,500	\$702,000	\$ 877,500	\$1,053,000	\$1,228,500	\$1,404,000	\$1,521,000	\$1,579,500	\$1,755,000
182,500,000	15,208,333	\$ 89,254	\$178,508	\$357,016	\$535,523	\$714,031	\$ 892,539	\$1,071,047	\$1,249,555	\$1,428,063	\$1,547,068	\$1,606,570	\$1,785,078
185,000,000	15,416,667	\$ 90,766	\$181,531	\$363,062	\$544,594	\$726,125	\$ 907,656	\$1,089,188	\$1,270,719	\$1,452,250	\$1,573,271	\$1,633,781	\$1,815,313
187,500,000	15,625,000	\$ 92,285	\$184,570	\$369,141	\$553,711	\$738,281	\$ 922,852	\$1,107,422	\$1,291,992	\$1,476,563	\$1,599,609	\$1,661,133	\$1,845,703
190,000,000	15,833,333	\$ 93,812	\$187,625	\$375,250	\$562,875	\$750,500	\$ 938,125	\$1,125,750	\$1,313,375	\$1,501,000	\$1,626,083	\$1,688,625	\$1,876,250
192,500,000	16,041,667	\$ 95,348	\$190,695	\$381,391	\$572,086	\$762,781	\$ 953,477	\$1,144,172	\$1,334,867	\$1,525,563	\$1,652,693	\$1,716,258	\$1,906,953
195,000,000	16,250,000	\$ 96,891	\$193,781	\$387,562	\$581,344	\$775,125	\$ 968,906	\$1,162,688	\$1,356,469	\$1,550,250	\$1,679,438	\$1,744,031	\$1,937,813
197,500,000	16,458,333	\$ 98,441	\$196,883	\$393,766	\$590,648	\$787,531	\$ 984,414	\$1,181,297	\$1,378,180	\$1,575,063	\$1,706,318	\$1,771,945	\$1,968,828
200,000,000	16,666,667	\$100,000	\$200,000	\$400,000	\$600,000	\$800,000	\$1,000,000	\$1,200,000	\$1,400,000	\$1,600,000	\$1,733,333	\$1,800,000	\$2,000,000



Attachment A – Facility Information (as of 2/7/2011)

The Contractor must assume a reasonable amount of deviation from existing phone count because quantities and styles will change due to the movement of offenders and the closing of facilities. In the future, the Contractor will decide how to best provide and maintain the telephone equipment. The Contractor will have ample time to survey the facilities prior to implementation and will therefore be able to provide their own pedestal and enclosure equipment to provide the service. The Contractor will be responsible to adequately meet the State’s telephone service requirements that will be dynamic through the contract.

NOTES:

- Any phone that is not on a pedestal or enclosure needs a backboard. Some are wood, some steel. There are 1475 back boards now and we anticipate adding 170 to that for total of 1645. The Contractor shall prepare/plan on changes in quantities throughout the contract. All equipment must meet industry specifications and specifications outlined in this Contract. Steel is required for all back plates.
- Ratio of phones may change based on facility changes and needs
- *If platform is centrally located at facility
- TDD stands for Telecommunications Device for the Deaf

Region	Facility	* # of Workstations	Population	# of Phones Required for this Contract	Current # of Phones at Facilities	# of TDD's per facility Required for this Contract	Current # of TDD's at Facilities	Current Outdoor Phones (Count)	Current Ped (Count)	Current Hoods (Count)
N	Alger (LMF)	1	893	28	23	0	0	20	10	20
N	Baraga (AMF)	1	896	40	40	0	0	20	6	20
S	Bellamy Creek (IBC)	1	1,845	73	68	0	0	44	30	44
N	Brooks (LRF)	1	1,126	49	48	0	0	8	8	8
S	Carson City (DRF)	1	2,328	126	75	4	3	23	7	23
S	Cooper Street (JCS)	1	1,752	86	63	0	0	18	8	12
S	Cotton (JCF)	1	1,766	77	73	5	5	33	33	12
S	Egeler (SMN/RGC)	1	1,482	58	58	1	1	18	12	18
S	Florence Crane (ACF)	1	1,063	48	46	0	0	20	10	20
S	Gus Harrison (ARF)	1	2,244	102	102	0	0	54	39	54
S	Handlon (MTU)	1	1,296	50	48	0	0	10	5	10
S	Huron Valley Womens (WHV) & HVM	1	2040	89	89	4	4	24	19	24
S	Ionia Max (ICF)	1	706	28	28	4	4	12	6	12
N	Kinross (KCF)	1	1,916	75	51	0	0	8	0	0
S	Lakeland (LCF)	1	1,424	57	40	0	0	0	0	0
S	Macomb (MRF)	1	1,300	82	82	1	1	26	5	26
N	Marquette (MBP)	1	1,216	45	29	0	0	16	4	16



S	Maxey Woodland (WCC)	1	134	8	5	1	1	0	0	0
S	Mound (NRF)	1	1,066	107	107	1	1	16	14	16
N	Muskegon (MCF)	1	1,150	51	44	0	1	0	0	0
N	Newberry (NCF)	1	1072	41	41	0	0	6	2	4
N	Oaks (ECF)	1	1,154	52	52	0	0	42	20	24
N	Ojibway (OCF)	1	1,090	47	36	0	0	22	16	22
S	Parnall (SMT)	1	1,695	85	57	4	4	22	19	22
N	Central Michigan (STF)	1	2,484	120	94	0	0	22	22	22
N	Pugsley (MPF)	1	1,344	65	30	0	0	0	0	0
S	Reformatory (RMI)	1	1,313	68	68	4	0	20	12	16
S	Ryan (RRF)	1	1,078	104	104	0	0	16	14	16
N	Saginaw (SRF)	1	1,486	117	117	2	2	44	8	40
S	SAI (ZPF/ZPM)	1	176	11	11	0	0	0	0	0
N	St. Louis (SLF)	1	1,176	60	60	0	0	30	25	30
N	Chippewa (URF)	1	2,150	97	70	0	0	2	2	2
N	Thumb (TCF)	1	1,216	119	119	0	0	30	21	30
N	Tuscola	1	110	8	8	0	0	0	0	0
N	West Shoreline (MTF)	1	1,202	64	40	0	0	8	8	8
Total		35	46,389	2,337	2,026	31	27	634	385	571
Average Ratio Prisoners / Phones (1)										



Attachment B – MDOC Correctional Facilities

**Michigan Department of Corrections
Correctional Facilities Map**

As of November 2010



*Includes reception centers

¹Inpatient psychiatric units operated by the Michigan Dept. of Community Health

Source: Correctional Facilities Administration