

Contract: Michigan DOC

Supplier Code: ZZMIDOC

Fiscal Period: December 2015

November 26 - December 25

2609 Cameron St.

Mobile, AL 36607

SUMMARY SPECIAL EQUIPMENT FUND REPORT

Band	Special Equipment Fund Addition	*	% by Band (Local, Interstate, Int'l)	*	# Minutes	*	SEF%	=	TOTAL SEF
Debit Local	\$0.1382		25.01%		9,823,735		72.00%		\$244,462.22
Collect/Prepaid Local	\$0.1532		64.76%		9,823,735		72.00%		\$701,755.04
Debit Interstate	\$0.1682		2.80%		9,823,735		72.00%		\$33,282.77
Collect Interstate	\$0.1832		0.40%		9,823,735		72.00%		\$5,231.97
Prepaid Interstate	\$0.1632		6.99%		9,823,735		72.00%		\$80,736.41
Debit International	\$0.2430		0.02%		9,823,735		72.00%		\$395.76
Collect/Prepaid International	\$0.2430		0.01%		9,823,735		72.00%		\$186.86
TOTAL SEF COMMISSION			100.00%						\$1,066,051.03



**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

NOTICE OF CONTRACT

NOTICE OF CONTRACT NO. **171-180000001124**
between
THE STATE OF MICHIGAN
and

CONTRACTOR
Global Tel*Link Corporation
12021 Sunset Hill Road, Suite 100
Reston, VA 20190
Warren Hall
(703) 955-3910
Warren.Hall@GTL.net
*****5444

STATE
Program Manager
Contract Administrator
Bernie Scott MDOC
517-241-8414
ScottB4@michigan.gov
Sean Regan DTMB
517-243-8459
ReganS@michigan.gov

CONTRACT SUMMARY			
DESCRIPTION:			
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
8/9/2018	8/8/2023	2, 1-Year	N/A
PAYMENT TERMS		DELIVERY TIMEFRAME	
Net 45			
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			
MISCELLANEOUS INFORMATION			
N/A			
ESTIMATED CONTRACT VALUE AT TIME OF EXECUTION			\$96,480,000.00



STATE OF MICHIGAN

IT PROFESSIONAL SERVICES CONTRACT TERMS

This IT Professional Services Contract (the “**Contract**”) is agreed to between the State of Michigan (the “**State**”) and Global Tel*Link Corporation (“**Contractor**”), an Idaho corporation. This Contract is effective on August 9, 2018, (“**Effective Date**”), and unless terminated, expires on August 8, 2023 (the “**Term**”).

This Contract may be renewed for up to two (2) additional one (1) year periods. Renewal must be by written notice from the State and will automatically extend the Term of this Contract.

The parties agree as follows:

1. **Definitions.** For the purposes of this Contract, the following terms have the following meanings:

“**API**” means all Application Programming Interfaces and associated API Documentation provided by Contractor, and as updated from time to time, to allow the System to integrate with various State and Third Party software.

“**Authorized Users**” means all Persons authorized by the State to access and use the System under this Contract, subject to the maximum number of users specified in the Statement of Work.

“**Business Day**” means a day other than a Saturday, Sunday or other day on which the State is authorized or required by law to be closed for business.

“**Change**” has the meaning set forth in **Section 3**.

“**Change Notice**” has the meaning set forth in **Section 3.b**.

“**Change Proposal**” has the meaning set forth in **Section 3.a**.

“**Change Request**” has the meaning set forth in **Section 3**.

“**Confidential Information**” has the meaning set forth in **Section a**.

“**Contract**” has the meaning set forth in the preamble.

“**Contract Administrator**” has the meaning set forth in **Section 6**.

“**Contractor**” has the meaning set forth in the preamble.

“**Contractor Personnel**” means all employees of Contractor or any Subcontractors involved in the performance of Services and creation of Deliverables under this Contract.

“**Deliverables**” means the System, API, Equipment, Documentation, Reports, and all other materials that Contractor or any Subcontractor is required to or otherwise does provide to the

State under this Contract and otherwise in connection with any Services, including all items specifically identified as Deliverables in the Statement of Work.

"Documentation" means all user manuals, operating manuals, technical manuals and any other instructions, specifications, documents or materials, in any form or media, that describe the functionality, installation, testing, operation, use, maintenance, support, technical or other components, features or requirements of the System.

"Effective Date" has the meaning set forth in the preamble.

"Equipment" means all hardware and peripherals supplied by Contractor under this Contract, including but not limited to, telephone sets, routers, switches, UPS, TTY, carts, kiosks, computers, work stations, monitors, wiring/cable/fiber (i.e. fiber backbone infrastructure and Cat6 runs, including associated wiring for yard phones), connectors, jacks, guard posts, concrete pads, enclosures, pedestals, bumper pads, mast poles, and any other materials, equipment or hardware that Contractor or any Subcontractor is required to, or otherwise does provide, under this Contract.

"Financial Audit Period" has the meaning set forth in **Section 26**.

"Key Personnel" means any Contractor Personnel identified as key personnel in this Contract or the Statement of Work.

"Program Manager" has the meaning set forth in **Section 7**.

"Reports" means all written and electronic reports that Contractor is required to provide the State under this Contract or the Statement of Work.

"Service Level Agreement" means the **Schedule D** attached to this Contract.

"Services" means any of the services Contractor, or any Subcontractor, is required to or otherwise does provide under this Contract or any Schedule.

"State" has the meaning set forth in the preamble.

"State Data" has the meaning set forth in **Section 10.a**.

"State Fee" has the meaning set forth in **Section 14**.

"State Review Period" has the meaning set forth in **Section 13**.

"Statement of Work" means the **Schedule A** attached to this Contract.

"Stop Work Order" has the meaning set forth in **Section 16**.

"Subcontractor" has the meaning set forth in **Section 4.f**.

"System" means, collectively, Contractor's integrated prisoner telephone system.

"System and Equipment Terms Schedule" means the **Schedule B** attached to this Contract.

"Transition Responsibilities" has the meaning set forth in **Section 19**.

"Unauthorized Removal" has the meaning set forth in **Section 4.e.ii**.

“Unauthorized Removal Credit” has the meaning set forth in **Section 4.e.iii**.

“User Acceptance Testing Schedule” means the **Schedule C** attached to this Contract.

2. **Services.** Contractor shall provide the Services and Deliverables pursuant to the Schedules attached to this Contract, including the Statement of Work. The terms and conditions of this Contract will apply at all times to the Schedules. The State shall have the right to terminate a Schedule, in whole or in part, as set forth in **Sections 17 and 18** of this Contract.
3. **Change Control Process.** The State may at any time request in writing (each, a **“Change Request”**) changes to a Schedule, including changes to the Services and Deliverables (each, a **“Change”**). Upon the State’s submission of a Change Request, the parties will evaluate and implement all Changes in accordance with this **Section 3**.
 - a. As soon as reasonably practicable, and in any case within twenty (20) Business Days following receipt of a Change Request, Contractor will provide the State with a written proposal for implementing the requested Change (**“Change Proposal”**), setting forth:
 - i. a written description of the proposed Changes to any Services or Deliverables;
 - ii. the schedule for commencing and completing any additional or modified Services or Deliverables; and (B) the effect of such Changes, if any, on completing any other Services; and
 - iii. any additional State Resources Contractor deems necessary to carry out such Changes.
 - b. Within thirty (30) Business Days following the State’s receipt of a Change Proposal, the State will by written notice to Contractor, approve, reject, or propose modifications to such Change Proposal. If the State proposes modifications, Contractor must modify and re-deliver the Change Proposal reflecting such modifications, or notify the State of any disagreement, in which event the parties will negotiate in good faith to resolve their disagreement. Upon the State’s approval of the Change Proposal or the parties’ agreement on all proposed modifications, as the case may be, the parties will execute a written agreement to the Change Proposal (**“Change Notice”**), which Change Notice will be signed by the State’s Contract Administrator and will constitute an amendment to the Schedule to which it relates;
 - c. If the parties fail to enter into a Change Notice within fifteen (15) Business Days following the State’s response to a Change Proposal, the State may, in its discretion:
 - i. require Contractor to perform the Services under the Schedule without the Change;
 - ii. require Contractor to continue to negotiate a Change Notice;
 - iii. initiate a Dispute Resolution Procedure; or
 - iv. notwithstanding any provision to the contrary in a Schedule, terminate this Contract under **Section 18**.
 - d. No Change will be effective until the parties have executed a Change Notice. Except as the State may request in its Change Request or otherwise in writing, Contractor must continue to perform its obligations in accordance with the Schedule pending negotiation and execution of a Change Notice. Contractor will use its best efforts to limit any delays from any Change to those necessary to perform the Change in accordance with the applicable Change Notice. Each party is responsible for its own costs and expenses of preparing, evaluating, negotiating, and otherwise processing any Change Request, Change Proposal, and Change Notice.

- e. The performance of any functions, activities, tasks, obligations, roles and responsibilities comprising the Services as described in this Contract are considered part of the Services and, thus, will not be considered a Change. This includes the delivery of all Deliverables in accordance with their respective specifications.
- f. Contractor may, on its own initiative and at its own expense, prepare and submit its own Change Request to the State. However, the State will be under no obligation to approve or otherwise respond to a Change Request initiated by Contractor.

4. **Performance of Services.**

- a. **Performance Warranty.** Contractor represents and warrants that its Services hereunder shall be performed by competent personnel and shall be of professional quality consistent with generally accepted industry standards for the performance of such services and shall comply in all respects with the requirements of this Contract and the specifications set forth in the applicable Schedule. For any breach of this warranty, the State may, at its option, either terminate a Schedule immediately pursuant to the termination provision herein, or require Contractor to provide replacement personnel satisfactory to the State within thirty (30) calendar days of Contractor's receipt of notification from the State. Whether or not the departing Contractor Personnel are to continue working while Contractor attempts to find replacement personnel is at the sole discretion of the State. If Contractor is notified within the first eight (8) hours of assignment that the person is unsatisfactory, Contractor will not charge the State for those hours; otherwise, the State shall pay for all actual hours worked prior to the State's notification of a replacement request to Contractor.

b. **State Standards**

- i. The Contractor must adhere to all existing standards as described within the comprehensive listing of the State's existing technology standards at <http://www.michigan.gov/dmb/0,4568,7-150-56355-108233--,00.html>
- ii. To the extent that Contractor has access to the State's computer system, Contractor must comply with the State's Acceptable Use Policy, see http://www.michigan.gov/dtmb/0,5552,7-150-56355_56579_56755---.00.html. All Contractor Personnel will be required, in writing, to agree to the State's Acceptable Use Policy before accessing the State's system. The State reserves the right to terminate Contractor's access to the State's system if a violation occurs.

c. **Contractor Personnel**

- i. Contractor is solely responsible for all Contractor Personnel and for the payment of their compensation, including, if applicable, withholding of income taxes, and the payment and withholding of social security and other payroll taxes, unemployment insurance, workers' compensation insurance payments and disability benefits.
- ii. Prior to any Contractor Personnel performing any Services, Contractor will:
 - 1. ensure that such Contractor Personnel have the legal right to work in the United States; and

2. require such Contractor Personnel to execute written agreements, in form and substance acceptable to the State, that bind such Contractor Personnel to confidentiality provisions that are at least as protective of the State's information (including all Confidential Information) as those contained in this Contract.
 - iii. Contractor and all Contractor Personnel will comply with all rules, regulations, and policies of the State that are communicated to Contractor in writing, including security procedures concerning systems and data and remote access, building security procedures, including the restriction of access by the State to certain areas of its premises or systems, and general health and safety practices and procedures.
 - iv. The State reserves the right to require the removal of any 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. Replacement personnel for the removed person must be fully qualified for the position. If the State exercises this right, and Contractor cannot immediately replace the removed personnel, the State agrees to negotiate an equitable adjustment in schedule or other terms that may be affected by the State's required removal.
- d. **Background Checks.** Upon request, Contractor must perform background checks on all employees and subcontractors and its employees prior to their assignment. The scope is at the discretion of the State and documentation must be provided as requested. Contractor is responsible for all costs associated with the requested background checks. The State, in its sole discretion, may also perform background checks.
- e. **Contractor's Key Personnel**
- i. The State has 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, introduce the individual to the State's Program Manager, and 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.
 - ii. Contractor will not remove any Key Personnel from their assigned roles on this 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**"). An Unauthorized Removal 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. Any Unauthorized Removal may be considered by the State to be a material breach of this Contract, in respect of which the State may elect to terminate this Contract for cause under **Section 17**.

- iii. It is further acknowledged that an Unauthorized Removal will interfere with the timely and proper completion of this 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 17**. Contractor will issue to the State the corresponding credits set forth below (each, an “**Unauthorized Removal Credit**”):
 - 1. For the Unauthorized Removal of any Key Personnel designated in the Statement of Work, the credit amount will be \$25,000.00 per individual if Contractor identifies a replacement approved by the State and assigns the replacement to shadow the Key Personnel who is leaving for a period of at least 30 calendar days before the Key Personnel’s removal.
 - 2. If Contractor fails to assign a replacement to shadow the removed Key Personnel for at least 30 calendar days, in addition to the \$25,000.00 credit specified above, Contractor will credit the State \$833.33 per calendar day for each day of the 30 calendar-day shadow period that the replacement Key Personnel does not shadow the removed Key Personnel, up to \$25,000 maximum per individual. The total Unauthorized Removal Credits that may be assessed per Unauthorized Removal and failure to provide 30 calendar days of shadowing will not exceed \$50,000.00 per individual.
 - iv. Contractor acknowledges and agrees that each of the Unauthorized Removal Credits assessed under **Subsection iii** above: (i) is a reasonable estimate of and compensation for the anticipated or actual harm to the State that may arise from the Unauthorized Removal, which would be impossible or very difficult to accurately estimate; and (ii) may, at the State’s option, be credited or set off against any fees or other charges payable to Contractor under this Contract.
- f. **Subcontractors.** Contractor will not, without the prior written approval of the State, which consent may be given or withheld in the State’s sole discretion, engage any third party to perform Services (including to create any Deliverables). The State’s approval of any such third party (each approved third party, a “**Subcontractor**”) does not relieve Contractor of its representations, warranties or obligations under this Contract. Without limiting the foregoing, Contractor will:
- i. be responsible and liable for the acts and omissions of each such Subcontractor (including such Subcontractor’s employees who, to the extent providing Services or creating Deliverables, shall be deemed Contractor Personnel) to the same extent as if such acts or omissions were by Contractor or its employees;
 - ii. name the State a third party beneficiary under Contractor’s contract with each Subcontractor with respect to the Services and Deliverables;
 - iii. be responsible for all fees and expenses payable to, by or on behalf of each Subcontractor in connection with this Contract, including, if applicable, withholding of income taxes, and the payment and

withholding of social security and other payroll taxes, unemployment insurance, workers' compensation insurance payments and disability benefits; and

- iv. prior to the provision of Services or creation of Deliverables by any Subcontractor, if requested by the State:
 - 1. obtain from such Subcontractor confidentiality, work-for-hire and intellectual property rights assignment agreements, in form and substance acceptable by the State, giving the State rights consistent with those set forth in **Section 10** and, upon request, provide the State with a fully-executed copy of each such contract; and
 - 2. with respect to all Subcontractor employees providing Services or Deliverables, comply with its obligations under **subsection c** and **d** above.

- 5. **Notices.** All notices and other communications required or permitted under this Contract must be in writing and will be considered given and received: (a) when verified by written receipt if sent by courier; (b) when actually received if sent by mail without verification of receipt; or (c) when verified by automated receipt or electronic logs if sent by facsimile or email.

If to State:	If to Contractor:
Sean Regan ReganS@michigan.gov 517-243-8459	Warren Hall Warren.Hall@GTL.net (703) 955-3910

- 6. **Contract Administrator.** The Contract Administrator for each party is the only person authorized to modify any terms of this Contract, and approve and execute any Change Notice under this Contract (each a "**Contract Administrator**"):

State:	Contractor:
Sean Regan ReganS@michigan.gov 517-243-8459	Warren Hall Warren.Hall@GTL.net (703) 955-3910

- 7. **Program Manager.** The Program Manager for each party will monitor and coordinate the day-to-day activities of the Contract (each a "**Program Manager**"):

State:	Contractor:
Bernie Scott ScottB4@michigan.gov 517-241-8414	John D. Noey john.noey@GTL.net 814-386-9945

- 8. **Insurance Requirements.** Contractor must maintain the insurances identified below and is responsible for all deductibles. All required insurance must: (a) protect the State from claims that may arise out of, are alleged to arise out of, or result from Contractor's or a subcontractor's performance; (b) be primary and non-contributing to any comparable liability insurance (including self-insurance) carried by the State; and (c) be provided by a company with an A.M. Best rating of "A" or better and a financial size of VII or better.

Insurance Type	Additional Requirements
Commercial General Liability Insurance	

<p><u>Minimal Limits:</u> \$1,000,000 Each Occurrence Limit \$1,000,000 Personal & Advertising Injury Limit \$2,000,000 General Aggregate Limit \$2,000,000 Products/Completed Operations</p> <p><u>Deductible Maximum:</u> \$50,000 Each Occurrence</p>	<p>Contractor must have their policy endorsed to add “the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees, and agents” as additional insureds using endorsement CG 20 10 11 85, or both CG 2010 07 04 and CG 2037 07 0.</p>
Umbrella or Excess Liability Insurance	
<p><u>Minimal Limits:</u> \$5,000,000 General Aggregate</p>	<p>Contractor must have their policy endorsed to add “the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees, and agents” as additional insureds.</p>
Automobile Liability Insurance	
<p><u>Minimal Limits:</u> \$1,000,000 Per Occurrence</p>	
Workers' Compensation Insurance	
<p><u>Minimal Limits:</u> Coverage according to applicable laws governing work activities.</p>	<p>Waiver of subrogation, except where waiver is prohibited by law.</p>
Employers Liability Insurance	
<p><u>Minimal Limits:</u> \$500,000 Each Accident \$500,000 Each Employee by Disease \$500,000 Aggregate Disease.</p>	
Privacy and Security Liability (Cyber Liability) Insurance	
<p><u>Minimal Limits:</u> \$1,000,000 Each Occurrence \$1,000,000 Annual Aggregate</p>	<p>Contractor must have their policy: (1) endorsed to add “the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees, and agents” as additional insureds; and (2) cover information security and privacy liability, privacy notification costs, regulatory defense and penalties, and website media content liability.</p>
Professional Liability (Errors and Omissions) Insurance	
<p><u>Minimal Limits:</u></p>	

<p>\$3,000,000 Each Occurrence \$3,000,000 Annual Aggregate</p> <p><u>Deductible Maximum:</u> \$50,000 Per Loss</p>	
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If any of the required policies provide claim-made coverage, the Contractor must: (a) provide coverage with a retroactive date before the effective date of the contract or the beginning of Services; (b) maintain coverage and provide evidence of coverage for at least three (3) years after completion of the Services; and (c) if coverage is canceled or not renewed, and not replaced with another claims-made policy form with a retroactive date prior to the contract effective date, Contractor must purchase extended reporting coverage for a minimum of three (3) years after completion of work.

Contractor must: (a) provide insurance certificates to the Contract Administrator, containing the agreement or purchase order number, at Contract formation and within 20 calendar days of the expiration date of the applicable policies; (b) require that subcontractors maintain the required insurances contained in this Section; (c) notify the Contract Administrator within 5 Business Days if any insurance is cancelled; and (d) waive all rights against the State for damages covered by insurance. Failure to maintain the required insurance does not limit this waiver.

This Section is not intended to and is not be construed in any manner as waiving, restricting or limiting the liability of either party for any obligations under this Contract (including any provisions hereof requiring Contractor to indemnify, defend and hold harmless the State).

9. **Independent Contractor.** Contractor is an independent contractor and assumes all rights, obligations and liabilities set forth in this Contract. Contractor, its employees, and agents will not be considered employees of the State. No partnership or joint venture relationship is created by virtue of this Contract. Contractor, and not the State, is responsible for the payment of wages, benefits and taxes of Contractor's employees and any subcontractors. Prior performance does not modify Contractor's status as an independent contractor.

10. **Intellectual Property Rights.**

a. System. Contractor hereby grants to the State and its Authorized Users the right and license to use the System and Documentation in accordance with the terms and conditions of this Contract and **Schedule B**. Subject to the rights granted under **Schedule B**, Contractor reserves and retains its entire right, title and interest in and to all intellectual property rights arising out of or relating to the System.

b. Reports and API. Contractor hereby acknowledges that the State is and will be the sole and exclusive owner of all right, title, and interest in the Reports and API, and all associated intellectual property rights, if any. Such Reports and API are works made for hire as defined in Section 101 of the Copyright Act of 1976. To the extent any Reports or API and related intellectual property do not qualify as works made for hire under the Copyright Act, Contractor will, and hereby does, immediately on its creation, assign, transfer and otherwise convey to the State, irrevocably and in perpetuity, throughout the universe, all right, title and interest in and to the Reports and API, including all intellectual property rights therein.

c. Knowledge. Each party retains the right to retain and use its skill, knowledge, experience, and know-how, including ideas, concepts, processes, methods and techniques, whether developed prior to, independently of, or in the course of performing the services under this Contract.

11. **Acceptance of the System.** Requirements for User Acceptance Testing (UAT) of the System and the State's criteria for acceptance of the System are set forth in User Acceptance Testing Schedule, attached as **Schedule C**, and the Statement of Work, attached as **Schedule A**.
12. **Service Level Agreement.** Contractor will provide support for the System and Equipment in accordance with the requirements set forth in the Service Level Agreement, attached as **Schedule D**.
13. **Delivery, Acceptance and Warranty of Equipment.** Requirements for delivery, acceptance and warranty of Equipment are set forth on **Schedule B**.
14. **Terms of Payment to the State.** Commencing on 9/25/2018, Contractor will pay to the State \$916,666.67 per month, due and payable on the 30th of each month (the "**State Fee**"). The payment method and instructions will be set forth in the Statement of Work. Payment of the State Fee will continue throughout the Term of the Contract, or any renewals thereof. If Contractor fails to pay the State Fee within ten (10) calendar days of its due date, Contractor shall immediately pay to the State a late charge equal to 2% of the delinquent amount. THE OBLIGATIONS OF CONTRACTOR TO PAY THE STATE FEE SHALL BE ABSOLUTE AND UNCONDITIONAL IN ALL EVENTS WITHOUT ABATEMENT, DIMINUTION, DEDUCTION, SET-OFF OR DEFENSE, FOR ANY REASON, INCLUDING, WITHOUT LIMITATION, CONTRACTOR'S FAILURE TO COLLECT SUFFICIENT REVENUE FROM ITS OPERATION AND ADMINISTRATION OF THE SYSTEM.
15. **Terms of Payment to Contractor.** For Services or Deliverables that are chargeable to the State, if any, Contractor's invoices must conform to the requirements set forth in the Statement of Work. All undisputed amounts are payable within 45 days of the State's receipt. Contractor may only charge for Services and Deliverables performed as specified in the Statement of Work. Invoices must include an itemized statement of all charges. The State is exempt from State sales tax for direct purchases and may be exempt from federal excise tax, if Services and Deliverables purchased under this Contract are for the State's exclusive use.

The State has the right to withhold payment of any disputed amounts until the parties agree as to the validity of the disputed amount. The State will notify Contractor of any dispute within a reasonable time. Payment by the State will not constitute a waiver of any rights as to Contractor's continuing obligations, including claims for deficiencies or substandard Services or Deliverables. Contractor's acceptance of final payment by the State constitutes 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 disputed.

The State will only disburse payments under this Contract through Electronic Funds Transfer (EFT). Contractor must register with the State at <http://www.michigan.gov/SIGMAVSS> to receive electronic fund transfer payments. If Contractor does not register, the State is not liable for failure to provide payment.

Without prejudice to any other right or remedy it may have, the State reserves the right to set off at any time any amount then due and owing to it by Contractor against any amount payable by the State to Contractor under this Contract.

16. **Stop Work Order.** The State may suspend any or all activities under a Schedule at any time. The State will provide Contractor a written stop work order detailing the suspension (a "**Stop Work Order**"). Contractor must comply with the Stop Work Order upon receipt. Within 90 calendar days, or any longer period agreed to by Contractor, the State will either: (a) issue a notice authorizing Contractor to resume work, or (b) terminate the Schedule. The State will not pay for Services or Deliverables, Contractor's lost profits, or any additional compensation during a stop work period.

17. **Termination for Cause.** The State may terminate this Contract, in whole or in part (including individual Schedules), if Contractor, as determined by the State: (a) endangers the value, integrity, or security of any State location, data, or personnel; (b) becomes insolvent, petitions for bankruptcy court proceedings, or has an involuntary bankruptcy proceeding filed against it by any creditor; (c) engages in any conduct that may expose the State to liability; (d) breaches any of its material duties or obligations under this Contract or a Schedule; or (e) fails to cure a breach within the time stated in a notice of breach. Any reference to specific breaches being material breaches within this Contract will not be construed to mean that other breaches are not material.

If the State terminates this Contract under this Section, the State will issue a termination notice specifying whether Contractor must: (a) cease performance immediately, or (b) continue to perform for a specified period. If it is later determined that Contractor was not in breach of the Contract, the termination will be deemed to have been a Termination for Convenience, effective as of the same date, and the rights and obligations of the parties will be limited to those provided in **Section 18**, Termination for Convenience.

The State will only pay for amounts due to Contractor for Services and Deliverables accepted by the State on or before the date of termination, subject to the State's right to set off any amounts owed by the Contractor for the State's reasonable costs in terminating this Contract. The Contractor must pay all reasonable costs incurred by the State in terminating this Contract for cause, including administrative costs, attorneys' fees, court costs, transition costs, and any costs the State incurs to procure the Services and Deliverables from other sources.

18. **Termination for Convenience.** The State may immediately terminate this Contract, in whole or in part (including individual Schedules), without penalty and for any reason, including but not limited to, appropriation or budget shortfalls. The termination notice will specify whether Contractor must: (a) cease performance of the Services immediately, or (b) continue to perform the Services in accordance with **Section 19**, Transition Responsibilities. If the State terminates this Contract for convenience, the State will pay all reasonable costs, as determined by the State, for State approved Transition Responsibilities.
19. **Transition Responsibilities.** Upon termination or expiration of this Contract for any reason, Contractor must, for a period of time specified by the State (not to exceed 120 calendar days), provide all reasonable transition assistance requested by the State, to allow for the expired or terminated portion of the Services to continue without interruption or adverse effect, and to facilitate the orderly transfer of such Services to the State or its designees. Such transition assistance may include, but is not limited to: (a) continuing to perform the Services at the established Contract rates; (b) taking all reasonable and necessary measures to transition performance of the work, including all applicable Services, training, reports and other documentation, to the State or the State's designee; (c) taking all necessary and appropriate steps, or such other action as the State may direct, to preserve, maintain, protect, or return to the State all materials, data, property, and confidential information provided directly or indirectly to Contractor by any entity, agent, vendor, or employee of the State; (d) transferring title in and delivering to the State, at the State's discretion, all completed or partially completed Deliverables prepared under this Contract as of the Contract termination date; and (e) preparing an accurate accounting from which the State and Contractor may reconcile all outstanding accounts (collectively, "**Transition Responsibilities**"). This Contract will automatically be extended through the end of the transition period.
20. **General Indemnification.** Contractor must defend, indemnify and hold the State, its departments, divisions, agencies, offices, commissions, officers, and employees harmless, without limitation, from and against any and all actions, claims, losses, liabilities, damages, costs, attorney fees, and expenses (including those required to establish the right to indemnification), arising out of or relating to: (a) any breach by Contractor (or any of

Contractor's employees, agents, subcontractors, or by anyone else for whose acts any of them may be liable) of any of the promises, agreements, representations, warranties, or insurance requirements contained in this Contract; (b) any infringement, misappropriation, or other violation of any intellectual property right or other right of any third party; (c) any bodily injury, death, or damage to real or tangible personal property occurring wholly or in part due to action or inaction by Contractor (or any of Contractor's employees, agents, subcontractors, or by anyone else for whose acts any of them may be liable); and (d) any acts or omissions of Contractor (or any of Contractor's employees, agents, subcontractors, or by anyone else for whose acts any of them may be liable).

The State will notify Contractor in writing if indemnification is sought; however, failure to do so will not relieve Contractor, except to the extent that Contractor is materially prejudiced. Contractor must, to the satisfaction of the State, demonstrate its financial ability to carry out these obligations.

The State is entitled to: (i) regular updates on proceeding status; (ii) participate in the defense of the proceeding; and (iii) employ its own counsel. Contractor will not, without the State's written consent (not to be unreasonably withheld), settle, compromise, or consent to the entry of any judgment in or otherwise seek to terminate any claim, action, or proceeding. To the extent that any State employee, official, or law may be involved or challenged, the State may, at its own expense, control the defense of that portion of the claim.

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. An attorney designated to represent the State may not do so until approved by the Michigan Attorney General and appointed as a Special Assistant Attorney General.

21. **Infringement Remedies.** If, in either party's opinion, any of the Services or Deliverables supplied by Contractor or its subcontractors, or its operation, use or reproduction, is likely to become the subject of a copyright, patent, trademark, or trade secret infringement claim, Contractor must, at its expense: (a) procure for the State the right to continue using the Services or Deliverables, or if this option is not reasonably available to Contractor, (b) replace or modify the same so that it becomes non-infringing; or (c) accept its return by the State with appropriate credits to the State against 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.
22. **Limitation of Liability.** THE STATE WILL NOT BE LIABLE, REGARDLESS OF THE FORM OF ACTION, WHETHER IN CONTRACT, TORT, NEGLIGENCE, STRICT LIABILITY OR BY STATUTE OR OTHERWISE, FOR ANY CLAIM RELATED TO OR ARISING UNDER THIS CONTRACT FOR CONSEQUENTIAL, INCIDENTAL, INDIRECT, OR SPECIAL DAMAGES, INCLUDING WITHOUT LIMITATION LOST PROFITS AND LOST BUSINESS OPPORTUNITIES. IN NO EVENT WILL THE STATE'S AGGREGATE LIABILITY TO CONTRACTOR UNDER THIS CONTRACT, REGARDLESS OF THE FORM OF ACTION, WHETHER IN CONTRACT, TORT, NEGLIGENCE, STRICT LIABILITY OR BY STATUTE OR OTHERWISE, FOR ANY CLAIM RELATED TO OR ARISING UNDER THIS CONTRACT, EXCEED \$50,000.
23. **State Data.**
 - a. **Ownership.** The State's data ("**State Data**," which will be treated by Contractor as Confidential Information) includes the State's data collected, used, processed, stored, or generated as the result of the Services, including but not limited to call detail records and call recordings contained in the System. State Data is and will remain the sole and exclusive property of the State and all right, title, and interest in the same is reserved by the State. This Section survives the termination of this Contract.

- b. Contractor Use of State Data. Contractor is provided a limited license to State Data for the sole and exclusive purpose of providing the Services, including a license to collect, process, store, generate, and display State Data only to the extent necessary in the provision of the Services. Contractor must: (a) keep and maintain State Data in strict confidence, using such degree of care as is appropriate and consistent with its obligations as further described in this Contract and applicable law to avoid unauthorized access, use, disclosure, or loss; (b) use and disclose State Data solely and exclusively for the purpose of providing the Services, such use and disclosure being in accordance with this Contract, the applicable Schedule, and applicable law; and (c) not use, sell, rent, transfer, distribute, or otherwise disclose or make available State Data for Contractor's own purposes or for the benefit of anyone other than the State without the State's prior written consent. This Section survives the termination of this Contract.
 - c. Discovery. Contractor shall immediately notify the State upon receipt of any requests which in any way might reasonably require access to State Data or the State's use of the System. Contractor shall notify the State Program Manager by the fastest means available and also in writing. In no event shall Contractor provide such notification more than 2 Business Days after Contractor receives the request. Contractor shall not respond to subpoenas, service of process, FOIA requests, and other legal requests related to the State without first notifying the State and obtaining the State's prior approval of Contractor's proposed responses. With regard to subpoenas or documents subject to disclosure pursuant to a court order, to the extent the State objects to the release of information, the State will file any appropriate objections to the release of the information. Contractor agrees to provide its completed responses to the State with adequate time for State review, revision and approval. State agrees to provide timely approval, such approval shall not be unreasonably withheld, to Contractor in order to allow Contractor sufficient time to meet any court ordered or subpoena deadlines.
 - d. Compromise of State Data. In the event of any act, error or omission, negligence, misconduct, or breach on the part of Contractor that compromises or is suspected to compromise the security, confidentiality, or integrity of State Data or the physical, technical, administrative, or organizational safeguards put in place by Contractor that relate to the protection of the security, confidentiality, or integrity of State Data, Contractor must, as applicable: (a) notify the State as soon as practicable but no later than twenty-four (24) hours of becoming aware of such occurrence; (b) cooperate with the State in investigating the occurrence, including making available all relevant records, logs, files, data reporting, and other materials required to comply with applicable law or as otherwise required by the State; (c) perform or take any other actions required to comply with applicable law as a result of the occurrence; (d) pay for any costs associated with the occurrence, including but not limited to any costs incurred by the State in investigating and resolving the occurrence, including reasonable attorney's fees associated with such investigation and resolution; (e) pay for any costs associated with required notification and credit monitoring to affected individuals; and (f) without limiting Contractor's obligations of indemnification as further described in this Contract, indemnify, defend, and hold harmless the State for any and all claims, including reasonable attorneys' fees, costs, and incidental expenses, which may be suffered by, accrued against, charged to, or recoverable from the State in connection with the occurrence. This Section survives termination or expiration of this Contract.
24. **Non-Disclosure of Confidential Information**. The parties acknowledge that each party may be exposed to or acquire communication or data of the other party that is confidential, privileged communication not intended to be disclosed to third parties. The provisions of this Section survive the termination of this Contract.

- a. Meaning of Confidential Information. For the purposes of this Contract, the term “**Confidential Information**” means all information and documentation of a party that: (a) has been marked “confidential” or with words of similar meaning, at the time of disclosure by such party; (b) if disclosed orally or not marked “confidential” or with words of similar meaning, was subsequently summarized in writing by the disclosing party and marked “confidential” or with words of similar meaning; and, (c) should reasonably be recognized as confidential information of the disclosing party. The term “Confidential Information” does not include any information or documentation that was or is: (a) subject to disclosure under the Michigan Freedom of Information Act (FOIA) by the receiving party; (b) already in the possession of the receiving party without an obligation of confidentiality; (c) developed independently by the receiving party, as demonstrated by the receiving party, without violating the disclosing party’s proprietary rights; (d) obtained from a source other than the disclosing party without an obligation of confidentiality; or, (e) publicly available when received, or thereafter became publicly available (other than through any unauthorized disclosure by, through, or on behalf of, the receiving party). For purposes of this Contract, in all cases and for all matters, State Data is deemed to be Confidential Information.
- b. Obligation of Confidentiality. The parties agree to hold all Confidential Information in strict confidence and not to copy, reproduce, sell, transfer, or otherwise dispose of, give or disclose such Confidential Information to third parties other than employees, agents, or subcontractors of a party who have a need to know in connection with this Contract or to use such Confidential Information for any purposes whatsoever other than the performance of this Contract. The parties agree to advise and require their respective employees, agents, and subcontractors of their obligations to keep all Confidential Information confidential. Disclosure to 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 responsibilities; 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 or any subcontractor may be required to execute a separate agreement to be bound by the provisions of this Section.
- c. Cooperation to Prevent Disclosure of Confidential Information. Each party must use its best efforts to assist the other party in identifying and preventing any unauthorized use or disclosure of any Confidential Information. Without limiting the foregoing, each party must advise the other party immediately in the event either party learns or has reason to believe that any person who has had access to Confidential Information has violated or intends to violate the terms of this Contract and each party will cooperate with the other party in seeking injunctive or other equitable relief against any such person.
- d. Remedies for Breach of Obligation of Confidentiality. Each party acknowledges that breach of its obligation of confidentiality may give rise to irreparable injury to the other party, which damage may be inadequately compensable in the form of monetary damages. Accordingly, a party may seek and obtain injunctive relief against the breach or threatened breach of the foregoing undertakings, in addition to any other legal remedies which may be available, to include, in the case of the State, at the sole election of the State, the immediate termination, without liability to the State, of this Contract or any Schedule corresponding to the breach or threatened breach.
- e. Surrender of Confidential Information upon Termination. Upon termination of this Contract or a Statement of Work, in whole or in part, each party must, within 5 calendar days from the date of termination, return to the other party any and all Confidential Information received from the other party, or created or received by a party on behalf of the other party, which are in such party’s possession, custody, or control. Should

Contractor or the State determine that the return of any Confidential Information is not feasible, such party must destroy the Confidential Information and must certify the same in writing within 5 calendar days from the date of termination to the other party.

25. **Data Privacy and Information Security.**

- a. Undertaking by Contractor. Without limiting Contractor's obligation of confidentiality and security as further described in this Contract and the Statement of Work, Contractor is responsible for establishing and maintaining a data privacy and information security program, including physical, technical, administrative, and organizational safeguards, that is designed to: (a) ensure the security and confidentiality of the State Data and facilities; (b) protect against any anticipated threats or hazards to the security or integrity of State Data or facilities; (c) protect against unauthorized disclosure, access to, or use of the State Data; (d) ensure the proper disposal of State Data; and (e) ensure that all Contractor Personnel comply with all of the foregoing. In no case will the safeguards of Contractor's data privacy and information security program be less stringent than the safeguards used by the State, and Contractor must at all times comply with all applicable State IT Policies, Standards, and Procedures, which are available upon request by Contractor, and which are consider the State's Confidential Information.
 - b. Right of Audit by the State. Without limiting any other audit rights of the State, the State has the right to review Contractor's data privacy and information security program prior to the commencement of Services and from time to time during the term of this Contract. During the providing of Services, on an ongoing basis from time to time and without notice, the State, at its own expense, is entitled to perform, or to have performed, an on-site audit of Contractor's data privacy and information security program. In lieu of an on-site audit, upon request by the State, Contractor agrees to complete, within forty-five (45) calendar days of receipt, an audit questionnaire provided by the State regarding Contractor's data privacy and information security program.
 - c. Audit Findings. With respect to State Data, Contractor must implement any required safeguards as identified by the State or by any audit of Contractor's data privacy and information security program.
 - d. State's Right to Termination for Deficiencies. The State reserves the right, at its sole election, to immediately terminate this Contract or an applicable Schedule without limitation and without liability if the State determines that Contractor fails or has failed to meet its obligations under this Section.
26. **Records Maintenance, Inspection, Examination, and Audit.** The State or its designee may audit Contractor to verify compliance with this Contract. Contractor must retain, and provide to the State or its designee and the auditor general upon request, all financial and accounting records related to the Contract through the term of the Contract and for 4 years after the latter of termination, expiration, or final payment under this Contract or any extension ("**Financial Audit Period**"). If an audit, litigation, or other action involving the records is initiated before the end of the Financial Audit Period, Contractor must retain the records until all issues are resolved.

Within 10 calendar days of providing notice, the State and its authorized representatives or designees have the right to enter and inspect Contractor's premises or any other places where Services are being performed, and examine, copy, and audit all records related to this Contract. Contractor must cooperate and provide reasonable assistance. If any financial errors are revealed, the amount in error must be reflected as a credit or debit on subsequent invoices until

the amount is paid or refunded. Any remaining balance at the end of the Contract must be paid or refunded within 45 calendar days.

This Section applies to Contractor, any parent, affiliate, or subsidiary organization of Contractor, and any subcontractor that performs Services in connection with this Contract.

27. **Assignment.** Contractor may not assign this Contract to any other party without the prior written approval of the State. Upon notice to Contractor, the State, in its sole discretion, may assign in whole or in part, its rights or responsibilities under this Contract to any other party.
28. **Change of Control.** Contractor will notify, at least 90 calendar days before the effective date, the State of a change in Contractor's organizational structure or ownership. For purposes of this Contract, a change in control means any of the following: (a) a sale of more than 50% of Contractor's stock; (b) a sale of substantially all of Contractor's assets; (c) a change in a majority of Contractor's board members; (d) consummation of a merger or consolidation of Contractor with any other entity; (e) a change in ownership through a transaction or series of transactions; (f) or the board (or the stockholders) approves a plan of complete liquidation. A change of control does not include any consolidation or merger effected exclusively to change the domicile of Contractor, or any transaction or series of transactions principally for bona fide equity financing purposes.

In the event of a change of control, Contractor must require the successor to assume this Contract and all of its obligations under this Contract.

29. **Warranties and Representations.** Contractor represents and warrants to the State that: (a) It will perform all Services in a professional and workmanlike manner in accordance with best industry standards and practices for similar services, using personnel with the requisite skill, experience and qualifications, and will devote adequate resources to meet its obligations under the Schedules; (b) the Services and Deliverables provided by Contractor will not infringe the patent, trademark, copyright, trade secret, or other proprietary rights of any third party; (c) it has the full right, power, and authority to enter into this Contract, to grant the rights granted under this Contract, and to perform its contractual obligations; (d) all information furnished and representations made in connection with the award of this Contract is true, accurate, and complete, and contains no false statements or omits any fact that would make the information misleading; and (e) Contractor is neither currently engaged in nor will engage in the boycott of a person based in or doing business with a strategic partner as described in 22 USC 8601 to 8606. A breach of this Section is considered a material breach of this Contract, which entitles the State to terminate this Contract under **Section 17**, Termination for Cause.
30. **Conflicts and Ethics.** Contractor will uphold high ethical standards and is prohibited from: (a) holding or acquiring an interest that would conflict with this Contract; (b) doing anything that creates an appearance of impropriety with respect to the award or performance of the Contract; (c) attempting to influence or appearing to influence any State employee by the direct or indirect offer of anything of value; or (d) paying or agreeing to pay any person, other than employees and consultants working for Contractor, any consideration contingent upon the award of the Contract. Contractor must immediately notify the State of any violation or potential violation of these standards. This Section applies to Contractor, any parent, affiliate, or subsidiary organization of Contractor, and any subcontractor that performs Services in connection with this Contract.
31. **Compliance with Laws.** Contractor must comply with all federal, state and local laws, rules and regulations applicable to its provisions of Service under this Contract. Notwithstanding the foregoing, the State agrees that Contractor has no responsibility to advise the State with respect to any law, regulation, or guideline that may govern or control any recording or monitoring capabilities by the State, or compliance therewith. Contractor has its own legal counsel to advise it concerning any and all such law, regulation, or guideline, and compliance

therewith, and makes its own determination on when and how to use the monitoring and recording capabilities supplied through this Contract. Contractor disclaims any responsibility to provide, and in fact has not provided, the State any legal advice concerning such applicable law, regulation, or guideline, or compliance therewith. Contractor further disclaims any and all liability arising out of failure of the State (or Contractor at the direction of the State) to comply with such law, regulation or guideline.

32. **Nondiscrimination.** Under the Elliott-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.*, Contractor and its subcontractors agree not to discriminate against an employee or applicant for employment with respect to hire, tenure, terms, conditions, or privileges of employment, or a matter directly or indirectly related to employment, because of race, color, religion, national origin, age, sex, height, weight, marital status, or mental or physical disability. Breach of this covenant is a material breach of this Contract.
33. **Prevailing Wage.** This Contract and any subcontract may be subject to the Prevailing Wage Act, 1965 PA 166. For any Services involving construction, Contractor must comply with the state prevailing wage law and its requirements
34. **Unfair Labor Practice.** Under MCL 423.324, the State may void any Contract with a Contractor or subcontractor who appears on the Unfair Labor Practice register compiled under MCL 423.322.
35. **Governing Law.** This Contract is governed, construed, and enforced in accordance with Michigan law, excluding choice-of-law principles, and all claims relating to or arising out of this Contract are governed by Michigan law, excluding choice-of-law principles. Any dispute arising from this Contract must be resolved in Michigan Court of Claims. Contractor consents to venue in Ingham County, and waives any objections, such as lack of personal jurisdiction or *forum non conveniens*. Contractor must appoint agents in Michigan to receive service of process.
36. **Non-Exclusivity.** Nothing contained in this Contract is intended nor will be construed as creating any requirements contract with Contractor. This Contract does not restrict the State or its agencies from acquiring similar, equal, or like Services from other sources.
37. **Force Majeure.** Neither party will be in breach of this Contract because of any failure arising from any disaster or acts of god that are beyond their control and without their fault or negligence. Each party will use commercially reasonable efforts to resume performance. Contractor will not be relieved of a breach or delay caused by its subcontractors. If immediate performance is necessary to ensure public health and safety, the State may immediately contract with a third party.
38. **Dispute Resolution.** The parties will endeavor to resolve any Contract dispute in accordance with this provision. The dispute will be referred to the parties' respective Program Managers. Such referral must include a description of the issues and all supporting documentation. The parties must submit the dispute their Contract Administrators if unable to resolve the dispute within 15 Business Days. The parties will continue performing while a dispute is being resolved, unless the dispute precludes performance. A dispute involving payment does not preclude performance.

Litigation to resolve the dispute will not be instituted until after the dispute has been elevated to the parties' Contract Administrators and either concludes that resolution is unlikely, or fails to respond within 15 Business Days. The parties are not prohibited from instituting formal proceedings: (a) to avoid the expiration of statute of limitations period; (b) to preserve a superior position with respect to creditors; or (c) where a party makes a determination that a temporary restraining order or other injunctive relief is the only adequate remedy. This Section does not limit the State's right to terminate the Contract.

39. **Media Releases.** News releases (including promotional literature and commercial advertisements) pertaining to the Contract or project to which it relates must not be made without prior written State approval, and then only in accordance with the explicit written instructions of the State.
40. **Severability.** If any part of this Contract is held invalid or unenforceable, by any court of competent jurisdiction, that part will be deemed deleted from this Contract and the severed part will be replaced by agreed upon language that achieves the same or similar objectives. The remaining Contract will continue in full force and effect.
41. **Waiver.** Failure to enforce any provision of this Contract will not constitute a waiver.
42. **Survival.** The provisions of this Contract that impose continuing obligations, including warranties and representations, termination, transition, insurance coverage, indemnification, and confidentiality, will survive the expiration or termination of this Contract.
43. **Schedules.** All Schedules that are referenced herein and attached hereto are hereby incorporated by reference. The following Schedules are attached hereto and incorporated herein:

Schedule A	Statement of Work
Schedule B	System and On-Site Equipment Terms
Schedule C	User Acceptance Testing Terms
Schedule D	Service Level Agreement
Schedule E	Ancillary Services

44. **Entire Agreement.** This Contract, including the Schedules, constitutes the sole and entire agreement of the parties to this Contract with respect to the subject matter contained herein, and supersedes all prior and contemporaneous understandings and agreements, both written and oral, with respect to such subject matter. In the event of any conflict between the terms of this Contract and those of any Schedules, the following order of precedence governs: (a) first, this Contract; and (b) second, the Schedules. NO TERMS ON CONTRACTOR'S INVOICES, WEBSITE, BROWSE-WRAP, SHRINK-WRAP, CLICK-WRAP OR OTHER NON-NEGOTIATED TERMS AND CONDITIONS PROVIDED WITH ANY OF THE SERVICES, OR DOCUMENTATION HEREUNDER WILL CONSTITUTE A PART OR AMENDMENT OF THIS CONTRACT OR IS BINDING ON THE STATE FOR ANY PURPOSE. ALL SUCH OTHER TERMS AND CONDITIONS HAVE NO FORCE AND EFFECT AND ARE DEEMED REJECTED BY THE STATE, EVEN IF ACCESS TO OR USE OF SUCH SERVICE OR DOCUMENTATION REQUIRES AFFIRMATIVE ACCEPTANCE OF SUCH TERMS AND CONDITIONS.

STATE OF MICHIGAN

Prisoner Telephone Service for Department of Corrections

Schedule A Statement of Work

1. DEFINITIONS

The following terms have the meanings set forth below. All initial capitalized terms that are not defined below have the respective meanings given to them in Section 1 of the Contract Terms and Conditions.

Term	Definition
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 review and approval and will be at no additional cost to the State.
BNS	Means Billed Number Screening and is used to ensure that calls to block numbers are not completed.
BTN	Means Bill to Number.
Business Critical	Means any function identified in any Statement of Work as Business Critical.
Business Day	Whether capitalized or not, means any day other than a Saturday, Sunday or State-recognized holiday from 8:00am EST through 5:00pm EST unless otherwise stated.
Chronic Failure	Defined in any applicable Service Level Agreements.
CLEC	Means Competitive Local Exchange Carrier.
Collect Call	A call positively accepted by the called party and a call in which the called party will pay the charges of the call.
Days	Means calendar days unless otherwise specified.
Debit Call	A call placed using telephone time that a prisoner has pre-purchased debited from his/her Prisoner Accounting System account.
DTMB	Means the Michigan Department of Technology, Management and Budget.
Incident	Means any interruption in Services.

IVR	Interactive Voice Response
LATA	Means Local Access and Transport Area
LEC	Means Local Exchange Carrier.
LIDB	Means Line Information Data Base.
Master Agreement	An alternate term for Contract and is used in the State's computer system.
MDOC	Means Michigan Department of Corrections
NDA	Means Non-Disclosure Agreement.
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.
NIST	National Institute of Standards Technology
PAN	Means Personal Approved Number(s).
PIN	Means Personal Identification Number.
Pre-paid Collect	A call made by a prisoner using funds prepaid by family or friends associated with approved telephone numbers on a prisoners 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 contractor.
PSP	Means Policies Standards and Procedures.
PTS	Means Prisoner Telephone System
PSEF	Programming and Special Equipment Fund
Solution	Means a process, system, function, or capability that the State is seeking under this Contract.
State	State of Michigan
State Location	Means any physical location where the State performs work. State Location may include State-owned, leased, or rented space.
TDD/TTY	Means a telecommunications device for text communication via a telephone line, used when one or more of the parties is deaf or hard of hearing or has a speech impairment.

Unauthorized Removal	Means the Contractor's removal of Key Personnel without the prior written consent of the State.
Universal Numbers List	A list of 10-digit telephone numbers that prisoners can call free of charge for information or reporting requirements.
UPS	Means an Uninterruptible Power Source.
Workstation	Defined as equipment used for monitoring prisoner 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.

2. BACKGROUND

The MDOC is required by State law (MCL 791.203 and 791.270) and Administrative Rule 791.6638 to provide prisoner telephone service (PTS) to prisoners. The MDOC has special security requirements and has a prime objective of controlling prisoners 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.

The MDOC's Procurement, Monitoring, and Compliance Division (PMCD) has oversight for MDOC's contracts and ensures that the Contractor is delivering services according to the contract requirements. The Contract Manager or designee will serve as the lead for all contract related issues, and will assist in facilitating kick off meetings, determining service level agreements, overseeing the transition timeline and working with the MDOC program staff to ensure the contractual requirements are being met. A contract monitor will be assigned to monitor the contract(s), and as part of his or her role they will conduct regular monitoring of all contract related activities.

3. Purpose

This Contract is for prisoner telephone services for prisoners housed in MDOC correctional facilities. The Contractor is responsible for furnishing, installing and maintaining a PTS for use in all present and future correctional facilities that will allow MDOC prisoners to complete auto-collect local, debit through disbursement, long-distance and international calls and/or pre-paid local, long-distance and international calls from the MDOC correctional facilities. The MDOC currently houses approximately 40,000 prisoners in 30 facilities. The number of prisoners housed at any one time with the MDOC will vary and no specific number of prisoners is guaranteed.

This Contract requires the new system of digital telephones to run on fiber or Cat 6 cabling, with the exception of yard telephones. Telephones in prison yards shall remain analog, running on copper infrastructure.

Based on the operational needs of the correctional system, the MDOC reserves the right to require the Contractor to add or delete facilities, in addition to those originally contemplated. The MDOC may adjust the number of prisoners served at any time. The MDOC may increase or decrease the number of facilities housing prisoners served by the Contract. No specific number of facilities housing prisoners or number of prisoners is guaranteed. Therefore, the Contractor must be prepared to make any necessary changes as required. Verbal notification will be provided by the MDOC Program Manager, or designee, with follow-up written notification. Written notification will be provided at least 14 days in advance.

The prisoner telephone services provided by this Contract include, but are not limited to, a turn-key single integrated telephone system Statewide, telephone equipment, telephone monitoring equipment and services, and other ancillary services to be determined. The systems shall include telephones, Inter- and Intra-LATA service, call control, and monitoring and recording equipment. This Contract also provides

economically efficient methods for collect, pre-paid, debit through disbursement calls, etc. The system shall provide features such as a security-controlled environment; allowing and disallowing calls to specific telephone numbers; recording, monitoring, and playback capabilities; verification of calls against the LIDB system; detection of three-way calls; and tools that aid investigators and a centralized database. Contractor is responsible for establishing any relationship with a common carrier to establish connectivity within the facility.

In addition, Contractor must provide ancillary services as described in Schedule E .

Detail pertaining to required ancillary services is described in Schedule.

4. SCOPE

The Contractor shall furnish, install and maintain all equipment and software necessary to provide all telephone services to the prisoners utilizing the Contractor's PTS to all current and future correctional facilities operated by the MDOC.

Contractor must provide the following services for the complete and successful implementation of a Prisoner Telephone System (PTS):

- a) Verify and validate technical specifications,
- b) Installation of all associated PTS software, hardware, and fiber/cable which may include design, construction, and installation services,
- c) Services to implement the software, including configuration, customization, modification, interfaces, and integration and validation testing,
- d) Conversion of all data currently stored for PTS,
- e) Application testing,
- f) Transition of business operations to a new PTS,
- g) Train MDOC personnel, DTMB support staff, and technical staff in the use and operation of the PTS,
- h) Training documentation and training materials,
- i) Knowledge transfer to State as identified through the project,
- j) System documentation to include user and technical manuals,
- k) User help desk support for the duration of the Contract,
- l) Technical help desk support for the duration of the Contract,
- m) Ongoing system maintenance,
- n) Hardware requirements for the PTS,
- o) PTS supporting investigative and analytical processes,
- p) Mandatory Services that are functions and processes involving the PTS that are required of the Contractor and the PTS, and
- q) Ancillary Services that are optional to the State.

5. SPECIFIC STANDARDS

Enterprise IT Policies, Standards and Procedures

Contractor is advised that the State has methods, policies, standards and procedures that have been previously developed. Contractor is expected to provide services that conform to State IT policies and standards. All services and products provided under this Contract must comply with all applicable State IT policies and standards. Contractor is required to review all applicable links provided below and state compliance in their response.

Enterprise IT Policies, Standards and Procedures: http://www.michigan.gov/dtmb/0,4568,7-150-56355_56579_56755---,00.html

Acceptable Use Policy

To the extent that Contractor has access to the State's computer system, Contractor must comply with the State's Acceptable Use Policy, see http://michigan.gov/dtmb/0,4568,7-150-56355_56579_56755---,00.html. All Contractor Personnel will be required, in writing, to agree to the State's Acceptable Use Policy before accessing the State's system. The State reserves the right to terminate Contractor's access to the State's system if a violation occurs.

Look and Feel Standard

All software items provided by the Contractor must adhere to the Look and Feel Standards http://www.michigan.gov/documents/som/Look_and_Feel_Standards.

Mobile Responsiveness

The Contractor's Solution must adapt to mobile devices (i.e. tablets and cell phones) otherwise known as Mobile Responsive Design.

ADA Compliance

The State is required to comply with the Americans with Disabilities Act of 1990 (ADA), and has adopted a formal policy regarding accessibility requirements for websites and software applications. The State is requiring that Contractor's Solution, where relevant, to level AA of the World Wide Web Consortium (W3C) Web Content Accessibility Guidelines (WCAG) 2.0. Contractor may consider, where relevant, the W3C's Guidance on Applying WCAG 2.0 to Non-Web Information and Communications Technologies (WCAG2ICT) for non-web software and content. The State may require that Contractor complete a Voluntary Product Accessibility Template for WCAG 2.0 (WCAG 2.0 VPAT) or other comparable document for the Solution.

http://www.michigan.gov/documents/dmb/1650.00_209567_7.pdf?20151026134621

The Contractor shall provide accommodations necessary to comply with ADA requirements, including, but not limited to, providing telephones which are accessible to persons in wheelchairs and providing systems that are compatible with (TDD/TTY). Deaf or hard of hearing as identified by the MDOC. The Contractor shall provide the requested number of TDD/TTY units as specified and requested by MDOC. The State reserves the right to modify number of units, based on prisoner population needs at no additional cost to the State.

The Contractor will provide the most up to date TDD/TTY system as agreed upon by the MDOC and the Contractor, 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/TTY relay center. The system will have a centrally managed database with all relay centers' contact information. These numbers will allow prisoners to process messages without voice overlays. The Contractor will keep this database 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 prisoners through the relay centers. The call detail record (CDR) for a prisoner's TDD/TTY call contains the same details as a normal prisoner call (e.g. destination number, date, time, duration, et cetera) plus a transcript of the typed-text. Chain of Evidence must be ensured by the Contractor's security encryption of all recorded data. This includes recordings, blocked numbers, PINs and PANs. Contractors must provide a list of all mobile devices that are compatible with the PTS. To assist hearing impaired prisoners, amplified volume control is a required feature of the PTS. In addition, the telephone keypad must be ADA compliant with a "raised bump" on the number 5 button to assist visually impaired prisoners.

The Contractor shall provide a solution for Video Relay Service (VRS) utilizing an established video relay service provider. The use of VRS will be restricted to prisoners designated by MDOC. There will be no additional costs to the called parties or the prisoner for the use of this service. The VRS system must connect to the Contractor's System and have the ability to restrict calls via a Personal Approved Numbers (PAN) List. The VRS solution must allow the prisoner to use a handset if needed. All calls made using the VRS Service will be documented in the System in the same manner as voice calls outlined in this Contract. The video will be recorded, retained, and available for MDOC Staff for 45 days except attorney calls and those identified by MDOC. Contractor must provide digital phones on portable carts for mobile use at each facility for MDOC prisoners not able to use the wall mounted kiosks.

6. Requirements

The following business processes make up the PTS project implementation:

- Prisoner Telephone Registration
- Telephone calls
- Call Payments
- Technical Security Rules
- Maintenance
- General Contractor Requirements

Prisoner Telephone Registration

Registration - Functional Requirements - PIN Application

The PIN application shall work with the PTS using all the features and functionalities described herein. No calls shall be made without a PIN (with the exception of designated universal numbers).

The PTS shall have the capability to provide collect, debit through disbursement and pre-paid station-to-station calling by a prisoner utilizing a 4 (four) digit PIN and voice biometric authentication. No call shall be completed (with exception to designated universal numbers) without the use of the prisoner's PIN and voice biometric authentication. The Contractor must provide a method for prisoners to register a voice biometric authentication through a prompt at the beginning of his/her first call. After initial registration, the prisoner shall only be able to change their voice biometric authentication through a manual process involving an MDOC staff member. In addition to changing the PIN on the first call, the prisoner is also required to enroll in voice biometric authentication and the continuous voice biometric feature which provides voice authentication throughout the entire call.

Once the prisoner is enrolled, the voice print does not reset unless manually done by MDOC authorized staff, or if the prisoner transfers to a new facility. MDOC staff can reset the enrollment for the prisoners, which will require them to re-enroll.

The PTS shall provide personal approved numbers (PANs) associated with each PIN. These PANs shall store a set quantity of allowed telephone numbers for each prisoner. The Contractor shall indicate whether the PTS document updates or keeps a history of PAN entries (e.g. time/date stamp, etc.). Currently prisoner PANs are created based on the first 20 (twenty) numbers a prisoner calls each quarter (January 1st, April 1st, July 1st, October 1st).

A. PAN Auto Enrollment Feature

The Contractor's PTS PIN system supports the automatic addition of allowed numbers to a prisoner's Personal Allowed Number (PAN) via the Auto PAN function. In this "self-learning" mode, prisoners add a

number to their PAN list the initial time that they dial that number. MDOC configures whether Auto PAN is enabled for the PIN and the maximum number of destination telephone numbers that can be added to each prisoner's PAN via Auto PAN. The system can be configured for each new PIN added to the system defaults to Auto PAN Enabled with the Max PAN set to MDOC's approved limit.

B. PAN Prisoner Self-Management Option

The Contractor's PTS can optionally provide an IVR (interactive voice response) feature to allow prisoners to request that a number be added or to remove, activate, or deactivate telephone numbers on their PAN lists; up to the MDOC-allowed number of entries. The PTS performs automated validation checks when prisoners attempt to add new numbers to their personal call lists. Adding a number to the list requires the consent of the called party; the system will auto-dial the called party and play prompts to obtain consent (or refusal) for the number to be added to the list. Once the prisoner creates the initial call list, he/she can make changes when desirable or necessary. The PAN Auto Enrollment IVR allows the prisoner to select the language used for prompts and requires the prisoner's PIN to validate identity. The prisoner has options to add, delete, and check the status of numbers previously added or requested.

C. Add a Number

When attempting to add a number, depending on circumstances, the prisoner will hear messages such as:

- The telephone number you just added needs consent, please check back in 48 hours for the status of this number.
- I'm sorry, by request prisoner calls to this number are blocked and cannot be added to your call list.
- The phone number you entered is already on your call list, please check the status of this number.
- You already have the maximum (e.g. 10) active numbers on your call list. Numbers successfully added (requested) by the prisoner are called by the IVR up to three times a day for five days (Mon - Sunday 9am ET, 3pm ET, and 7pm ET), to acquire consent from the called party. While in this five-day queue, the destination number is classified on the prisoner's call list as "pending approval". When the consent call from the IVR is answered by the called party, the IVR plays a message explaining that [recorded prisoner name], who is a prisoner in [facility name], requests to be allowed to make calls to this number. The called party is instructed to consent by pressing a specified number key, or to decline the request by pressing an alternate key. If the called party indicates that the request is declined the number is placed in the PTS blocked numbers database, and the destination number flagged as "denied" and removed from the prisoner's list. On the 6th day, if still no response from the called party, the destination number is updated on the prisoner's call list as "no response" and is deactivated.

D. Delete a Number

To delete a number from his or her PAN, the prisoner selects the IVR delete number option and enters the number that is to be deleted. The system removes the number from the prisoner's PAN. Check Number Status: To check the status of a particular number previously added (requested) the prisoner selects the IVR check status option and enters the number to be checked. Depending on the circumstance, the prisoner hears messages similar to:

- This telephone number has consented to your calls. (Approved)
- This telephone number has denied your calls: (Denied)
- This telephone number is still pending approval. Please check back in 48 hours for results. (Pending approval)

- This telephone number did not respond to your request for consent within the given time frame. (No response after maximum number of days).
- If the phone number is on the prisoner's call list, but is suspended, the prisoner will hear "The telephone number is currently on your call list but has been suspended." (Suspended)
- If the phone number is on the prisoner's call list, but is deactivated, the prisoner will hear "The telephone number is currently on your call list but has been deactivated." (Deactivated)

E. Review All Numbers on the PAN

To hear the list of all numbers on his or her PAN list, the prisoner chooses the List PAN option. The system plays each number and its current status:

- Approved
- Denied
- Pending approval
- No response
- Suspended
- Deactivated

F. PAN Auto Enrollment Report

The PTS provides a PAN Auto Enrollment Report that includes all numbers requested by prisoners for addition to their Personal Allowed Numbers lists. The report identifies each call list by prisoner and reports the status of each number: Approved, Denied, Pending Approval, No Response, Suspended, or Deactivated.

Registration - Non-Functional Requirements - PIN Application

Correctional facilities and Central Office administrators shall have the authority to modify or review any privileges or restrictions pertaining to a prisoner. Level of authority will be password/user account based.

Once the prisoner's account has been activated in the PTS, the prisoner shall be allowed to place calls from any telephone within the MDOC correctional facility they are currently located (unless a restriction is placed on that prisoner by MDOC). If the prisoner is moved, the MDOC requires the PTS to restrict the PIN for use at the previous correctional facility and activate the PIN at the new correctional facility only.

PIN and information will be stored in a centralized database and can be accessed either locally or remotely by any designated user with the appropriate passwords and permissions. If the State desires, the Contractor will migrate all prisoner data (Name, PIN, etc.) into the Prisoner Telephone System.

The PTS shall be capable of transferring prisoner information (e.g. PINs, PANs, etc.) from one correctional facility to another correctional facility without requiring manual re-entry of the prisoner information. A prisoner's PIN cannot be activated in more than one correctional facility at a time

The PTS shall allow only MDOC staff the ability to change a prisoner's PIN manually. The prisoner shall not have the ability to change their PIN through an automated process.

Telephone Calls

Making a call

- Prisoners must have ability to make a call using the telephone system after pin registration.

- Prisoners must have ability to use their telephone account after transferring funds from their Prisoner Accounting System account to pay for call services.
- Friends and family of a prisoner must have the ability to deposit funds in the prisoner's telephone account for the purpose of calling their number only.

Making collect calls

- Prisoners must have the ability to call friends and family and have the charges assessed to the called party via a verbal understanding and acceptance.

Making a TDD/TTY call or other ADA compliant technologies

- Prisoner with an identified disability must be able to complete a telephone call with little to no assistance.
- Prisoners with an identified disability must be able to complete a call with or without voice activation depending on the situation and direction from MDOC.

Telephone Calls - Functional Requirements

A. Universal Numbers Lists

1. The Contractor shall have the capability to establish Universal Numbers Lists (e.g. a line designated for Prisoner Rape Elimination Act (PREA), "informant" lines, or others the State deems necessary). Calls to a Universal number may be free as determined by MDOC and shall be routed via the PTS to a destination designated by MDOC. If so requested by the MDOC, the destination for a Universal Number may be an automated voicemail box. All Universal Numbers must be in a standard 10-digit telephone number format, and all pre-existing numbers shall be incorporated into the new PTS. Universal Number calls may not require a PIN or voice recognition for anonymity of the prisoner as determined by the MDOC.
2. The PTS must be capable of incorporating all existing Universal Numbers without generating a new telephone number. The PTS must also have the ability to produce an alert to an MDOC email, a text message, and/or a designated telephone number every time a designated Universal Number is called by a MDOC prisoner.

B. Telephone Call Restrictions

1. The telephone network services provided by the Contractor shall not be capable of being detected by the called party for calling number identification.
2. The PTS shall prohibit direct-dialed calls of any type.
3. The PTS shall prohibit access to "411" information service.
4. The PTS shall prohibit access to 800 and 900 type services.
5. The PTS shall prohibit access to multiple long-distance carriers via 10 10-XXX numbers.

6. The PTS shall prohibit access to "911" emergency services.
7. The PTS must be able to be shut down quickly and selectively. The MDOC must be able to shut down the PTS by cut-off switches or through the phone system. The State requires manual switches at several locations, including, but not limited to:
 - a) At demarcation location – total correctional facility telephones
 - b) By central control center – select telephones
 - c) By select housing units – control center

C. Call Detection Capabilities

1. The PTS shall have the capability to detect and terminate any attempts of Call Forwarding.
2. The PTS shall have the capability of answer detection.
3. The prisoner's call shall be muted until the called party has positively accepted the call. The PTS must not allow the prisoner to hear the called party prior to the actual positive acceptance of the call.

D. Call Length Capabilities

1. The PTS shall limit the length of the call, providing the dial tone at a certain time of the day, and allowing a maximum number of minutes per prisoner, per month at MDOC's discretion.
2. In all circumstances, the service shall limit the prisoner to a single call request. The service shall always require the prisoner to disconnect and initiate another call.
3. Calls shall be limited to 15 minutes for general prisoner call, 20 minutes for attorney calls and 30 Minutes for TDD/TTY or other ADA compliant technologies. Note these call limits are subject to change and MDOC program manager or designee will notify the Contractor to make those changes.

E. Telephone System Features

1. The PTS shall provide all operational features and system requirements applicable to all calls placed through the system, including local, long-distance and international calling.
2. Each call, having been identified as being placed through the Contractor's PTS, shall be delivered to the called party as a collect call, debit through disbursement and/or pre-paid call. Each call will be identified to the called party by the Contractor's automated operator.
3. The PTS shall monitor the switch hook of the prisoner telephones and if the switch hook is depressed at any time, the call will be disconnected, or an internal dial tone must be activated to prevent fraud. The Contractor must assume all responsibility for fraud.

4. During the call setup process, the PTS shall provide a pre-recorded announcement identifying that the call is coming from a specific prisoner at a specific correctional facility.
5. All calls including collect calls, debit through disbursement and pre-paid calls, must be clearly identified 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 through disbursement) shall include the following announcement: "This call is from a correctional facility and may be monitored and recorded." Prisoners shall be given two seconds (which is adjustable if the MDOC prefers) to state their names. If PINs are used at the facility, each prisoner's name can be recorded once (usually on the first call attempt) and stored with the prisoner's PIN on Contractor's platform so the name will not need to be rerecorded for each call. If the called party fails to respond appropriately, the message repeats three times and if no appropriate response is made within 30 seconds of the last repeat, the call shall be terminated.
6. Call acceptance by the called party shall be accomplished for all collect, debit through disbursement and pre-paid calls through caller confirmation (positive acceptance). Voice response is not an acceptable method for positive call acceptance. Positive call acceptance shall require a manual interactive process with the call recipient. The PTS 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.
7. The PTS shall process calls on a selective bilingual basis: English and Spanish. The prisoner must be able to select the preferred language utilizing a simple code. The PTS shall allow the called party to select the preferred language for call prompts. Written dialing instructions in both English and Spanish must be permanently and prominently displayed on each prisoner telephone. Other supported languages must include but are not limited to:
 - Armenian,
 - Cantonese,
 - Creole,
 - French,
 - Hmong,
 - Mandarin,
 - Portuguese,
 - Russian,
 - Somali,
 - Spanish (Castilian), and
 - Vietnamese.
8. The PTS shall provide a recording back to the prisoner which details why a call was not completed. The Contractor must provide failed call prompts in both English and Spanish. Contractor must provide additional failed call voice prompts in other languages at no additional cost to MDOC. Additional

language failed call voice prompts shall be loaded in the PTS within thirty (30) days of the request.

9. The Contractor shall ensure rotary telephones are able to accept calls from MDOC prisoners.
10. The Contractor's PTS must have the ability to shut down individual telephones, as well as all telephones within a facility in case of emergency.
11. The Contractor must provide mobile device capability with MDOC's mobile cart phones.
12. The PTS shall be programmable to allow phone system on/off times at MDOC's discretion.
13. The PTS shall have a fraud prevention feature. This feature will randomly interject pre-recorded announcements throughout the duration of the conversation.

Telephone Calls - Non-Functional Requirements.

The Contractor is solely responsible to ensure they are registered with the Michigan Public Service Commission and telephone exchange in the state of Michigan. Additionally, it is the Contractor's responsibility to maintain a Telephone Relay Service (TRS) and as appropriate a Video Relay Service (VRS) through the life of the Contract. An outage of the TRS will be considered a telephonic failure as it relates to this Contract and the Service Level Agreements.

The PTS shall be able to take an individual station out of service without affecting other stations or units (maintenance, repairs, etc.).

Telephone Calls - Other Requirements

The Contractor shall provide a sufficient number of telephone lines to the PTS to prevent prisoners from receiving busy signals more than 0.5% of the time. The Contractor shall provide telephone reception quality equal to the highest level of toll quality offered to the general public and shall meet telecommunication industry standards for service quality.

The Contractor shall have the ability to track other carrier's telephones and validate bill to numbers. The Contractor shall identify and track other carrier telephones and validate bill to numbers to ensure proper billing, which would include, but is not limited, to the billing address.

The Contractor shall subscribe to the Line Information Data Base (LIDB) for validation purposes. The Contractor shall query this database for each prisoner call and process only those calls which do not have Billed Number Screening (BNS) or Billed to Numbers (BTN). The Contractor must assume all responsibilities for the cost of the validation.

Call Payments

Call Payments - Functional Requirement

A. Collect Calls

Prisoners shall have the ability to make a call with the charges being assessed to the called party. The called party must verbally accept charges before call can take place.

B. Debit through disbursement

1. The Contractor must support debit through disbursement at all correctional facilities. The Contractor must support automated, nightly batches and/or real time debit through disbursement at the State's discretion and at no cost to the State. The application must include, but not be limited to, the following:
 - a) An automated process for transferring prisoner funds from the Prisoner Accounting System account to a telephone account through the PTS (Prisoner Telephone System). The Contractor will absorb any fees that Keefe or other 3rd party will charge for the transfer transaction.
 - b) The system must be capable of allowing prisoners to request a funds transfer from their Prisoner Accounting System account to their telephone account following voice prompts on the telephone or alternate proposed method. If the PTS requires voice prompts, the system must utilize English and Spanish at a minimum.
 - c) The solution must have the capability of allowing the prisoner to check their telephone account balance via the PTS.
 - d) The PTS must have the ability to send data files at least once every 24 hours to MDOC and receive data files at least once every 24 hours from the prisoner accounting system with the times to be determined by MDOC. The MDOC will send data files at least once every 24 hours to the Contractor that will provide the prisoner's name, prisoner's identification number, current facility and lock location, and amounts approved/denied for transfer to telephone account.
 - e) The prisoner must be able to request at a minimum \$5 in telephone credits from their Prisoner Accounting System account with any additional amounts in increments of \$5.00. The requested amount and spendable dollar amount is determined by MDOC and may be subject to change throughout the duration of the Contract.
 - f) Once a request for funds transfer is completed, the Contractor must confirm the prisoner's Prisoner Accounting System account contains sufficient funds and transfer the requested funds into the designated prisoner's telephone account. The requested funds must be transferred within 72 hours or less of request per MDOC policy.
 - g) If the prisoner lacks sufficient funds for a transfer request, the system must have the capability to notify the prisoner that the transfer request was denied through the PTS.
 - h) The request for funds transfer for telephones and all other MDOC services will be in a priority order determined by MDOC.

- i) In the future, MDOC may pursue real time processing for transactions. The Contractor must work with MDOC to allow real time transaction processing at no additional cost. This will be dependent on future capabilities of the State's system.
- j) The debit through disbursement application shall interface with the current Prisoner Accounting System and/or a third party purchasing solution to ease the transfer of money from the prisoner's Prisoner Accounting System account to the prisoners' telephone account. Any transaction fees associated with a third party purchasing solution will be the responsibility of the PTS Contractor. The Prisoner Accounting System is managed by the MDOC.

C. Deposit Pre-Paid Application

- 1. The Contractor must support a deposit pre-paid application at all correctional facilities.
- 2. The deposit pre-paid application shall work with the PTS provided.
- 3. The deposit pre-paid application shall allow for pre-payment deposit to a prisoner's account. These deposited funds shall be available only for the prisoner to call the PAN of the person depositing those funds.
- 4. The Contractor must have the ability to accept deposits from friends and family through their system and must collect information from the depositor including but not limited to name, address, email, and telephone number.
- 5. Through the PTS, the Contractor must be able to provide the depositor's information to MDOC for validation purposes.
- 6. The PTS shall provide the prisoner with the balance of his/her debit through disbursement and/or prisoner-based pre-paid account at the time of the call.

D. Billing

- 1. Contractor responsible for billing prisoner calls. Contractor must prepare the records for billing and either send them directly to the LEC or utilize the services of a billing clearing house to distribute call records to appropriate LECs or CLECs. As prisoner calls are completed at the facility, copies of call detail records shall be transmitted in real time to Contractor's Billing Department.
- 2. Bill Processing: The system performs validation and retrieves the approved rate for the call type. The system's automated operator makes the rate information available to the called party prior to call acceptance and begins to

apply the rate only after the call has been positively accepted. The total cost of the call is permanently recorded in the call detail record. Call records are created and transmitted to Contractor's billing center in real time, as prisoner calls are placed and completed. Each incoming call record is immediately evaluated and formatted electronically for billing. The record is re-checked for format accuracy and transmitted via electronic media to the appropriate LEC or billing agent.

3. Contractor must maintain variable dollar limit thresholds for all called parties who accept prisoner collect calls. Usage limits (caps) apply only to collect calls billed through the customer's local telephone service provider; or to credit limits for direct bill customers. Call usage for AdvancePay and PIN Debit are only dependent upon available funds.
4. Contractor's PTS must not charge for unanswered or unaccepted calls. Billing begins only after the called party has positively accepted the prisoner's call. Billing stops when either party hangs up or when the call is terminated by the system for reasons such as: the specified time limit has expired or the system detects potentially fraudulent activity.
5. Payment options include:
 - a) Toll-free number connection through an automated IVR,
 - b) a secure Internet website (ConnectNetwork),
 - c) Android and Apple IOS mobile payment applications,
 - d) toll-free number to one of our live service representatives, and
 - e) payments can be made via check or money order through US Mail, by use of a credit or debit card, or through Western Union, or other pending State approval.
6. Minimum requirements for toll free automated pay by telephone:
 - a) must have a toll-free number available,
 - b) must be available 24/7/365,
 - c) must accept major credit cards,
 - d) funds applied must be available within 15 minutes,
 - e) no minimum deposit or service fees,
 - f) users must be able to request refunds on prepaid accounts only, and
 - g) able to fund multiple prepaid accounts with one transaction.
7. Minimum requirements for website transactions:
 - a) must provide website information / link,
 - b) must be available 24/7/365,
 - c) must accept major credit cards,
 - d) funds applied must be available within 15 minutes,
 - e) no minimum deposit or service fees,
 - f) users must be able to request refunds on prepaid accounts only,
 - g) able to fund multiple prepaid accounts with one transaction,
 - h) users must have account management capabilities, and
 - i) must have User-friendly informative website answering customer FAQs.
8. Minimum requirements for live customer care call center:

- a) must have a toll-free number available,
 - b) must have friendly, knowledgeable customer service representatives,
 - c) must be Customer Proprietary Number Information(CPNI) compliant,
 - d) must accept major credit cards,
 - e) funds applied must be available within 15 minutes,
 - f) no minimum deposit or service fees,
 - g) users must be able to obtain account information and calling rates, and
 - h) must be able to fund multiple prepaid accounts with one transaction.
9. Minimum requirements for pay by mail:
- a) must have no service fee,
 - b) must accept money orders,
 - c) may be subject to a minimum deposit,
 - d) allowed to take up to five (5) business days from when the Contractor receives the check until money is added to the account,
 - e) users must be able to request refunds on prepaid accounts only, and
 - f) toll-free number for customer support.

Call Payment Process Non-Functional Requirement

Any program and Programming and Special Equipment Fund (PSEF) scheduled payments will be due and payable by the Contractor to the MDOC at the compensation rate provided in the Contract until collect, debit through disbursement and/or pre-paid calls are no longer handled by the Contractor (not to exceed ninety [90] days).

The Contractor shall provide operational specifics and a description of the prisoner 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. Prisoner telephone calls are validated against a Line Identification Database (LIDB). Contractor must maintain a close working relationship with a LIDB provider. Contractor's Central Validation System must be updated in real time with information provided by the LIDB. Each validation query shall be sent and responded to by the LIDB in real time. The destination number must be checked against the LIDB prior to any newly called number to progress as a collect call. Calls through the Contractor's PTS must be validated in real-time. During call setup, the prisoner is placed on hold while the destination number is checked. Number validation, which normally takes less than 10 seconds, is described below: The destination number is checked against the PTS facility-wide Call Block and Call Schedules. If PINs are in use, the number is also checked against the prisoner's personal Call Block, Call Schedule, and Call Allow list. If valid at these levels, the destination number is passed to the contracted Line Information Database (LIDB) hub where it is checked for fraud/bad debt attributes, operational status, and billable status (e.g. payphones are not billable). If the destination number is valid, a signal is returned to the phone to authorize the call. Contractor assumes all responsibilities for the cost and the accuracy of validation. If the destination number is not valid or blocked for collect calls due to nonpayment of the telephone bill with the Local Exchange Carrier (LEC), the automated operator will inform the prisoner of this and will not allow the call to proceed. If the customer resolves their payment issues with their local telephone service provider and that service provider lifts the third party collect call block originally placed on the customer's telephone number, Contractor will receive a LIDB collect call approval code. At that point, Contractor will allow collect calls to complete to the affected customer telephone number.

Technical Security Rules

Technical and Security - Functional Requirements

A. System User Type and Capacity

Type of User	Access Type	Number of Users	Number of Concurrent Users
State Employees	Administrative	110	110
State Employees	Limited Administrative	821	821
State Employees	Read only	607	607
State Employees	Test Profile	2	2

*User numbers are only estimates; the State reserves the right to increase the users at any time at no cost to the State.

B. Data Storage Requirements

1. Contractor shall store and backup all data in accordance with Section 5.4.I.C below.
2. The Contractor's system must support calculating record retention schedules based on: creation dates, status dates, date the object or file was last modified, and certain other data elements, e.g. discharge date of a prisoner.
3. The Contractor's system must support annual data growth rates of up to 5% annually.
4. The PTS shall store all call detail records, including all attempted and completed calls, and audio data. This data will be stored at the Contractor's sites for the term of the Contract, plus five (5) years after Contract termination at no additional charge to MDOC.
5. The MDOC shall have access to all call detail records and recordings from any computer or mobile device. The Contractor's system shall provide the capability to copy the call detail records and recordings onto an appropriate media device and/or send to a third party via an encrypted email link.

C. Redundancy, Data Backup and Disaster Recovery.

1. Redundant Hosting and Connectivity. Contractor will simultaneously operate a mirror system at a location in the continental United States that is geographically remote from the primary system on which the PTS and the

State's data is hosted. Except for its location, the mirror system must: (a) be identical in all respects to the primary system; (b) have hardware and software, network connectivity, power supplies, backup generators and other similar equipment and services that operate independently of the primary system; (c) have fully current backups of all State data stored on the primary system; and (d) have the ability to provide the PTS in accordance with the Contract requirements during any outage or failure of the primary system. Contractor will operate, monitor and maintain such mirror system so that it may be activated within five (5) hours of any failure of the PTS to be available.

2. Physical Data Backup. The State may request Physical Data Backup at any time during the Contract term in a format specified by the State at a cost mutually agreed upon by the parties.
3. Disaster Recovery/Business Continuity. Throughout the term of the Contract and at all times in connection with its actual or required performance of the Services, Contractor will:
 - a) maintain a Business Continuity and Disaster Recovery Plan for the PTS (the "DR Plan"), and implement such DR Plan in the event of any unplanned interruption of the PTS. Upon request, Contractor must provide the State with a copy of its current DR Plan, revision history, and any reports or summaries relating to past testing of or pursuant to the DR Plan. Contractor will actively test, review and update the DR Plan on at least an annual basis using industry best practices as guidance; and
 - b) provide the State with copies of all reports resulting from any testing of or pursuant to the DR Plan promptly after Contractor's receipt or preparation. If Contractor fails to reinstate the PTS within the periods of time set forth in the DR Plan, the State may, in addition to any other remedies available under the Contract, in its sole discretion, immediately terminate the Contract for cause.

D. Personal Identification Number (PIN) Application

1. The PTS 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:
 - a) Placing of calls: Prisoners can be either approved or not approved to make telephone calls by PIN.
 - b) Use of specific telephones: Prisoners, via their PIN, can be restricted to a specific telephone or group of telephones, at the MDOC's option.
 - c) Duration of call: Limit the duration of the call by correctional facility, by individual, by type of call, (local, Inter-LATA, etc.).
 - d) Time of day calling.

e) Telephone numbers that PIN can call: PAN.

2. Newly incarcerated prisoner PIN numbers are generated by the correctional management system. The PTS shall be capable of storing and using the original prisoner identification numbers generated by the MDOC, allow prisoners to generate new PIN as needed through a manual request process with MDOC staff, and a MDOC staff manual process for PIN recovery/reset. Currently MDOC identification numbers are zero (0) followed by the prisoner's six (6) digit prisoner number, plus a four (4) digit password.
3. The Contractor shall provide a secure method for incoming prisoners to create their four (4) digit PIN.
4. The PTS 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.

E. Monitoring and Recording Requirements

1. The PTS shall allow the MDOC's staff identified by the Program Manager to remotely monitor live conversations and to access call recordings from all the MDOC's correctional facilities. Call recordings, blocked numbers, changes in allowed call times, and other administrative information can also be entered at the MDOC Lansing Central Office or at any of the MDOC facilities and have an immediate effect either at the facility level or MDOC-wide.
2. Investigators shall have the ability to access data from any computer, mobile device, or tablet that has 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 investigator activity is password-protected and logged in an investigator activity registry for auditing purposes. The State requires that all access to the PTS utilize the State's single sign on function (MiLogin).
3. The PTS shall permit 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 or other numbers identified by the Program Manager. The PTS shall have the capability to exclude those calls.
4. The PTS shall comprehensively record all calls except those identified as non-monitored within this contract. At a minimum, the correctional facility shall have the capability of playing back a recorded call. The Contractor shall be responsible for the storage of call records and recordings at no cost to the MDOC throughout the life of the Contract including any renewal terms, and for 5 years after contract termination.
5. The monitoring and recording of calls shall be selectively programmable and/or searchable by one or all of the following:
 - a) Housing Unit
 - b) Start and stop time and date of call
 - c) Called number

- d) PIN
 - e) Voice Print
 - f) Bill to Number (BTN)
 - g) Security threat groups
 - h) Any other metric/criteria identified by the Program Manager
6. The PTS shall be capable of showing real time call activity on the contractor's system. This activity shall be detailed by date of call, start time of call, stop time of call, originating telephone station number and called number.
 7. The system shall automatically record and monitor all calls made at the facility except for those marked as "Non-Monitored." The MDOC must be able to deactivate a recording on any call or telephone on an as-needed basis from the Contractor's system.
 8. The PTS 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.
 9. The PTS shall have the capability of automatically calling and alerting investigators and offering live monitoring of calls in progress, without detection by the prisoner or called party. A valid secure log-in password is required to set an alert. Alerts are set up by authorized MDOC staff for a specific PIN, Bill to Number (BTN), voice print, and any other criteria as set by the Program Manager or available by the Contractor.
 - Alerts can be sent to phone numbers (including cellular phones), email addresses, or SMS text. A valid secure log-in password is required to set an alert.
 - When a phone call hot alert is sent, the investigator (or other designated person) to whom the call is forwarded can listen to the live conversation.
 - Multiple investigator phone numbers, email address or SMS text numbers can be assigned to receive alerts.
 - Multiple investigators must be able to listen to a call simultaneously.
 10. The PTS shall provide the capability to transfer call recordings onto a portable storage media device in non-proprietary format and/or via a secure encrypted weblink. The Contractor's system shall produce transfer recordings with no loss in quality and shall be capable of placing an audio time and date stamp within the recording. File formats are common delimited .txt and .wav.
 11. The PTS call quality must meet requirements necessary for calls to be admissible in court of law (e.g. embedding a watermark on the recording).
 - PIN Identification of Prisoner Callers: A PTS PIN identifies individual prisoners during live call monitoring and in call detail records and recordings. A PIN can be designated as a criterion for automatically finding all calls placed by a particular prisoner over any specified time period; revealing every number called by that prisoner and allowing

every recorded conversation to be heard, except for calls marked as private in the PTS.

- Verifiable Security Encryption: Contractor's PTS call recordings are encrypted during transmission using Transport Layer Security TLS 1.1 and higher and stored in the Contractor's Enterprise Class Storage (ECS) SAN Flash servers where they are date-and-time stamped. This and the many levels of system security ensure that recordings are protected from unauthorized access and tampering. The original formatting and encryption are retained when a recording is transferred to portable media for transport and replay at a different location. Should someone access and manage to alter the content of a recording on portable medium, the altered version would immediately be distinguishable from the original.
- Accurate Time and Date Stamps: Because the recording function is an integrated feature of the Contractor's Solution, both call-processing and call-recording operate off the same clock ensuring that the detailed record and recorded conversation associated with any call will have the same accurate date and time "stamp."
- Protected Chain of Evidence: Any time the Contractor's PTS-recorded conversation is listened to, a note is added, or all or part of the call is copied, sent, or downloaded, a new date and time stamp is appended to the existing file without overwriting or altering existing information. This built-in "history" accompanies any call that is copied to a portable medium (CD, DVD, et cetera) for transport as evidence to a court room. These features maintain the integrity and verifiability of the chain-of-evidence, ensuring that recordings stand up to the highest degree of judicial scrutiny.
- Expert Witness: In addition to PTS features that support legal prosecution, the Contractor must provide expert testimony regarding call records and recordings free of charge when requested.

12. Time and date entries for each recorded conversation shall be displayed on a per channel basis. The PTS shall display all conversations in chronological order to facilitate research and playback.
13. The Contractor shall provide the MDOC remote access to the PTS at no cost. The provision of remote access shall allow the MDOC investigators all of the features and functionalities, permitted by the investigator's level of access assigned by the System Administrator. Remote access shall be provided through the public internet and the State estimates that there will be approximately 100 users with various security roles that would require remote access.
14. The PTS must have the ability to share recorded telephone calls internally and when requested from outside law enforcement officers and/or court officials via encrypted email link.
 - a) Ability to select one or more recorded telephone calls within the PTS.
 - b) Ability for the PTS to embed the selected calls in a link that can be exported to an email that is encrypted, and/or a recordable platform (e.g. CD, flash drive, etc.).

- c) Ability for internal and external officials to utilize the emails link by entering a password that will give them access to only those identified calls within the Contractor's PTS.
 - d) The linked email may have an expiration (e.g. 7days to listen to calls).
15. All call recordings that are sent to outside entities or accessed remotely by MDOC staff shall require a password to obtain access to that call information. investigators that join live calls remotely after notification must only be able to access the call using a 4-digit generated code from the email/SMS notification.
16. The PTS shall include but are not limited to the following monitoring and investigative functions:
- a) **Ability to block calls and PINs within specified time frames**
 - At the time of each prisoner call, the called party has the option to block all future calls from the facility.
 - At MDOC's discretion, the system can be configured to block calls to a number after prisoner calls have been refused a certain number of times within a defined time span.
 - Specific call limits may be set for individual prisoners by PIN.
 - b) **Hot PIN alerts**
 - Alerts can be sent to phone numbers (including cellular phones), email addresses, or SMS text. A valid secure log-in password is required to set an alert.
 - When a phone call hot alert is sent, the investigator (or other designated person) to whom the call is forwarded can listen to the live conversation.
 - Multiple investigator phone numbers, email address or SMS text numbers can be assigned to receive alerts.
 - c) **Continuous Voice Biometrics**

Voice IQ enrolls the prisoner voice print and builds a voice print profile for comparison in future calls. During the prisoner call, Voice IQ will continuously compare segments of the live prisoner calls to the recorded voice print to verify the prisoner's identity. Voice IQ Continuous identification is the Contractor's solution for PIN theft and PIN sharing. Voice IQ Continuous Voice Verification will be used in conjunction with the Voice IQ initial Voice Verification feature to ensure that the prisoner that was validated with the PIN at the start of the call remains as the only prisoner speaker on the call for the duration.

Alerts can perform any combination of the following actions:

- Alert both parties that a "Speaker Change" event has occurred.
- Terminate the call Store 'Speaker Change' event information in the hosted PTS database. This is a 'stealth mode' – no indication

is given to call parties about detection. The prisoner's identity is shown for each Speaker Change event on each call.

- Alert designated MDOC personnel (email or text message).

The Voice ID report allows investigators to look for call records where a specific PIN has been detected as the original speaker or a possible speaker change event (Voice IQ Detected). The report results display the dialed number, prisoner PIN, date and time of the call, duration of the call, result, prisoner phone description, charge, Energy, and Voice IQ. Investigators are then able to select a desired call to view from a list of prisoner Voice IDs flagged as possible speakers on the call and view a list of prisoner Voice IDs that were possible speakers on the call. A list of the top five possible matches for the speaker change is displayed including the prisoner PIN number, prisoner name, and a confidence score (0 to 100) of possible speaker change matches.

The Call Analyzer provides visual indicators of the occurrence of a Voice IQ Speaker Change Event. Investigators can see the exact place in the call where the prisoner voice change took place, the time of the event as well as the top 5 possible Voice IDs that were possible matches on the call.

d) Ability to search calls by voice

From the Detail Report search screen, investigators can search for prisoner Voice IDs identified as possible speakers where Voice IQ activity (speaker change) has been detected. The search results will display any record flagged for speaker change activity where the selected PIN is flagged as a possible speaker on the call.

Investigators are then able to select a desired call to view from a list of prisoner Voice IDs flagged as possible speakers on the call and view a list of prisoner Voice IDs that were possible speakers on the call. A list of the top five possible matches for the speaker change is displayed including the prisoner PIN number, prisoner name, and a confidence score (0 to 100) of possible speaker change matches.

e) Ability to check who played calls or edited in any way in system and ability to check how many calls a person monitored/played

The PTS must allow authorized investigators to generate a report of all, or any combination of, users and system activities for a specified time period.

f) Ability of investigators to list notes within a call and search for calls with notes

Authorized investigators may add and review notes while listening to a recorded conversation. Notes can be used as search criteria to find related call records. Notes can be searched by Case ID or investigator ID, prisoner PIN or name, phone line, and/or dialed number. In addition,

investigators and authorized staff can enter notes regarding a prisoner's PAN or the called party.

While listening to a call recording, the investigator may:

- Add a case number
- Add an investigator ID
- Add one or more notes (up to 512 characters each)
- Review notes previously added
- Print the notes associated with the call

g) Ability to search frequently called numbers by facility and state wide

The Frequently Dialed Number list is a standard summary report that shows all numbers called more than the selected number of times threshold, over a configurable time-period.

h) Ability to separate caller from called party and alter pitch tone and rate of calls.

The call detail report displays two options for replaying the recorded conversation associated with each call record: Call Playback and Call Analyzer. Call Playback is the quick method to play back a recording. Call Analyzer is used to download and closely study recordings of investigative significance. Separately Analyze the Two Sides of a Conversation: the Contractor's PTS Call Analyzer separates the prisoner's side of the conversation from the called-party's side of the conversation and displays their waveforms on different channels for separate analysis. Clicking and dragging the mouse across any segment on one or both channels isolates the segment for replay.

Three-Way Call and Called Party IQ Detection: investigators are easily able to see the time stamp during the recording where a three-way call or prisoner-to-prisoner call has occurred. A colored bar is shown in the CDR information and visually in the recording chart. Add Notes, Case ID or investigator ID: While playing back the recording investigators can add notes to a recording along with a Case ID or investigator ID and include a time stamp of the note to mark a significant point of the recording.

Remove silence during playback: To allow investigators to hear only the playback of usable conversation, the Call Analyzer can remove silence from recordings with our Skip Silence control. The Skip Silence control allows investigators to remove silence in call recording playback from both channels, the prisoner side only, called party side only, or disable the control. Investigators can set the rate which the Call Analyzer skips ahead when silence is detected. In addition, investigators can adjust the level of Silence Sensitivity to detect the level of volume and filter out noise in the audio that might be detected as voice audio. Clarify Speech and Sounds: To help clarify words spoken by the prisoner or called party or to better hear background voices or sounds, the tempo, speed, and pitch of either side of the conversation can be varied to reveal additional intelligence. Screen-Out or Enhance Background Voices or Sounds: The

EQ (Equalizer) button on Call Analyzer opens controls that allow you to turn up or down each segment of either Waveform. By playing back any part of either side of a recording and turning up and/or down different audio bands, you can identify background speech and noises and screen them out to make a conversation clearer, or focus on the background speech and noises themselves.

F. Security Features

1. The PTS shall be Transfer Control Protocol/Internet Protocol (TCP/IP) compatible and allow multiple investigators simultaneous access while maintaining adequate security to prevent unauthorized use and access. Each investigator action must be logged and audited to ensure security and accountability. Access must be configurable with custom reports that 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.
2. The system must allow the investigator to 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.
3. In addition, authorized investigators must also have the ability to report on when any BTN was "Blocked/ Unblocked by Date Range" or "Blocked/Unblocked by Name" for any prisoner, and for what reason, by any User.
4. In case of loss of commercial power and the failure of the UPS, the PTS must automatically restrict or "shut off" all prisoner telephones so that no prisoner calls can be made until commercial power is restored and access is once again provided by the MDOC.

G. Cyber Security/ Network requirements

1. The link below provides information on the State's Enterprise Information Technology PSPs which includes security policies, standards, and procedures, eMichigan web development, and the State Unified Information Technology Environment (SUITE). The Contractor should be aware that not all State PSPs are available through the link provided below.

<http://www.michigan.gov/suite/>

http://michigan.gov/dtmb/0,4568,7-150-56355_56579_56755---,00.html

2. All services and products provided under this Contract must comply with all applicable federal and State laws, and State of Michigan and MDOC IT Policies Standards Procedures.
3. The Contractor is required to regularly review all applicable State PSPs, including confidential, non-public PSPs. The Contractor is reminded that all

sub-contractors or third-party service providers with any system, data, or network access are required to comply with all contractual security requirements.

4. Protection of the State's Confidential Information. Throughout the Term and at all times in connection with its actual or required performance of the Services, Contractor must:
 - a) Maintain NIST Special Publication 800.53 Moderate Controls with State documented control values (http://www.michigan.gov/documents/dmb/1340_193162_7.pdf) certification for the Hosted Services throughout the Term, and in the event the contractor is unable to maintain NIST 800.53 Moderate Controls certification, the State may move the Software to an alternative provider, at contractor's sole cost and expense;
 - b) Ensure that the Software is securely hosted, supported, administered, and accessed in a data center that resides in the continental United States, and minimally meets Uptime Institute Tier 3 standards (www.uptimeinstitute.com), or its equivalent;
 - c) Maintain and enforce an information security program including safety and physical and technical security policies and procedures with respect to its Processing of the State's Confidential Information that comply with the requirements of the State's data security PSPs and identified control values as set forth in the Contract, and must, at a minimum, remain compliant with the NIST Special Publication 800.53 (most recent version) MOD Controls;
 - d) Provide technical and organizational safeguards against accidental, unlawful or unauthorized access to or use, destruction, loss, alteration, disclosure, transfer, commingling or processing of such information that ensure a level of security appropriate to the risks presented by the processing of the State's Confidential Information and the nature of such Confidential Information, consistent with best industry practice and standards;
 - e) Take all reasonable measures to:
 - Secure and defend all locations, equipment, systems and other materials and facilities employed in connection with the Services against "hackers" and others who may seek, without authorization, to disrupt, damage, modify, access or otherwise use Contractor Systems or the information found therein; and
 - Prevent (i) the State and its Authorized Users from having access to the data of other customers or such other customer's users of the Services; (ii) the State's Confidential Information from being commingled with or contaminated by the data of other customers or their users of the Services; and (iii) unauthorized access to any of the State's Confidential Information;

- f) State Data must be encrypted in transit and at rest using Federal Information Processing Standard (FIPS) compliant AES 256bit or higher encryption;
- g) The Hosted Services must support Identity Federation/Single Sign-on (SSO) capabilities using Security Assertion Markup Language (SAML) or comparable mechanisms; and
- h) The Hosted Services must have multi-factor authentication for privileged/administrative access.

H. Unauthorized Access.

- 1. Contractor may not access, and shall not permit any access to, State systems, in whole or in part, whether through Contractor's Systems or otherwise, without the State's express prior written authorization. Such authorization may be revoked by the State in writing at any time in its sole discretion. Any access to State systems must be solely in accordance with the Contract and this Schedule, and in no case exceed the scope of the State's authorization pursuant to this Contract. All State-authorized connectivity or attempted connectivity to State systems shall be only through the State's security gateways and firewalls and in compliance with the State's security policies set forth in the Contract as the same may be supplemented or amended by the State and provided to Contractor from time to time.

I. Contractor Systems.

- 1. Contractor will be solely responsible for the information technology infrastructure, including all computers, software, databases, electronic systems (including database management systems) and networks used by or for Contractor in connection with the Services ("Contractor Systems") and shall prevent unauthorized access to State systems through the Contractor Systems.

J. Security Audits.

During the Term, Contractor will:

- 1. Maintain complete and accurate records relating to its data protection practices, IT security controls, and the security logs of any of the State's Confidential Information, including any backup, disaster recovery or other policies, practices or procedures relating to the State's Confidential Information and any other information relevant to its compliance with this Contract;
- 2. Upon the State's request, make all such records, appropriate personnel and relevant materials available during normal business hours for inspection and audit by the State or an independent data security expert that is reasonably acceptable to Contractor, provided that the State: (i) gives Contractor at least five (5) Days prior notice of any such audit; (ii) undertakes such audit no more than once per calendar year, except for good cause shown; and (iii) conducts or causes to be conducted such audit in a manner designed to minimize disruption of Contractor's normal business operations and that complies with

the terms and conditions of all data confidentiality, ownership, privacy, security and restricted use provisions of the Contract. The State may, but is not obligated to, perform such security audits, which shall, at the State's option and request, include penetration and security tests, of any and all Contractor Systems and their housing facilities and operating environments; and

3. If requested by the State, provide a copy of Contractor's NIST 800.53 System Security Plan. The System Security Plan will be recognized as Contractor's Confidential Information.

K. Nonexclusive Remedy for Security Breach.

1. Any failure of the Contractor to meet the requirements of this Schedule with respect to the security of any State Data or other Confidential Information of the State, including any related backup, disaster recovery or other policies, practices or procedures, is a material breach of the Contract for which the State, at its option, may terminate the Contract immediately upon written notice to Contractor without any notice or cure period, and Contractor must promptly reimburse to the State any Fees prepaid by the State prorated to the date of such termination.

L. PCI Compliance

1. Contractors that process, transmit, store or affect the security of credit/debit cardholder data, must adhere to the Payment Card Industry Data Security Standard (See PCI website for most up to date information). The Contractor is responsible for the security of cardholder data in its possession. The data may only be used to assist the State or for other uses specifically authorized by law.
2. The Contractor must notify the State's Contract Administrator (within 24 hours of discovery) of any breaches in security where cardholder data has been compromised. In that event, the Contractor must provide full cooperation to the card associations (e.g. Visa, MasterCard, and Discover) and state acquirer representative(s), or a PCI approved third party, to conduct a thorough security review. The Contractor must provide, at the request of the State, the results of such third-party security review. The review must validate compliance with the PCI Data Security Standard for protecting cardholder data. At the State's sole discretion, the State may perform its own security review, either by itself or through a PCI approved third party.
3. The Contractor is responsible for all costs incurred as the result of the breach. Costs may include, but are not limited to, fines/fees for non-compliance, card reissuance, credit monitoring, and any costs associated with a card association, PCI approved third party, or State initiated security review.
4. Without limiting Contractor's obligations of indemnification as further described in this Contract, Contractor must indemnify, defend, and hold harmless the State for any and all claims, including reasonable attorneys' fees, costs, and incidental expenses, which may be suffered by, accrued against, charged to, or recoverable from the State in connection with the breach.

5. The Contractor must dispose of cardholder data when it is no longer needed in compliance with PCI DSS policy. The Contractor must continue to treat cardholder data as confidential upon contract termination.
6. The Contractor must provide the State's Contract Administrator with an annual Attestation of Compliance (AOC) or a Report on Compliance (ROC) showing the contractor is in compliance with the PCI Data Security Standard. The Contractor must notify the State's Contract Administrator of all failures to comply with the PCI Data Security Standard.

M. Integration Requirements

1. Integration

- a) The Contractor's PTS must have the capability to integrate with other contractor systems for the purpose of consolidating various records in the PTS for MDOC investigative processes.
- b) The current process for integrating data in MDOC's prisoner phone investigative system requires MDOC contractors to deliver a data batch to a designated FTPS Mailbox on a regular schedule, e.g. once per day at 9:00 pm. The current contractor is required to "pick up" the data batch from the mailbox per the schedule and load the data into the PTS.
- c) Post implementation of the new PTS, MDOC would prefer to work towards a process that's a near real-time data integration between the awarded PTS, MDOC and the current vendors providing prisoner services.
 - STG 2.8 - data exchange from MDOC to the PTS
 - JPay- Electronic mail services - Contractor
 - Keefe-Securepak and commissary - Contractor
 - GTL/Connect -Prisoner Accounting System Deposits- Contractor
 - Visitor Tracking- data exchange from MDOC to the PTS
- d) System integration will support the following method(s):
 - Web Services
 - Simple Object Access Protocol (SOAP)
 - Open Database Connectivity (ODBC)
 - File Transfer Protocol (FTPS)
- e) Provide a method to import data from the following proprietary sources:
 - MDOC Prisoner Management Systems
- f) The solution must be able to export data to the following external source(s):
 - Microsoft Office 2003
 - Microsoft Office 2010
 - Adobe
 - And any future versions of Microsoft Office.

- g) The ability to export data in the following output formats must be available:
- XML
 - Text file
 - Image files (.jpg, .gif, .bmp)
 - Audio files (.mp3, .wav, .wma)
 - Word-processing files (.dot, .doc, .dotx, .docx, .rtf)
 - Email files (.msg)
 - PDF files (.pdf)
 - Spreadsheet files (.xls, .xlsx)
 - Comma Separated Values (.csv)
 - Text files (.txt)
 - XML Format files (.xml)
 - MPG, WMV, MP4, AVI, FLV
- h) The ability to make use of the following external services must be available:
- State of Michigan Data Exchange Gateway (DEG)
 - “Single Sign On” initiative (MI Login)
- i) At the discretion of the State, the Contractor must implement an FTP based data file interface wherein individual transactions are added as they occur. This FTP based near real-time interface will require external data providers to send incremental data files and not full data dumps. As a future alternative, Contractor can implement a RESTful web services interface using JSON which will allow true real-time integration with the approval of the State. Real-time integration with external or 3rd party data providers requires the support of those systems. External data providers can use our RESTful web services for the real-time integration.

Technical and Security - Non-Functional Requirements

A. Pre-Approved Number (PAN) Application

1. The PTS must be able to identify if a PAN appears on other prisoners PAN lists.

B. Monitoring and Recording Requirements

1. All call records and recordings shall be stored on-line during the Contract term and for a minimum of five (5) years after Contract termination unless requested by the State. The Contractor will work with the incumbent contractor to pull all valid stored call data into the Contractor’s system (to be stored online). 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. Upon award of this contract, Contractor must be able to accept and store all of the call and Meta

data for the last twelve (12) months from the previous contractor (See Migration Section 5.4.I.M.1).

2. The PTS shall prevent any prisoner telephone from receiving any incoming calls. The Contractor agrees that no prisoner telephone shall be capable of receiving an incoming call and the Contractor shall work with the local exchange carriers (LECs) to ensure such control.
3. The PTS, upon detection of a three-way call including call forwarding, conference calls etc. shall have the capability to terminate the call immediately. The PTS will play a message (message content will be determined by the State) to the prisoner and called party prior to terminating the call. The Contractor shall provide three ways of handling detected three-way call attempts. The system must have the ability to disconnect the call, initiate a warning message, and/or alert an investigator.

The system can be configured to do any of the following upon detection of call forwarding or three-way calling:

- Disconnect the call immediately.
 - Disconnect the call after providing an explanatory message that a prohibited remote call forwarding/three-way call attempt have been detected (during which the parties cannot communicate).
 - Play a message that a prohibited call forwarding/three-way call attempt has been detected and then terminate the call at the option of DOC.
 - Allow the call to continue for future investigation purposes and alert an investigator. The call will be alarmed on the Live Call Monitor and investigators can listen to the call.
4. The Contractor must provide expert testimony free of charge if requested by the State, regarding the reliability and authenticity of the PTS records and call recordings if the recordings are ever challenged.
 5. The Contractor shall provide an uninterrupted power supply source within its data storage systems to ensure there is no loss of recordings or real-time call data in the event of a power failure.

Maintenance Service

Maintenance Service - Functional Requirement

A. Initial and Ongoing Installations

1. The Contractor shall provide and install adequate surge and lightning protection equipment on all lines used for the PTS. This shall include a universal power supply/power back-up system (UPS) for the switch. 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 PTS UPS equipment at each of the correctional facilities. The Contractor must replace all UPS equipment upon expiration of the manufacturer's warranty of the installed product. The use of traditional "power strips" for surge protection is not acceptable. The UPS will be designed

specifically for the telephone solution at each facility to provide no less than (30) minutes of runtime in the event of a power outage.

2. Unless approved by the Program Manager, installation of all telephones and related equipment shall be accomplished during normal business hours (7:00am to 4:30pm) at each correctional facility or as directed by the correctional facility's Warden or designee.
3. The Contractor shall clean-up and remove all debris and packaging material resulting from work performed during installation and/or maintenance and repairs.

B. General Maintenance

1. The Contractor shall provide the necessary labor, parts, materials, integration connections, and transportation to maintain all 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 PTS and all ancillary offerings (See Schedule E).
2. The Contractor's system will provide the capability to perform remote diagnostics to determine if a reported problem is due to the prisoner telephone, the network hardware, the ICM solution, the central office line (CO trunk), or is a Public Switched Telephone Network (PSTN) problem. Maintenance reports will be available to help isolate marginal prisoner telephones and trunks.
3. The PTS 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.

System hardware components such as routers, switches, servers, IADs, and other SNMP-enabled devices are monitored and analyzed in real-time.

4. The Contractor shall maintain all cable, fiber, and infrastructure related to the PTS, whether reused or newly installed.
5. The Contractor must provide a single point of contact to initiate a maintenance/service ticket. This process must be available via toll-free number and email. The Contractor must provide a copy of its current repair procedure policy for both normal maintenance and emergency outages as it relates to the proposal. If the response is too long please provide in a separate attachment. At a minimum the following is required:

Priority Level	Definition of Priority	Priority Level Events	Maximum Solution Response Time (MSRT)
1	Priority Level 1 items are major Service Events that globally or severely impact the ability of	<ul style="list-style-type: none"> • MDOC-wide PTS failure. • Facility-wide PTS failure at single Facility. 	Following the identification of a Priority Level 1 Event, Contractor must complete a resolution repair solution within 24 hours of initial identification provided by MDOC

	prisoners to make telephone calls or utilize other services.	<ul style="list-style-type: none"> • PTS failure at one or more housing unit(s) across several facilities. 	Staff or through Contractor self-diagnostic testing.
2	Priority Level 2 items are Service Events impacting an entire housing unit and require immediate attention.	<ul style="list-style-type: none"> • PTS failure throughout a single housing unit. 	Following the identification of a Priority Level 2 Event, Contractor must complete a resolution repair solution within 24 hours of initial identification provided by MDOC Staff or through Contractor self-diagnostic testing.
3	Priority Level 3 items are Service Events classified as basic service requests for minor, non-critical incidents.	<ul style="list-style-type: none"> • One or more prisoner telephones in a single housing unit are non-operational due to PTS failure or hardware damage. 	Following the identification of a Priority Level 3 Event, Contractor must complete a resolution repair solution within 48 hours (excluding weekends) of initial identification provided by MDOC Staff or through Contractor self-diagnostic testing.
4	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 Program Manager.

6. 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.
7. Should the escalation plan as provided by the Contractor not be followed explicitly, the Contractor shall remain liable for the full monthly payment to MDOC's Programming and Special Equipment Fund during the times that telephones were in need of repair and not properly operating.
8. Either party shall report to the other party any misuse, destruction, damage, vandalism, liability, etc. of the PTS and all ancillary offerings.
9. The Contractor must provide component redundancy to limit or virtually eliminate system downtime due to hardware component failure.

Service Maintenance - Non- Functional Requirement

1. The Contractor shall restore, to original condition, any damage to MDOC's property caused by maintenance or installation personnel associated with the Contractor, including repairs to walls, ceilings, etc.
2. The Contractor agrees to install, repair and maintain all Contractor provided equipment and lines at no cost to 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.
3. Upon completion of initial installation and ongoing installations, the Contractor must provide MDOC with a list of telephone numbers, serial numbers, and locations of each unit.

4. The Contractor must indicate any environmental conditions required for the controlling equipment. If deemed necessary by the State or the Contractors, the Contractor will supply heating or cooling equipment necessary to ensure the proper ambient temperatures in all equipment rooms.
5. All issues surrounding the PTS service and all ancillary offerings shall be reported by the Contractor to the MDOC.

7. End User Operating Environment

1. The State environment is X86 VMware, IBM Power VM and Oracle VM, with supporting enterprise storage monitoring and management.
2. The software must run under commonly used web browsers. At a minimum the software must support Internet Explorer v9 or higher, Chrome v36 or higher, Firefox v31 or higher, and Safari v5.1 or higher both under the Windows and iOS operating systems.
3. The Contractor must accommodate all upgrades/updates to the State End User Operating environment and ensure no lapse in service.

8. Equipment and Software

The Contractor shall provide the requested number of workstations as specified by MDOC. 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 PTS.

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 PTS with new software versions and new hardware as required by MDOC and at no cost to MDOC.

A. Initial and Ongoing Installations

1. The Contractor will be responsible for the installation of all connectivity to the service provider to the demarcation point or headend. In most cases, this will be a predetermined equipment room in the Administration Building of each facility.
2. The New PTS shall be a digital backbone with a single mode fiber between buildings and category 6 cabling, grey in color, from telephone devices to communication rooms not to exceed 300 feet. Where telephones are exterior to a building, existing or newly installed twisted pair/copper wiring will be permitted.
3. Weekly updates to the implementation plan must be submitted to MDOC's Program Manager or Designee.
4. The Contractor agrees to review specification and installation plans and obtain the MDOC's written permission from the Program Manager 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.

5. The Contractor agrees to assume responsibility for all installation of equipment in accordance with the specifications contained in the manufacturer's installation instructions.
6. Contractor shall be responsible for installation of underground raceway and inter-building fiber optic cabling to facilitate connection of the telephone systems from the administration building to each Housing Unit at ten (10) of the MDOC facilities.
7. The ten facilities that require fiber cable installation as part of this Contract include:
 - a) Bellamy Creek Correctional
 - b) Robert G. Cotton Correctional
 - c) Handlon/MTU Correctional
 - d) Lakeland Correctional
 - e) Marquette Correctional
 - f) Michigan Reformatory
 - g) Oaks Correctional
 - h) Ojibway Correctional
 - i) St. Louis Correctional
 - j) Thumb Correctional.

All other MDOC facilities have a fiber backbone from the administration building to each housing building that consists of Singlemode fiber. The MDOC, at each site other than the ten listed above, will provide two strands of Singlemode fiber cable from the Administration building to each Housing Unit for use of the telephone system.

8. The Contractor shall provide the following as part of the fiber backbone installation:
 - a) Final Design of the underground conduits including handholes.
 1. No conduit smaller than 2" in diameter.
 2. All conduits as they exit the Administration building to the first handhole shall be 4" diameter.
 3. Install handholes every 200'-300'.
 4. Handholes shall be no less than 36" deep and 2' wide and 3' long.
 5. Provide a Ground Penetrating Radar scan of conduit path prior to digging or directional boring conduits.
 6. Provide GPS based document to the State showing utilities found with GPR scan.
 7. Provide as-builts of conduit path.
 - b) Install a new 24-strand, single mode fiber cable from the Administration building to each Housing Unit.
 1. Terminate the fiber strands with SC pigtails that are fusion spliced.
 2. Test all fiber strand with a light meter and provide light meter results.

3. Terminate in a rack mounted patch panel from Hubbell.
 4. Label the fiber cables at each handhole and at each panel.
 5. Label the panels.
9. Use of existing or in-place wiring, cable, and/or fiber and related conduit, raceways, cable ways, and 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 in occupied areas. Any conductors installed in areas with prisoner access, must be in metallic conduit fastened with two-hole straps on 5' centers with approved security fasteners. Only compression style fittings are allowed for conduit fittings. Open low voltage wiring above ceilings is acceptable with proper support. All exposed boxes will not have knockouts (Bell Type Boxes to be used). Ownership of any wiring, fiber or conduit placed under this Contract by the successful Contractor becomes the property of the MDOC upon termination and/or expiration of the Contract. The installation of any additional fiber infrastructure will be the sole responsibility of the Contractor and will include a minimum of 24 single mode fibers, terminated and tested.
10. 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. Colors used for any new cables or fiber are to be approved by the MDOC to ensure it is easily identified for its specific purpose. All new cabling required by the Contractor shall be installed by the Contractor at no cost to MDOC. For instances where the State requires additional telephones at a specified facility(s), the State will work with the awarded Contractor to select telephone locations. Contractor's pricing and equipment provides system capacity capable of 20% expansion at each facility.
11. The Contractor shall install the quantity of telephones required by the MDOC and will work with each facility in coordination with the Program Manager(s) individually to determine whether any telephones need to be added or removed.
12. During the term of the Contract, the Contractor shall install any additional telephones, lines, and monitoring and recording equipment at no additional cost to the MDOC. 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 must be designed with modular components so that expanding capacity is a matter of simply plugging in additional components without having to redesign the entire system.

B. Station Equipment Specifications (Telephone Hardware)

1. Telephone station equipment shall be powered by the telephone line or Ethernet Cable as approved by the Program Manager and require no additional power source. A power source will be available at the demarcation location. The Contractor must identify the demarcation location for each correctional facility.

2. The Contractor must provide a UPS for the PTS 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.
3. The PTS 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 prisoner telephones in both English and Spanish. In addition to the existing placards that are fixed externally to the telephones, the Contractor will post this information behind the faceplate of the prisoner telephones under an unbreakable, sealed, clear shield to prevent prisoners from tampering with the instructions.

9. Access Control and Audit

A. State's IT Identity and Access Management Approach

1. The Contractor's solution must integrate with the State's IT Identity and Access Management (IAM) environment as described in the State of Michigan Digital Strategy (http://www.michigan.gov/dtmb/0,5552,7-150-56345_56351_69611-336646--,00.html), which consist of:
 - a) MILogin/Michigan Identity, Credential, and Access Management (MICAM)
 - b) An enterprise single sign-on and identity management solution based on IBM's Identity and Access Management products including, IBM Security Identity Manager (ISIM), IBM Security Access Manager for Web (ISAM), IBM Tivoli Federated Identity Manager (TFIM), IBM Security Access Manager for Mobile (ISAMM), and IBM Data Power, which enables the State to establish, manage, and authenticate user identities for the State's Information Technology (IT) systems.
 - c) MILogin Identity Federation
 - o Allows federated single sign-on (SSO) for business partners, as well as citizen-based applications.
 - d) MILogin Multi Factor Authentication (MFA, based on system data classification requirements)
 - o Required for those applications where data classification is Confidential and Restricted as defined by the 1340.00 Michigan Information Technology Information Security standard (e.g. the solution must comply with PHI, PCI, CJIS, IRS, and other standards).
 - e) MILogin Identity Proofing Services (based on system data classification requirements)

- o A system that verifies individual's identities before the State allows access to its IT system. This service is based on "life history" or transaction information aggregated from public and proprietary data sources. A leading credit bureau provides this service.
- f) In order to integrate with the State MILogin solution, the Contractor's solution must support HTTP Headers based SSO, or SAML, or OAuth or OpenID interfaces for the SSO purposes.

B. Testing Services and Acceptance (UAT)

1. UAT test scripts shall include test scenarios encompassing all functional requirements that other vendors would consider important to test. The scripts are required to be approved by MDOC.
2. Contractors shall provide UAT test environment to test functionality or a pre-production equipment deployment for test purposes.
3. Contractor shall support UAT pre-test training if needed by MDOC.
4. System Testing
 - a) Full system testing including regression testing of previously implemented phases.
 - b) Testing scripts.
 - c) Test Plan.
 - d) Test Type Approach & Report.
 - e) Test Case.
 - f) Structured walkthroughs are required for each project deliverable.
 - g) Signoffs are required for each phase via Stage Exit Approval.
5. UAT Testing
 - a) Full user acceptance testing.
 - b) UAT testing scripts that provide continuity of testing detail across test periods.
 - c) Requirements traceability matrix showing relationship of test cases to requirements.
 - d) Transition plan.
 - e) Documentation identifying the fulfillment of each software requirement.
 - f) Structured walkthroughs are required for each project deliverable.
 - g) Signoffs are required for each phase via Stage Exit Approval.
6. The Contractor will be responsible for leading user acceptance testing of the Solution. The Contractor's Solution will not be considered implemented until all user acceptance testing is completed and the results have been confirmed by the State.
7. Contractor must meet or exceed the SUITE processes.

C. Solution Platforms

The State requires the Contractor to propose a minimum of the following six (6) environments suitable to support the Contractor's implementation strategy:

1. Development
 - a) To implement, customize, and extend the Solution, if necessary. This environment will be managed by the Contractor and used for unit testing, software upgrade testing, and any other purposes deemed necessary by the Contractor or the State.
2. System Testing
 - a) To be where all release modules are compiled and tested as a single configuration by the Contractor. This environment is used for system and integration testing of the release by the Contractor prior to UAT.
3. User Acceptance Testing (UAT)
 - a) To be where the State shall conduct all UAT activities.
4. Training
 - a) To provide a test/demo area for training users that can be updated and rebuilt on demand with standardized sets of data. This environment must provide a training database sufficient to meet the requirements for classroom training and create a test environment that reasonably simulates the data and transactions volume expected in the production environment.
5. Staging
 - a) To provide a test area used by the Contractor and the State to prepare and validate the build to be deployed to production. This environment will be used for performance testing, and as such it must be configured identically to the production environment. It may also be used to convert the legacy data, including testing of extractions and transformations, prior to loading data to production.
6. Production
 - a) To provide the final integrated Solution environment.

10. Training

A. Training Services

1. The Contractor must provide administration and end-user training for implementation, go-live support, and transition to customer self-sufficiency. The Contractor must provide available training options and include details such as: typical class size, materials to be provided, class duration, on-site or web based. The Contractor must provide a training plan for go-live support and transition to self-support, including options and details such as the

number of dedicated personnel, staff location, hours available and duration of go-live support.

2. Contractor must provide details on, and examples of, clearly written instructions and documentation to enable State administrators and end-users to successfully operate the Solution without needing to bring in additional Contractor support.
3. The Contractor must provide initial and ongoing training to the MDOC's staff as determined by the Program Manager. The Contractor will be providing onsite introductory training on the prisoner telephone system during implementation. Additional training shall be provided to new staff assigned during the Contract period at no cost to the MDOC. Video (remote) conferencing is acceptable for ongoing training.
4. 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 and be available online.
5. Informational pamphlets shall be available for prisoners relative to the applicable features and functionalities of the PTS, when requested by the MDOC and at no cost to the MDOC. At the MDOC's discretion, The Contractor will provide training to the prisoners and visitors, at no cost to the MDOC, through a variety of approaches.

B. Ongoing Training

In addition to the onsite new training provided during transition, The Contractor must offer ongoing, onsite training. 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 must offer remote training via the Internet, as desired by the State.

1. At the MDOC's discretion, the Contractor will provide additional training at no cost to the MDOC.
2. Contractor shall provide a detailed description of all initial and ongoing training processes.

C. DOCUMENTATION

Contractor must provide all user manuals, operating manuals, technical manuals and any other instructions, specifications, documents or materials, in any form or media, that describe the functionality, installation, testing, operation, use, maintenance, support, technical or other components, features or requirements of the Software at no cost to the State.

11. Customer Service

A. Process

1. Process for customer service inquiries and hours of availability must include but is not limited to:

- a) Customers who accept calls from any of the Contractor's-served correctional facilities must have access to a dedicated toll-free number (855) 466-2832. This number must be staffed with live representatives, 24x7, seven days a week, with average wait times of less than 30 seconds. The Customer Service Representatives must be available to handle issues such as setting up prepaid accounts, customer billing, call rate inquiries, disputes, credits, refunds, complaints, and other questions.
- b) The Contractor's Customer Service Center must have bilingual (Spanish and English) personnel staffed at all times.
- c) The Contractor must provide callers with accurate information; efficient, live call-handling; and a streamlined and user-friendly off-hours automated system.
- d) The Contractor's Customer Service Representatives (CSRs) must be constantly monitored through a quality assurance program.
- e) The Customer Service Representatives must be able to handle issues such as setting up prepaid accounts, customer billing, call rate inquiries, disputes, credits, refunds, complaints, and questions.
- f) Contractor must maintain a Michigan based call center that employs local residents to serve MDOC's customer service needs. Representatives must respond to customer questions and help resolve issues related to the billing, blocking of prisoner calls, closing an account, and any other inquiries related to calls received from Contractor's PTS. Contractor must provide both live customer service and an IVR system in English and Spanish. Contractor's IVR must provide easy step by step instructions, can be used to take any payment type for multiple departments, and accepts transactions 24/7/365 with instantaneous posting of payments to back office reporting and accounting systems. Contractor's Customer Service personnel must be well versed in the functions of the Contractor's products and services including the Prisoner Telephone System, Inspire© Digital Phones, Video Visitation Systems, and Electronic Messaging System and every Contractor operator must have access to all customer records in real-time. Contractor service center staff must be fully trained and skilled in handling questions, complaints, billing disputes and adjustments. In the instance of billing disputes, Contractor's Billing and Collections Department must work with the customer to identify the nature of the dispute and, if necessary, ensure accurate adjustments are made to bills and/or refunds are issued in a timely manner.

B. Contractor's Remedy Ticket System

- 1. The Contractor shall have a system to log issues or trouble tickets. MDOC employees and prisoner's family and friends shall be able to submit tickets. At a minimum, the Contractor's ticket system shall have the ability to track the following:
 - a) Facility.
 - b) Number of Inquiries (total, by facility, and by issue category).
 - c) Ticket number.
 - d) Ticket received date.

- e) Name of Requestor.
 - f) Description of Issue Submitted.
 - g) High Level Issue Category.
 - h) Date and Message of Contractor Acknowledgement.
 - i) Date and Message of any follow up communications from the requestor or Contractor.
 - j) Date of Final Resolution, and summary of how issue was resolved.
 - k) Average Days for Reply.
 - l) Average Days for Final Resolution.
 - m) Closed Tickets (total, by facility, and by issue category).
 - n) Percentage of Tickets Closed.
2. If Contractor recommends an action be taken, the ticket must remain open until the Contractor has confirmed the solution solved the issue. If it did not, the ticket must remain open as other Contractor solutions are tried. The Contractor's ticket system must avoid the Requestor having to enter a new ticket for each solution to resolve a single issue.
 3. The ServiceNow system is a personalized portal that will allow Friends and Families to open a ticket and also to chat directly with Customer Service. The system utilizes adaptive technology to display on all screen sizes.
 4. The ServiceNow system contains the following functionality.
 - a) Ability to resolve issues without contacting customer support
 - b) Automate requests
 - c) Access to online ticket history
 - d) Instant access to chat with a customer support representative
 - e) Complete visibility of request and establish real-time updates
 - f) Real-time dashboards to tickets submitted by the facility, friends and families

12. Transition Plan

1. Within 10 calendar days of the Contract execution, the Contractor must submit a revised, expanded, and detailed narrative of their Transition Plan to the MDOC Program Manager. The Contractor must continue to revise the Transition Plan and submit to the MDOC Program Manager on, no less than, a monthly basis until all items have been successfully implemented, per the MDOC Program Manager's input on progression of, or acceptance of each item.
2. Transition Period- Upon Contract execution and State Administrative Board approval, the Contractor will commence the Transition Period to the actual services Contract start date. In the event of delays due to weather or force majeure, Contractor shall provide a revised Transition Plan. The Michigan Project Manager must be onsite in Michigan throughout the transition period to ensure all issues are addressed and resolved unless otherwise determined by the MDOC. The parties must mutually agree in writing to the termination date of the Transition Period.

3. The Contractor's Transition Plan must ensure the Contractor works in partnership with the MDOC to deliver uninterrupted contracted services, including infrastructure of systems and staffing. The Contractor must be responsible for a customized plan of action to ensure a seamless transition in all aspects of contracted services. To accomplish this, the Contractor activities must include, but are not limited to, the following:
 - a) Conduct regular, scheduled communication with key MDOC and subcontractor personnel and specialty service providers.
 - b) Deployment of Contract and transition management teams.
 - c) Network/IT development activities.
 - d) Computer interface and system management.
 - e) Training plan for MDOC staff and prisoners.
 - f) Documentation and data collection.
 - g) Staffing plan.
 - h) Implementation of the Contractor's implementation and checklist (in addition to the MDOC Start up Plan activities) and transition tasks.
 - i) Post-implementation review.
 - j) Jointly review all Contract Schedules and Exhibits and adjust if needed.
 - k) Emergency contingency plan for delivery of services.
4. The Contractor must conduct a post-implementation survey process to provide an internal evaluation and assessment of the program implementation approximately 90 calendar days after the actual services Contract start date. The post-implementation survey must include items relative to all important start up activities and compliance with key Contract provisions, and mutually agreed by the MDOC Program Manager and the Contractor. The Contractor's survey team must visit each facility and review accomplishments, opportunities for improvement and compliance with the startup / transition checklist and key Contract provisions. Survey results must be submitted to the MDOC Program Manager.
5. The Contractor must also conduct a validation demonstration pre-launch and semi-annually to demonstrate the full functionality of the Contractor's solution and ancillary offerings.
6. Contract Closeout Plan – The Contractor must provide a closeout plan for the closure of the Contract due to Contract expiration or termination within 90 calendar days after the actual services Contract start date. The plan must include, but is not limited to, MDOC prisoner data and records.
7. The Contractor shall retain the current system(s) database information including prisoner profiles and call records during conversion to the new system.
8. 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.
9. The call records, call recordings, documentation, reports, data, etc., contained in the PTS shall remain the property of the MDOC.

10. All PTS inside wiring/cable/fiber shall become the property of the MDOC at installation but will be fully maintained by the Contractor throughout the Contract term.
11. The Contractor shall remove its equipment, which will include all equipment, materials, and proprietary software, except those that the State owns, or will own, at the conclusion of the Contract in a manner that will allow the reuse of that wire/cable/fiber distribution.
12. All call detail records, call recordings, documentation, reports, data, etc. 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.

13. PTS Reporting Requirements

1. 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 PTS 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.

Central & Remote Access

The Contractor's system must be web-based. MDOC staff must be able to access all the Contractor System's features, based on their user permissions, whether they are onsite or accessing the system remotely. The system must allow MDOC staff to access the system from any PC or mobile device with Internet connectivity.

Remote access to the system is required through a Secure Sockets Layer (SSL). 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 shall not require any special software or equipment to access the Contractor's system. All that is required is that the authorized user has a valid user name and password. Please refer to Section 5.6.3 regarding the State's IT requirements for identity and Access Management for user authorization. Users log in as they normally would from any onsite workstation, offsite computer, or laptop. An exemption can be made by the Program Manager for a Contractor's mobile device application.

2. The Contractor shall provide standard reports. Additional custom reports shall be made available upon Program Manager Request. All reports must be searchable, sortable, and have the ability to be exported to XML or text file. All reports must be provided at no cost to the State.
3. 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:

- a) Daily statistical reports
 - b) Correctional facility name
 - c) Originating number
 - d) Terminating number
 - e) Date of call
 - f) Time of day
 - g) Length of call
 - h) Type of call
 - i) PIN number
 - j) Frequently called numbers (for all numbers called more than five times in one day)
 - k) Common numbers called (for all numbers called by more than one prisoner)
 - l) Originating station
 - m) Bill type
4. The Contractor shall provide billing reports that can be provided or sorted by any or all of the following criteria:
- a) Call detail report
 - b) Amount charged per call
 - c) Gross revenue
 - d) Daily statistics
 - e) Monthly statistics
 - f) Called party/number accepting report
 - g) Fraud/velocity report
 - h) Separate correctional facility total and statistics
 - i) All correctional facility totals and statistics
 - j) Total calls
 - k) Calls by date
 - l) Time of day
 - m) Length of call
5. The Contractor must have the data for the following monthly reports available for the MDOC to access on the 20th of every month. These reports must be available online or sent via a secure Contractor network that is accessible by approved MDOC staff. The MDOC requires the Contractor to modify existing reports as requested within seven days of the request and create new reports within 14 days unless otherwise approved by the MDOC PM.
6. The Contractor must work with the MDOC to develop and provide reports based on MDOC requirements. Each report must meet all content and functional requirements of the MDOC. Examples of the required reports include but are not limited to the following:
- a) Deposit information to include, depositor name, depositor #, facility, prisoner name and ID number, etc.
 - b) Daily batch deposits. (Data must be available daily).
 - c) Service compliance reports.
 - d) Sales reports.
 - e) Security reports for investigations.
 - f) Refund/rejections.
 - g) Prisoner Correspondence responses.
 - h) Prisoner Restriction list.

- i) Release debit card information, to include agency/facility, prisoner name and ID number, debit card number, etc.
 - j) Equipment repair/replacement information to include facility, equipment location, date repair call was placed, date repair was completed, cause of repair/replacement.
 - k) Other reports as requested by the MDOC Program Manager.
7. The PTS shall be capable, upon request by the MDOC, to provide specific information for tracking prisoner calling activities and calling patterns by individual telephone numbers. The following reports shall be available for monitoring purposes:
 - a) Allow Lists (PANs) per prisoner or identifying number.
 - b) Calls by PIN or other identifying number.
8. The Contractor shall be able to pull the following reports from its Remedy Ticket system.
 - a) Summary Report
 - Facility.
 - Number of Inquiries (total, by facility, and by category of issue).
 - Date of Contractor Acknowledgement.
 - Average Days for Reply.
 - Closed Tickets.
 - Percentage of Tickets Closed.
 - b) Summary by Category Report
 - High Level Issue Category.
 - Number of Inquiries.
 - Date of Contractor Acknowledgement.
 - Average Days for Reply.
 - Closed Tickets.
 - Percentage of Tickets Closed.
 - c) Detail
 - Ticket Number.
 - Prisoner ID Number, if applicable.
 - Name of Requestor.
 - Facility.
 - Category.
 - First Opened.
 - First Response.
 - Elapsed Days.
 - Last Closed.
 - Message Date (initial and subsequent).
 - Message (initial and subsequent).
9. Contractor must provide updated list upon MDOC request to include all hardware including TTY/TDD for SLA.

14. Contractor Key Personnel and Non-Key Personnel

Contractor Contract Administrator. Contractor must identify the individual appointed by it to (a) administer the terms of this Contract, and (b) approve and execute any Change Notices under this Contract.

Contractor

Name: Warren Hall
Address: 12021 Sunset Hills Rd. Suite 100
Reston, VA 20190
Telephone: (703) 955-3910
Email: Warren.Hall@GTL.net

Contractor Project Manager. Contractor must identify the Contractor Project Manager who will serve as the primary contact with regard to services who will have the authority to act on behalf of the Contractor in matters pertaining to the implementation services.

Contractor
Name: Veronica Miller Address: 12021 Sunset Hills Rd. Suite 100 Reston, VA 20190 Telephone: (703) 955-3910 Email: Veronica.Miller@GTL.net

Implementation Manager. Contractor to provide name of individual to serve as primary contact with respect to implementation and installation.

Contractor

Name: Timothy Lowe
Address: 12021 Sunset Hills Rd. Suite 100
Reston, VA 20190
Telephone: (703) 955-3910
Email: Tim.Lowe@GTL.net

Customer Service Manager. Contractor to provide name of individual responsible overseeing customer service department that answers inquiries from friends and families. This person must have sufficient knowledge of the system of the Contractor Systems and the authority to act on behalf of Contractor in matters pertaining thereto.

Contractor

Name: Vance Macdonald
Address: 12021 Sunset Hills Rd. Suite 100
Reston, VA 20190
Telephone: (703) 955-3910
Email: VMacdonald@GTL.net

A. Contractor must complete the fields below for Non-Key Personnel

Configuration Lead. Contractor to provide name of individual responsible overseeing configuration of the PTS. This person must have sufficient knowledge of the Contractor Systems and the authority to act on behalf of Contractor in matters pertaining thereto.

Contractor

Name: Matthew Mcfalls
Address: 12021 Sunset Hills Rd. Suite 100
Reston, VA 20190
Telephone: (703) 955-3910
Email: Matthew.Mcfalls@GTL.net

Business Analyst. Contractor to provide name of individual responsible for ensuring the business requirements of the Contract are met by the Contractors System. This person must have sufficient knowledge of the Contractor Systems and the authority to act on behalf of Contractor in matters pertaining thereto.

Contractor

Name: Erica Sankey
Address: 12021 Sunset Hills Rd. Suite 100
Reston, VA 20190
Telephone: (703) 955-3910
Email: Erica.Sankey@GTL.net

15. State Resources/Responsibilities

State Contract Administrator. The State Contract Administrator is the individual appointed by the State to (a) administer the terms of this Contract, and (b) approve and execute any Change Notices under this Contract.

State Project Manager. The State Project Manager will serve as the primary contact with regard to implementation Services who will have the authority to act on behalf of the State in approving Deliverables, and day to day activities.

State Program Manager. The Agency Business Owner will serve as the primary contact for the business area with regard to business advisement who will have the authority to act on behalf of the State in matters pertaining to the business Specifications.

State Technical Lead. The State Technical Lead will serve as the primary contact with regard to implementation technical advisement.

State Contract Monitor. The State Contract Monitor will compile, analyze and ensure that all necessary terms, conditions and specifications are met as described in the contract for compliance and will provide oversight and review of contract deliverables and service level agreements for the MDOC.

16. Meetings

At start of the engagement, the MDOC Contract Manager must facilitate a Project Kick Off Meeting with the support from the Contractor's PM and the identified State resources to review the approach to accomplishing the project, schedule tasks and identify related timing, and identify any risks or issues related to the planned approach. From project kick-off until final acceptance and go-live, Contractor must facilitate weekly meetings (or more if determined necessary by the parties) to provide updates on implementation progress. Following go-live, Contractor must facilitate monthly meetings (or more or less if determined necessary by the parties) to ensure ongoing support success.

17. Disclosure of Subcontractors

If the Contractor intends to utilize subcontractors at any time during the Contract term, the Contractor must disclose the following to the State:

- A. The legal business name; address; telephone number; a description of subcontractor's organization and the services it will provide; and information concerning subcontractor's ability to provide the Contract Activities.
- B. The relationship of the subcontractor to the Contractor.
- C. Whether the Contractor has a previous working experience with the subcontractor. If yes, provide the details of that previous relationship.
- D. A complete description of the Contract Activities that will be performed or provided by the subcontractor.
- E. All proposed subcontractors must be approved by MDOC Program Manager before any work or deliverables can be completed.

18. Pricing/Ordering/Payment

A. Pricing

The State is capping telephone call rates per minute at \$0.16. This is to include all of the required services as well as any optional/ancillary services described under this Contract. The Contractor will not charge the State, Prisoners, or friends and families of prisoners additional taxes or fees with the exception of fees or taxes levied by Federal, State, or local entities. No additional vendor fees will be charged. Pricing goes into effect October 8, 2018, following implementation.

B. Revenue

The State requires \$11 million annually from the awarded Contractor for MDOC's Programming and Special Equipment Fund to be paid on a monthly basis.

C. Ordering

Authorizing Document- The appropriate authorizing document for the Contract will be a delivery order (DO).

D. Invoice and Payment

Invoice Requirements - All invoices submitted to the State must include: (a) date; (b) delivery order number; (c) quantity; (d) description of the Contract Activities; (e) unit price; (g) total price; (h) master agreement number; and (i) total amount credits purchased.

Overtime, holiday pay, and travel expenses will not be paid.

Contractor must also include an invoice breakdown in an Excel format attachment to the invoice that must include, but is not limited to, total amount of credits purchased for the month, with each amount of credits purchased broken down by prisoner name, their prisoner number, facility, and date of purchase listed in separate columns for easy sorting and reconciling.

All refunds, if allowed must be reported with date and facility information.

E. Payment Methods

The State will make payment for Contract Activities Electronic Funds Transfer(EFT).

19. Additional Information

The State reserves the right to incorporate any additional products or services from the Contractor during the duration of the Contract.

A. Prison Rape Elimination Act of 2003 (PREA), 42 U.S.C. § 15601

1. The Contractor and the Contractor Personnel shall comply with the Final Rule implementing PREA, all applicable PREA standards, and

the agency's policies. The Contractor and Contractor Personnel shall make itself familiar with and at all times shall observe and comply with all PREA regulations which in any manner affect the performance under this Contract. Failure to comply with the PREA standards and related policies of the MDOC will be considered a breach of contract and may result in termination of the contract. PREA standards will be provided to the Contractor upon award of the contract. MDOC Program Manager or designee will provide updated copies of this document to the Contractor when changes or updates are made.

2. Contract Personnel including subcontractors who may have contact with prisoners must complete PREA training Program A - Correctional Facilities Administration (CFA) Security Regulations prior to entrance in any MDOC Facility. Upon completion, Contractor Personnel shall submit a signed memorandum to the MDOC Program Manager documenting completion of the training and date of completion. The MDOC Program Manager or designee will provide the Contractor with Program A - Correctional Facilities Administration (CFA) Security Regulations upon award of the contract, as well as any updated copies of this document when changes or updates are made.

B. Vendor Handbook

The Contractor must require all its employees working inside an MDOC correctional facility to read and sign the MDOC Vendor Handbook upon award of the contract and before they enter any correctional facility. The purpose of the MDOC Vendor Handbook is to provide the Contractor with general information regarding basic requirements of working within the MDOC, provide notice of work rules, and consequences of rule violations. The awarded Contractor must provide copies of each signed Employee Acknowledgment to the Program Manager at the completion of the employee orientation. The MDOC Program Manager or designee will provide the Contractor with the MDOC Vendor Handbook upon award of the contract, as well as any updated copies of this document when changes or updates are made.

C. Additional Security Requirements

The Contractor and its staff will be subject to the following security procedures:

1. No active warrants or pending charges on any staff assigned to this Contract.
2. May not be under Federal, State or local jurisdiction as a prisoner. Must be off of Federal, State or local jurisdiction for five years from the date of discharge. Felony ex-prisoners will not be considered as contracted staff until they have been discharged from all sentences, including parole and probation, and are approved by the Deputy Director of the Correctional Facilities Administration (CFA). MDOC reserves the right to approve or decline applicants who have been involved in the criminal justice system depending on the circumstances.
3. Not under investigation or under disciplinary action of the Michigan Department of Licensing and Regulatory Affairs.

4. Has not engaged in sexual abuse in a prison, jail, lockup, community confinement facility, juvenile facility or other institution as defined in 42 U.S.C. 1997;
5. Has not been convicted of engaging in, attempting to engage in or conspiracy to engage in sexual activity facilitated by force, overt or implied threats of force or coercion, or if the victim did not consent or was unable to consent or refuse.
6. Has not been civilly or administratively adjudicated to have engaged in the activity described above.
7. The MDOC may investigate the Contractor's and subcontractor's personnel before they may have access to MDOC facilities and systems. The scope of the background check is at the discretion of the MDOC and the results will be used to determine Contractor personnel eligibility for working within MDOC facilities and systems. The investigations will include Michigan State Police Background checks (ICHAT) and the Law Enforcement Information Network (LEIN), and may include the National Crime Information Center (NCIC) Finger Prints. 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 MDOC and will be reasonably related to the type of work requested.
8. All delivery drivers, Contractor's and subcontractor's staff that are entering an MDOC facility must be LEIN cleared by MDOC at least 48 hours prior to facility entry. The Contractor's personnel must be LEIN cleared and received written approval from the MDOC's Program Manager and Contract Manager initially and annually by MDOC prior to any work with MDOC prisoners.
9. The Contractor and subcontractor personnel must request LEIN clearance in writing. The completed LEIN Information Form must be sent to, and approved by MDOC prior to Contractor's personnel working with MDOC prisoners and annually following approval. There is no cost associated with the LEIN. The LEIN form and email address will be provided to the Contract awardee(s).
10. The Contractor must document if a Contractor's or subcontractor's personnel assigned to the Contract is related to or acquainted with a prisoner incarcerated and under the jurisdiction of the MDOC. For Contractor's personnel who are related to or acquainted with a prisoner, the Contractor's staff member must complete the Prisoner Contact Exception Request (CAJ-202) and submit it to the MDOC Program Manager or designee. The Contractor must ensure its personnel complete the form and notify the MDOC Program Manager of any changes throughout the Contract term.
11. The Contractor's and subcontractor's personnel will be required to enter State facilities. The State may require the Contractor's and subcontractor's personnel to wear State issued identification badges.
12. All vehicles entering a correctional facility must be inspected before entry of the secure perimeter.
13. The Contractor's and subcontractor's personnel must anticipate delays when visiting any correctional facility due to issues within the facility.

14. The Contractor's personnel must comply with the State's security and acceptable use policies for State IT equipment and resources. Furthermore, Contractor personnel must 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. The Contractor must present these documents to prospective Contractor personnel before the Contractor presents the individual to the State as a proposed resource. Contractor personnel must comply with all physical security procedures in place within the facilities where they are working.
15. The MDOC reserves the right to deny access to any correctional facility to anyone who fails to comply with any applicable State, Federal or local law, ordinance or regulation or whose presence may compromise the security of the facility, its members or staff. Weapons, alcoholic beverages, poison, and prescription drugs and controlled substances without written certification of needs from a licensed physician (does not include medical supplies for the facility), cellular devices, cameras, and audio or visual recording devices are prohibited from being brought into all MDOC correctional facilities. Tobacco products and smoking also are prohibited both inside a correctional facility and on facility grounds except as specifically authorized by MDOC policy. Wardens may prohibit other items from being brought into their respective correctional facilities. Smoking is prohibited.
16. Security is the facility's first priority and the Contractor and Contractor Personnel must be responsive and respectful of these needs.
17. The Contractor, Contractor's, and subcontractor's personnel must comply with and cooperate with all correctional facility rules, procedures and processes as well as State and federal laws. Contractor personnel must ensure that they are complying with all facility rules and regulations including, but not limited to, dress code and items allowed to be possessed.
18. The Contractor's and subcontractor's personnel must follow the facility entry, exit, manifest process, to include the following:
 - a) The Contractor personnel will receive an orientation and training by the MDOC on security, procedures, etc., inside the correctional facility. The Contractor must maintain a copy of the Contractor personnel's training certificates in the appropriate file for auditing purposes.
 - b) The Contractor personnel must follow all MDOC rules, procedures and security processes at all times.
 - c) The Contractor must ensure that all Contractor personnel working in a correctional facility are familiar and in compliance with the necessary routines and increased awareness of working inside a facility. Working inside the facility requires that the Contractor personnel develop positive and cooperative relationships with MDOC facility staff.

19. The Contractor personnel must report any concerns, issues, or rule violations to the MDOC facility staff immediately.
 - a) The Contractor personnel must use the MDOC facility staff as a resource for questions and guidance working with prisoners and inside a correctional facility.
 - b) The Contractor personnel must defer to MDOC correctional facility staff for directions. The Contractor personnel must remember they are a guest in the facility and that security is the first priority of the facility.

Schedule B
System and On-Site Equipment Terms

1. **Definitions.** All initial capitalized terms in this Schedule that are not defined herein shall have the respective meanings given to them in the Contract.
2. **System License.** The System, including all related software, Documentation, and other intellectual property (collective the “IP”) supplied or made available through Contractor are being provided on a term license only, as long as this Contract is in effect, and shall not constitute a sale of that IP. Nothing in the Contract or through Contractor’s performance hereunder shall constitute a transfer of right, title, or interest in or to the IP, which are retained by Contractor and its licensors. During the term of this Agreement, Company grants the State a non-exclusive, non-transferable, license to use the IP solely for the purposes set forth in the Statement of Work. The State shall not: (a) make available or distribute all or part of the IP to any third party by assignment, sublicense or by any other means; (b) copy, adapt, reverse engineer, decompile, disassemble, or modify, in whole or in part, any of the IP; or (c) use the IP to operate in or as a timesharing, outsourcing, or service bureau environment, or in any way allow third party access to the IP. The use of software is supplied in object code only, and nothing herein shall be construed as granting any license whatsoever to the underlying source code that is used to generate the software, or creating an implied license in any IP.
3. **Title to Equipment.** Except for the Equipment set forth in the last sentence of this Section, title and ownership to all Equipment provided under the Contract shall be and at all times remain in Contractor. Where guard posts, concrete pads, enclosures, pedestals, bumper pads, or other property of Contractor are installed at the State’s facility, title and ownership of such property shall remain in all respects with Contractor. Title and ownership to (i) the fiber backbone infrastructure, (ii) CAT 6 runs installed inside State facilities, and (iii) associated wiring completed for yard phones, shall remain in all respects with the State.
4. **Delivery of Equipment.** Contractor must deliver the Equipment to the locations designated by the State by the delivery date specified in the Statement of Work. Five days prior to the actual delivery date, Contractor must give written notice to the State specifying the precise delivery date and time. Contractor must pay all costs associated with replacing any item damaged in transit to the final destination. Contractor acknowledges that no item will be considered delivered on the delivery date if it is damaged or otherwise not ready for the State to begin its acceptance procedures. Contractor must, at a minimum, package the Equipment according to industry standards and include a packing slip with each shipment. Contractor must also arrange for any rigging and drayage necessary to deliver the Equipment. All costs associated with packaging, shipping, transportation, delivery and insurance are to be borne by Contractor.
5. **Installation, Integration and Configuration of Equipment.**
 - a. Contractor must unpack, assemble, install, integrate, interconnect, and configure all the Equipment at the locations specified in the Statement of Work. Where necessary to complete installation, Contractor must provide all required moving and installation resources, including but not limited to personnel, packing material, and floor protection panels as necessary. After completing installation, Contractor must provide the State with written notification that the Equipment is ready for use.

- b. Contractor must supply all materials required to complete the assembly, installation, integration, interconnection, and configuration of the Equipment at the locations specified in the Statement of Work so that they are ready for use and acceptance, including providing and setting up all required connections to the power supply and any other necessary cables and any other accessories or supplies.
 - c. Contractor must leave all work areas clean once installation is complete, which includes removing and disposing of all packing materials.
 - d. All costs associated with the installation services described in this **Section** are to be borne by Contractor.
6. **Documentation.** Contractor must provide to the State all end-user documentation for the System and Equipment. The documentation, at a minimum, must include all the documentation available to consumers from Contractor or the manufacturer of the Equipment about the technical specifications of the System and Equipment, installation requirements, and operating instructions, as well as details about the software programs with which the System and Equipment functions.
7. **Acceptance of Equipment.** Contractor must provide functioning Equipment that fully integrates with the System. The following Section applies generally to the acceptance of Equipment, but is subject to the more specific UAT Test Plan set forth in **Schedule C** to the Contract if the Equipment being tested is part of the UAT process.
- a. The Equipment is subject to inspection and acceptance by the State. As part of its acceptance process, the State may test any function of the Equipment to determine whether they meet the requirements set forth in the Statement of Work. If the Equipment does not meet the requirements set forth in the Statement of Work, the State may reject the Equipment or require that they be corrected at Contractor's sole cost and expense before accepting them.
 - b. Acceptance by the State does not relieve Contractor of its responsibility for defects in the Equipment or other failures to meet the requirements of the Statement of Work or of its support and maintenance obligations.
 - c. The procedure for acceptance will be as follows:
 - i. Contractor must notify the State in writing once the Workstations are ready for use, in accordance with **Section 4.a** above;
 - ii. the State will have ten (10) Business Days to perform its acceptance procedures (the "**Acceptance Period**"); and
 - iii. if the State provides notice of any deficiency during the Acceptance Period, Contractor must address the deficiency at no cost to the State as soon as possible and notify the State in writing once the work is complete, at which time the State will be entitled to re-inspect the Equipment and the Acceptance Period will start again.
8. **Warranty for Equipment.**
- a. Even if the State has accepted the Equipment, Contractor warrants that, throughout the Term, the Equipment will conform in all ways with the requirements set forth in the Statement of Work. Contractor will repair, service or replace any defective Equipment throughout the Term in accordance with the requirements set forth in the Statement of Work.
 - b. This warranty does not apply to a specific item of the Equipment if the only reason that item fails to conform to the requirements of the Statement of Work is because:

- i. a person other than the Contractor, a subcontractor, or a person approved by either of them modifies the Equipment or attaches equipment to the Equipment that was not designed or approved for use with the Equipment by the Contractor or the manufacturer of the Equipment; or
- ii. the State uses consumable supplies or materials in or on the Equipment that are supplied by a person other than the Contractor, if those consumables or materials do not conform to the Equipment manufacturer's instructions to consumers.

9. **Risk of Loss.** Contractor and its insurers, if any, shall relieve the State of all risks of loss or damage to the Equipment during the periods of transportation, installation and operation of the Equipment. However, the State shall be responsible for loss or damage to Equipment in its possession caused by fault or negligence of the State or its employees. Risk of loss of any Equipment retained by the State shall transfer to the State upon termination or expiration of the Contract.

Schedule C User Acceptance Testing

The parties agree as follows:

1. Definitions. For purposes of this Schedule, the following terms have the meanings set forth below. All initial capitalized terms in this Schedule that are not defined in this **Section 1** have the respective meanings given to them in the Contract.

“**Acceptance**” has the meaning set forth in **Section 3.5** of this Schedule.

“**Acceptance Tests**” means such tests as may be conducted in accordance with **Section 3** of this Schedule and the Statement of Work to determine whether the Software meets the Requirements.

“**Defect**” means any failure or failures of the System, or any API, to conform to the Requirements, and any applicable specifications set forth in the Documentation.

“**Integration Testing**” has the meaning set forth in **Section 3.1(c)** of this Schedule.

“**Requirements**” means the State’s business and technical requirements regarding the features and functionality of the System, which are set forth in the Statement of Work.

“**SUITE**” means the State Unified Information Technology Environment, which was designed and implemented to standardize methodologies, processes, procedures, training, and tools for project management and systems development lifecycle management.

“**Test Data**” means Contractor’s or the State’s test data and testing scripts for use in Acceptance Testing during UAT.

“**Test Environment**” means the operating environment created by Contractor for purposes of UAT.

“**Testing Period**” has the meaning set forth in **Section 3.1(b)** of this Schedule.

“**Test Results**” means the results Contractor or the State expects to be achieved by processing the Test Data using the System.

“**UAT**” means User Acceptance Testing.

“**UAT Plan**” means Contractor’s written plan outlining the UAT schedule, procedures for logging Defects and tracking corrections and re-testing status.

2. Parties Obligations for UAT.

2.1 Contractor Obligations. Contractor will complete the following tasks as part of UAT:

- (a) Install, configure and deploy the System into the Test Environment;

(b) Install, configure and deploy all API and related Equipment necessary for the System to fully function in accordance with the Requirements;

(c) Create and provide to the State sufficient Test Data and Test Results to adequately test the System end-to-end, including testing of any APIs and Equipment for purposes of Integration Testing;

(d) Review any State-created Test Data and provide necessary feedback to the State;

(e) Assist the State with completing any necessary SUITE documentation;

(f) Communicate to the State that the Testing Environment is ready for use prior to initiation of Acceptance Tests;

(g) Create a written UAT Plan;

(h) Train State staff on how to perform Acceptance Tests using the UAT Plan.

(i) Correct Defects in Test Results in accordance with **Section 3** of this Schedule, which are identified by Contractor or the State during the testing Period;

(j) Conduct regular status meetings during UAT to assess Test Data and Test Results; and

(k) Provide a tracking system for Contractor and the State to log Defects and track corrections and re-testing status.

2.2 State Obligations: The State will complete the following tasks as part of UAT:

(a) Create its own Test Data for use in UAT;

(b) Develop and add approved tests to the UAT Plan;

(c) Execute tests and report Test Results to Contractor in accordance with the UAT Plan;

(d) Participate in regular testing status meetings;

(e) Enter defects from Test Results into the Contractor-provided issue tracking system. Details to be entered include a minimum of: (i) detailed description of the problem (include screenshot(s) if applicable); and (ii) steps needed to reproduce the issue;

(f) Perform regular retest of Contractor resolved defects based on mutually agreed schedule; and

(g) Work with Contractor to prioritize issues that arise during UAT.

3. **Acceptance Testing; Acceptance.**

3.1 Acceptance Testing.

(a) Unless otherwise specified in the Statement of Work, upon installation of the System and direction from Contractor that the System is ready to be tested by the State, acceptance tests will be conducted as set forth in this **Section 3** to ensure the System conforms to the requirements of the Contract, the Statement of Work, and the applicable Requirements.

(b) All Acceptance Tests will take place at a designated State facility, with remote access to the System, commencing on the Business Day following Contractor's notice that the System is ready to be tested by the State, and be conducted diligently for up to thirty (30) Business Days, or such other period as may be set forth in the Statement of Work (the "**Testing Period**"). Acceptance Tests will be conducted by the State, and if requested by the State, Contractor will make suitable Contractor Personnel available to assist or guide such Acceptance Tests. Contractor is solely responsible for all costs and expenses related to Contractor's performance of, participation in, and observation of Acceptance Testing.

(c) All APIs and Equipment must be delivered at the same time as the System, and Acceptance Tests will also be performed on the integrated System as a whole to ensure full operability, integration, and compatibility among all elements of the System ("**Integration Testing**").

(d) The State may suspend Acceptance Tests and the corresponding Testing Period by written notice to Contractor if the State discovers a material Defect in the tested System or part or feature of the System. In such event, Contractor will immediately, and in any case within ten (10) Business Days, correct such Defect, whereupon the Acceptance Tests and Testing Period will resume for the balance of the Testing Period.

3.2 Notices of Completion, Defects, and Acceptance. Within fifteen (15) Business Days following the final completion of all Acceptance Tests, including any Integration Testing, the State will prepare and provide to Contractor written notice of the completion of the tests. Such notice must include a report describing in reasonable detail the tests conducted and the results of such tests, including any uncorrected Defect in the tested System.

(a) If such notice identifies any Defects, the parties' rights, remedies, and obligations will be as set forth in **Section 3.3** and **Section 3.4** of this Schedule.

(b) If such notice identifies no Defects, such notice constitutes the State's Acceptance of such System.

3.3 Failure of Acceptance Tests. If Acceptance Tests identify any Defects, Contractor, at Contractor's sole cost and expense, will remedy all such Defects and re-deliver the System, in accordance with the Requirements. Re-delivery will occur as promptly as commercially possible and, in any case, within fifteen (15) Business Days following, as applicable, Contractor's receipt of the State's notice under **Section 3.2**, identifying any Defects.

3.4 Repeated Failure of Acceptance Tests. If Acceptance Tests identify any Defect in the System after a second or subsequent delivery of the System, or Contractor fails to re-deliver the System on a timely basis, the State may, in its sole discretion, by written notice to Contractor:

(a) continue the process set forth in this **Section 3**; or

(b) deem the failure to be a non-curable material breach of this Contract and the Statement of Work and terminate the Contract for cause.

3.5 Acceptance. Acceptance ("**Acceptance**") of the System (subject, where applicable, to the State's right to perform Integration Testing) will occur on the date of the State's delivery of a notice accepting the System under **Section 3.2(b)** of this Schedule.

**Schedule D
Service Level Agreement**

Metric 1: Prisoner Telephone System Maintenance

Definition and Purpose

The Contractor shall provide the necessary labor, parts, materials, connections, and transportation costs to maintain all telephones and ADA-compliant communication technologies (defined as: TTY or TDD, Telephone Relay Services, Videophones or Person-to-Person Services, and Video Relay Services). All equipment will be in good working order and in compliance with the equipment manufacturer's specifications throughout the life of the Contract.

Data Source:

1. Prisoner Telephone System Downtime Report
2. Service Compliance Ticket Remedy Report
3. Priority Level Table Categories 1-3
4. Field Technician case notes
5. MDOC correspondence
6. ServiceNow Portal Access

Methodology:

1. A Priority Level Event is identified when it is reported by the MDOC or found by the Contractor. MDOC will review Data Sources 1 and 2 against Data Source 3.

Priority Level	Definition of Priority	Priority Level Events	Maximum Solution Response Time (MSRT)
1	Priority Level 1 items are major Service Events that globally or severely impact the ability of prisoners to make telephone calls or utilize other services.	<ul style="list-style-type: none"> • MDOC-wide PTS failure. • Facility-wide PTS failure at single Facility. • PTS failure at one or more housing unit(s) across several facilities. 	Following the identification of a Priority Level 1 Event, Contractor must complete a resolution repair solution within 24 hours of initial identification provided by MDOC Staff or through Contractor self-diagnostic testing.
2	Priority Level 2 items are Service Events impacting an entire housing unit and require immediate attention.	<ul style="list-style-type: none"> • PTS failure throughout a single housing unit. 	Following the identification of a Priority Level 2 Event, Contractor must complete a resolution repair solution within 24 hours of initial identification provided by MDOC Staff or through Contractor self-diagnostic testing.
3	Priority Level 3 items are Service Events classified as basic service requests for minor, non-critical incidents.	<ul style="list-style-type: none"> • One or more prisoner telephones in a single housing unit are non-operational due to PTS failure or hardware damage. 	Following the identification of a Priority Level 3 Event, Contractor must complete a resolution repair solution within 48 hours (excluding weekends) of initial identification provided by MDOC Staff or through Contractor self-diagnostic testing.

2. MSRT will be measured from the time the Contractor is notified by MDOC Staff of a Priority Level Event or Contractor logs a failed self-diagnostic test. Whichever occurs first constitutes initial identification. When the Contactor has resolved and documented the reported or logged issue and full functionality resumes, the

<p>Priority Level Event will be considered resolved. The MDOC will review the Data Sources listed above to determine the Priority Level of the Event, as well as the MSRT.</p>
<p>Acceptable Standard:</p> <p>The Acceptable Standard is 100% compliance.</p>
<p>Amount for Failing to Meet Service Level Agreement</p> <p>Service Credits will be assessed for unresolved Priority Level Events immediately following the expiration of the MSRT. Additional Service Credits will be assessed every 24 hours thereafter until the Priority Level Event has been resolved. The Priority Level Event shall be considered resolved when the Contractor has resolved and documented the reported or logged issue and full functionality resumes.</p> <p>Priority Level 1 Event - \$5,000.00 will be assessed following the expiration of the MSRT.</p> <p>Priority Level 2 Event - \$2,000.00 will be assessed following the expiration of the MSRT.</p> <p>Priority Level 3 Event - \$1,000.00 will be assessed following the expiration of the MSRT.</p> <p>Assessments will begin in January 2019.</p> <p>Prior to assessing any credit, MDOC shall advise Contractor of the finding that is the basis for the assessment and shall afford the Contractor the opportunity review and respond to the State's finding and dispute the assessment or to provide any extenuating circumstances that may explain or mitigate any failure to the SLA. Extenuating circumstances will be reviewed by the MDOC Contract Manager before any Service Credits are assessed. Service Credits are applied on the next available Programming and Special Equipment Fund payment.</p>

Metric 2: Customer Support
<p>Definition and Purpose</p> <p>The Contractor must provide a comprehensive Customer Support Program for MDOC staff and prisoner Friends and Family.</p>
<p>Data Source:</p> <ol style="list-style-type: none"> 1. ServiceNow Portal Access 2. ServiceNow Customer Service Discrepancy Report 3. Random Validation Audit of stated Key Customer Service Performance metrics

Methodology:
<ol style="list-style-type: none"> 1. Review of Data Sources 1 and 2. 2. The MDOC will call the Contractor-provided, dedicated toll-free number on twelve separate, random occasions during each quarter.
Acceptable Standard:
<ol style="list-style-type: none"> 1. 95% of the tickets opened in a reporting month have been closed within 7 days. 2. The Random Validation Audit must result in 75% of calls (9) having a wait time of 30 seconds (or less) before the MDOC is put in contact with a live Customer Service Representative (as set forth in Section 11.1.a of the Contract).
Amount for Failing to Meet Service Level Agreement
<ol style="list-style-type: none"> 1. \$3,000.00 will be assessed each month that the monthly reviews of the Contractor's ServiceNow ticket system and ServiceNow Customer Service Discrepancy Report do not meet the Acceptable Standard as described above. 2. \$1,000.00 will be assessed each quarter when the Random Validation Audit calls do not meet the Acceptable Standard as described above. <p>Assessments will begin in January 2019.</p> <p>Prior to assessing any credit, MDOC shall advise Contractor of the finding that is the basis for the assessment and shall afford the Contractor the opportunity review and respond to the State's finding and dispute the assessment or to provide any extenuating circumstances that may explain or mitigate any failure to the SLA. Extenuating circumstances will be reviewed by the MDOC Contract Manager before any Service Credits are assessed. Service Credits are applied on the next available Programming and Special Equipment Fund payment.</p>

Metric 3: ADA Compliant Communication Technologies
Definition and Purpose
<p>The Contractor shall provide and maintain the following required communication technologies at all MDOC facilities where deaf and/or hard-of-hearing prisoners are housed:</p> <ol style="list-style-type: none"> 1. TTY or TDD 2. Telephone Relay Services 3. Videophones or Person-to-Person Services 4. Video Relay Services utilizing an established video relay service provider
Data Source:
<ol style="list-style-type: none"> 1. ADA-compliant Communication Technologies Inventory Report. 2. Quarterly Audit of required communication technologies. This may include site visits by the MDOC. 3. Program Manager's written request(s) to modify the number of communication technologies required at MDOC facilities where deaf and/or hard-of-hearing prisoners are housed.
Methodology:

The MDOC will perform a Quarterly Audit (beginning January 2019).

Acceptable Standard:

The MDOC Quarterly Audit must determine that all required communication technologies are in place and operational at MDOC facilities where deaf and/or hard-of-hearing prisoners are housed. The Acceptable Standard is 100%.

Amount for Failing to Meet Service Level Agreement

\$5,000.00 will be assessed for each instance of a communication technologies component that is unavailable for use at a location where deaf and/or hard-of-hearing prisoners are housed.

Assessments will begin in January 2019.

Prior to assessing any credit, MDOC shall advise Contractor of the finding that is the basis for the assessment and shall afford the Contractor the opportunity review and respond to the State's finding and dispute the assessment or to provide any extenuating circumstances that may explain or mitigate any failure to the SLA. Extenuating circumstances will be reviewed by the MDOC Contract Manager before any Service Credits are assessed. Service Credits are applied on the next available Programming and Special Equipment Fund payment.

STATE OF MICHIGAN

Prisoner Telephone Service for Department of Corrections

Schedule E Ancillary Services

The ancillary offerings listed in the table below represent the initial and ongoing contractual obligation of the Contractor. Unit and extended pricing were provided by the Contractor during negotiations and will remain constant through the entire term of the Contract including options. The State may adjust the quantities of Portable Cell Phone Detections units, Mail Scanners, Cell Phone Extraction Lab, Additional Ancillary Services, and Investigative Analysts at the associated values indicated below at any time through a Contract Change Notice per Section 3. Change Control Process of the Contract Terms. Ancillary Services value may be adjusted, subject to these limitations, per the Change Control Process; in no event are ancillary services exchangeable for a cash value. The Total Ancillary portfolio may not be limited to the specific hardware and software found below.

All hardware and software contained under the Ancillary Services Schedule are governed by the Terms and Conditions, Service Level Agreements, and Statement of Work contained within the Contract. All Ancillary Hardware and Software shall become the property of the MDOC at the end of the Contract but will be fully maintained and replaced if necessary, by the Contractor throughout the Contract term. The Contractor must replace the ancillary hardware and software if needed to ensure the latest technology/model is being leveraged.

Ancillary Offerings -		
Cell Phone Detection -	Description	Value
1. Portable Cell Phone Detection units	2 units per facility @ 31 facilities @ (\$11k/unit + \$1500 training) = \$775k one-time. Locations to be determined by MDOC.	\$775,000.00
2. Mail Scanners	3 units @ (\$125k/unit + \$1500 training) = \$379,500k one-time.	\$379,500.00
3. Cell Phone Extraction Lab	Forensic lab = \$125k one-time, 35 investigative analysts with crime lab certification = \$2.63M annually (reflected in Resources).	\$125,000.00
4. Cell Phone Extraction Software	Data IQ analytical tool with Cellebrite cell phone extraction interface = \$630k annually.	\$3,150,000.00
5. Mobile Device Assessments	31 facility assessments @ \$21k each assessment = \$651,000.00 annually, \$3,255,000 over contract period. Locations to be determined by MDOC.	\$3,255,000.00
Video Visitation	1400 stations @ \$1500/unit = \$2.1M one-time	\$2,100,000.00
Foreign language translation	Yes	Included with solution
Call transcription	Yes, \$0.007/min @ 150M min per yr. = \$1.05M annually.	\$5,250,000.00
Voicemail	Yes	Included with solution

Investigative Case Management	Investigative case management would be available statewide. \$100k one-time and \$150K annually	\$850,000.00
ShawnTech Premium Service and GTL's MI-based Call Center	\$0.0192/min is the incremental cost over a standard service package and includes the continuation of our ShawnTech Premium Service Package as well as our Michigan based call center. This is the incremental cost to add this service over a standard vendor provided service package and non-Michigan based call center. Our exclusive agreement with ShawnTech means that no other vendor can take advantage of their 23 years of service to MDOC. \$0.0192 @ 150M min per year = \$2.88M annually in additional ancillary service value	\$14,400,000.00
Visitation Management Solution	GTL is offering a fully integrated visitation management solution that can be used to schedule video visits for high custody prisoners, funerals, or whatever else MDOC needs. GTL's solution has the capability to schedule remote video visits, on-site video visits and even face-to-face visits. \$360k one-time, \$77k annually.	\$745,000.00
Additional Ancillary Services	\$1,951,567.00/year and \$1,000,000.00 to be paid into the Programming and Special Equipment fund in 2021 to combat the contraband cell phone technologies of the future.	\$9,757,835.00
Total Products		\$40,284,500.00
Resources		
1. Call Reviewer - Base level -	31 Full-time Employees (FTEs). Located in a GTL FUSION call center. The Call Reviewers will listen to call recordings and provide leads to the investigative analysts. Alternately, GTL offers to replace the 31 call reviewers with technology that will monitor 100% of the calls and offer predictive analytics on misuse and fraud.	Included with solution

2. Investigative Analysts	31 investigative analysts with crime lab certification. Located locally in either a vendor provided workspace or, if MDOC chooses, embedded within MDOC institutions. These FTEs will serve as intelligence analysts and will be trained as certified crime lab analysts, able to serve both roles. (Each Investigative Analyst delivers the value of 5 Call Reviewers) = \$2,329,430.00 annually	\$11,647,165.00
3. Trainers	2 FTEs for the life of the contract. (Not interchangeable with call reviewers)	Included with solution
Total Resources		\$13,150,000.00
Total Ancillary Value		\$53,434,500 + Additional value included with the solution

Cell Phone Detection

1. Portable Cell Phone Detection units-
 - CellSense Plus contraband detection units that provide superior detection of ferrous metal, preventing cell phones, weapons and other contraband from entering the institutions.
2. Mail Scanners-

VeroVision™ Mail Screener Features and Benefits

Feature	Benefit
One-click, 8 second scan	Dosage level detection capability
Intuitive, easy to operate user interface	Minimal training time and costs
Automated, noncontact, widefield scanning	The entire item can be screened at once objectively displaying the location of a suspect material.
High probability of detection and low false positive rate.	Confidence in detection capability may allow facilities to relax restrictions on mail items commonly categorized as "high-risk", such as drawings, greeting cards and photos.
Dosage level detection capability	Extremely trace residues/cross contamination will not initiate a false alarm.
Incorporates near-infrared (NIR) multispectral imaging technology.	NIR imaging is effective at targeting specific chemical information exhibited by many illicit drugs. It is also safe for operators and bystanders.

- In operation, the Mail Screener incorporates multispectral imaging technology. It targets chemical information that can be specifically visualized in the Near-Infrared (NIR) portion of the spectrum. Looking at the entire field of view, the NIR light can penetrate the articles of mail, allowing for detection of concealed illicit drugs while at the same time suppressing background materials, colors, and patterns commonly associated with ordinary envelopes, greeting cards, papers, and stamps.

- Currently, the system can detect the following drugs: Aocaine, D-Amphetamine, Heroin, Ketamine, Methadone, Methamphetamine, PCP and Suboxone. Additionally, the VeroVision™ Mail Screener detects common cutting agents, such as as Acetaminophen, Aspirin, Caffeine, Corn Starch, DXM (dextromethorphan), DMSO (dimethyl sulfoxide), Lidocaine, Piracetam, and Procaine.

3. Cell Phone Extraction Lab

- A fully equipped on-site solution for the extraction and processing of contraband cell phones. This lab will provide the intelligence analysts with the capability to do both logical and physical extractions on contraband phones so that investigators can determine not only who had the phone, but how they are getting into the prison.
- Contractor will provide information from the cell phone extraction in a MDOC approved logical easy to decipher format.
- Contractor must provide a chain of custody for all captured cell phones.
- National Forensics Lab: GTL's National Forensics Lab (Lab), located in Ft. Worth, TX, provides digital forensics support to customers under contract terms. The Lab provides logical and/or physical data extraction and analysis from legally seized devices including, but not limited to: cell phones, drones, tablets, MP3/MP4 players, external hard drives, solid state and flash internal drives, thumbdrives, etc. The established process delivers rapid response and turnaround times, and ensures proper evidence handling and chain of custody.

4. Cell Phone Extraction Software

- Extracting data from mobile devices is accomplished through the industry leading Cellebrite Universal Forensic Extraction Device (UFED). Supporting thousands of phones, Cellebrite's UFED, technology allows the user to conduct a logical extraction to secure data in allocated space on the device, or to dive deeper to extract data from both allocated and non-allocated space.
- Contractor must provide the latest version of cell phone extraction software.
- The Contractor shall be responsible for the storage of extracted cell phone data at no cost to the MDOC throughout the life of the Contract including any renewal terms, and for 5 years after Contract termination.

5. Mobile Device Assessments

- Contractor's analysts will pull extracted data into GTL's Data IQ visual link analysis tool for investigation and reporting. GTL Data IQ, the industry's most powerful, state-of-the-art investigative and visual link analysis tool available today. Extracted data from the Cellebrite UFED device forensic report, as well as other advanced techniques, are easily imported into GTL Data IQ. GTL Data IQ will digest the records exported through extraction in a text (.csv) or MS Excel (.xls or .xlsx) format. GTL Data IQ will also ingest other external data source formats if needed.
- Beyond extractions, GTL analysts will leverage the extracted data against additional disparate data sets in GTL Data IQ to provide analytic insights for investigators. GTL analysts can use their experience and their network to apply the latest analytic techniques, uncover trends, and assist investigators with robust, proactive, actionable

intelligence leads. GTL analysts also provide on-demand call monitoring services in response to MDOC requests for targeted offenders, keywords, etc.

Video Visitation

- A fully integrated visitation management solution that can be used to schedule video visits for high custody prisoners, funerals, or whatever else MDOC needs. Contractor's solution has the capability to schedule remote video visits, on-site video visits and even face-to-face visits.
- Location and volume for Video Visitation implementation and/or removal will come at no cost and be by the agreement of both parties.

Foreign language translation

- At the request of MDOC, any call that requires a foreign language translation, Contractor will provide via their third-party partner. This translation will occur no later than 3 business days following the receipt of the request. A procedure of facilitating the requests for translations will be determined by Contractor and approved MDOC.
- Contractor will also provide translation services for any other medium, per a request from MDOC.

Call transcription

- Contractor's Call IQ© Advanced keyword search and word recognition solution allows the capability to search for words and phrases as well as transcribe and translate calls.

Voicemail

- With approval from, and at no cost to MDOC, Contractor will provide MDOC with an easy to use secure Prisoner Voicemail system that enables increased communication between prisoners and their family and friends along with prison personnel via two-way Voicemail.

Investigative Case Management

- Contractor will provide a true investigative case management solution that will allow investigators to better track all the data around investigations.
- Contractor will provide MDOC an Investigative Case Management solution. This comprehensive tool will be installed within 120 days of an executed contract and MDOC users will be provided the requisite training both on-site and via a Webinar. Ongoing Training Webinars will be provided annually to the MDOC Users and all upgrades and training will be provided throughout the life of the contract at no cost.
- The Contractor must provide access to the Investigative Case Management solution at no cost to the MDOC throughout the life of the Contract including any renewal terms, and for 5 years after contract termination.
- The Contractor must provide a validation process for case notes entered in system. 2 factor authentication for anyone that wants to enter a case note (possibly done by user role). Don't want anyone to be able to enter whatever information they choose if it hasn't been vetted.
- Contractor's Investigative Case Management System (ICM) leverages roles and permissions to manage users' ability to Create, Read, Update, and Delete the various modules within the application. The agency has full control as to what role each user

has, and what permissions are associated to each role. All user Create, Read, Update, and Delete activities are logged in a system audit log.

ShawnTech Premium Service and GTL's MI-based Call Center

- See Statement of Work.

Visitation Management Solution

- With approval from, and at no cost to MDOC, Contractor will provide a fully integrated visitation management solution that can be used to schedule video visits for high custody prisoners, funerals, or whatever else MDOC needs. Contractor's solution has the capability to schedule remote video visits, on-site video visits and even face-to-face visits.

Additional Ancillary Services

- \$1,951,567.00/year and \$1,000,000.00 to be paid into the Programming and Special Equipment fund in 2021 to combat the contraband cell phone technologies of the future.

Resources

Investigative Analysts will be assigned to specific facilities or housed by the vendor at a single location but may be reallocated to other facilities at any time, for any duration at the discretion of MDOC.

1. Call Reviewer - Base level
 - a. Contractor shall provide up to 31 Full-Time Employees (FTE) located in a GTL FUSION call center that are responsible for listening to prisoner calls and flagging any possible misuse or fraud.
 - b. If MDOC does not utilize the full 31 FTEs, the Contractor must subsidize work load with technology that will monitor prisoner phone calls and offer predictive analytics on misuse and fraud.
 - c. All information gathered from the call center must be disseminated to MDOC Central Office investigative unit for review before investigative analysts begin working on data.
2. Investigative Analysts
 - a. Contractor shall provide 30 FTE Investigative Analysts (Analysts) located within MDOC facilities, and one Investigative Analyst Manager located in MDOC Central Office responsible for day to day operations of the Contractor's Analysts (hours, punctuality, leave, travel, etc.).
 - b. MDOC is responsible for providing Analysts with State issued cell phones for Contract activities and communication.
 - c. MDOC will provide Analysts with access to State Network computers for to access State specific programs and information.
 - d. Contractor must supply Analysts with Contractor owned laptops to access Contractor platforms and information. Contractor supplied Analyst laptops must work independently from the State Network.
 - e. Contractor must supply Analysts with a printer and a scanner at each MDOC location where Contractor Analysts are working.
 - f. Contractor is responsible for all travel, lodging, and mileage reimbursement for Analysts that must travel to any MDOC facility within the scope of their duties assigned.
 - g. Analyst's primary work location will be one of six regionally located MDOC owned buildings (Detroit, Central/Lansing, West LP, Northeast, UP West, UP East), and MDOC

Central Office located in Lansing MI. Locations of Analyst work sites is at the discretion of MDOC with approval of the Contractor.

- h. Analysts will be hired in increments of five (5) analysts with the first Analysts to be placed in the Lansing/ Jackson Region no later than November 8, 2018. MDOC will provide the Contractor the order in which regions will be hired for project planning. Either MDOC or the Contractor may request to speed up or slow down the hiring process with written consent of the other party. If MDOC so chooses, the number of Analysts in a region may be greater or less than five (5) with approval from the Contractor. Value associated with Analysts who have not yet been hired will be prorated and added to the Additional Ancillary Services value.
- i. Analysts may be designated to any of the identified regions during the term of the Contract. Analysts may be responsible for assisting in other regions on a short-term basis at MDOC's discretion. MDOC may also permanently change an analyst's region.

3. Trainers

- a. Contractor shall provide up to 2 Full-Time Employees (FTE) located within the State of Michigan that are responsible for training that includes all prisoner functions, all administrative and investigative functions, and procedures for reporting problems to GTL.
- b. Contractor must supply Trainers with Contractor owned laptops to access Contractor platforms and information. Contractor supplied Trainer laptops must work independently from the State Network.
- c. Contractor is responsible for all travel, lodging, and mileage reimbursement for Trainers that must travel to any MDOC facility within the scope of their duties assigned.
- d. After implementation of the new service is complete, our certified trainers will provide on-site regionalized training so that MDOC staff have the opportunity for instructor-led classroom training with hands on activities. Users will have the opportunity to ask questions and perform tasks in a real-time environment with feedback from our certified trainers. The training team can provide instructional aids such as user guides, cheat sheets, and phone dialing instructions.
- e. Within the first quarter after the implementation of service, the training team will offer MDOC refresher training for any new hires or for users who want additional training on system features.
- f. The training team is available for additional training either via WebEx or onsite as needed. Refresher or new feature training for facility personnel can be provided as needed throughout the Contract period, either onsite or via web-based sessions.

Exhibit A
SECTION 28 1500 – FIBER CABLING

PART 1 - GENERAL

1.01 SECTION INCLUDES

- A. This section includes parts and equipment required for the installation, termination and testing of a fiber optic cable backbone. Where particular specifications, such as manufacturers or brand names are specified, Contractor may provide alternates or their equivalents to the extent they provide the same or better functionality and pending the review and approval of MDOC.

1.02 REFERENCE:

- A. Comply with Division 28 1000 References requirements.

1.03 SYSTEM DESCRIPTION

- A. The fiber optic backbone shall include all components of the system from the patch panels to the backbone fiber and everything in between.
- B. Quality Assurance
 - 1. In addition to the Contractor Qualifications requirements of Section 28 1000 the Contractor or its Subcontractors shall be manufacturer certified to install the proposed and submitted cabling system as well as to provide an extended warranty. Provide satisfactory evidence of certification in the form of a current letter or certificate from the manufacturer as part of the bid submission.

1.04 COORDINATION

- A. All fiber cable installation shall be coordinated with the installation of the communications raceways.
- B. Coordinate location of the spare coiled fiber cables with Engineer prior to installation.

PART 2 - PRODUCTS

2.01 MANUFACTURERS

- A. Approved vendors for fiber cable are:
 - 1. Berk-Tek.
 - 2. Corning
 - 3. General Cable.
 - 4. Optical Cable Corporation.
- B. Approved vendors for fiber termination equipment are:
 - 1. Corning.
 - 2. Hubbell.
 - 3. Optical Cable Corporation.

2.02 MATERIALS

- A. Cable shall be suitable for indoor/outdoor installations and within underground conduits.
- B. Cable and fiber strands shall exhibit stable performance in an outdoor environment. The optical transmission performance of the fiber shall not be significantly affected by environmental fluctuations, installation, or aging.
- C. Materials used in the cable shall not emit hydrogen in quantities that will increase attenuation.

- D. All fiber cables shall be of tight buffered construction. A tight buffered optical fiber shall consist of a central glass optical fiber surrounded by a primary polymer buffer and an optional tight fitting secondary buffer.
1. The outer jacket of each fiber strand shall be colored according to the fiber color code in TIA 598-B.
 2. Individual singlemode fiber strands shall be 9/125 μ m for the core/cladding measurements.
 3. All fiber strands shall be surrounded by synthetic yarn for added strength and crush resistance.
 4. All fiber installed in plenum rated areas shall be Plenum rated or installed in approved raceways as identified in the N.E.C.
 5. All fiber installed outdoors shall be outdoor rated
 6. The outer jacket of the cable shall be surface printed with the manufacturer's identification and required UL markings.
 7. All fibers shall be subjected to a minimum fireproof stress of 0.7 GPa (100 kpsi).
 8. The minimum bend radius of the cable under full rated tensile load shall be no larger than 15 times the outside diameter of the cable and no more than 10 times the outside diameter of the cable with no load on the cable.
 9. Optical and mechanical performance shall not be degraded and the cable shall not be damaged in any way by immersion in ground water for outdoor cables.
 10. The fiber optic cable shall meet or exceed the requirements of this specification when measured in accordance with the methods of the individual requirements or the following methods as defined in EIA-STD-RS-455.
 - a. Fiber dimensions.
 - b. Attenuation.
 - c. Bandwidth.
 - d. Numerical aperture.
 - e. Fiber proof test.
 - f. Cable bending.
 - g. Tensile load
 - h. Impact resistance.
 - i. Crush resistance.
 - j. Attenuation vs. temperature.
 11. Manufacturer shall provide ISO 9001 certification.
 12. The cable shall withstand an impact force 1500 times per ANSI/TIA/EIA-RS-455 (FOTP-25A).
 13. The cable shall withstand compression load of 1800 N/cm per ANSI/TIA/EIA-RS-455 (FOTP-41A).
 14. Do not install riser rated fiber through a plenum rated area unless the fiber is inside an EMT conduit.
- E. Singlemode Fiber Cable
1. The overall fiber cable shall consist of tight buffered optical fibers surrounded by a synthetic yarn strength member and a color coded flame retardant elastomeric polymer jacket. The strength member shall be composed of individually and precisely tensioned elements such that tensile loads are equally shared by each element.
 2. 24 strand single-mode fiber cable shall meet the following specification:
 - a. Wavelength: 1310/1550nm
 - b. Industry Standard: ITU-T G.652.D
 - c. 1 Gigabit Ethernet Distance: 5 km
 - d. 10 Gigabit Ethernet Distance: 10 km
 - e. Max Attenuation: .5/.5 dB/km
 - f. Outdoor, riser rated fiber cable shall be Optical Cable #DX024DSLX9KR or equal, yellow in color.

- g. Indoor/outdoor plenum rated fiber cable shall be Optical Cable #DX024KSLX9YP or equal, yellow in color.
 - h. Indoor plenum rated fiber cable shall be Optical Cable #DX024SSLX9YP or equal, yellow in color.
- F. 12-36 port, rack mount fiber patch panels.
- 1. Rack mount fiber patch panels shall be modular in design. Mounting brackets shall be provided for 12 pack adapters. Adapter packs shall sit horizontally in the panel.
 - 2. Panels shall mount into standard 19 inch relay racks.
 - 3. Panels shall be no more than 1-3/4 inch or 1 rack unit high.
 - 4. Rack Mount fiber panel shall be Hubbell # FPR3SP or equal
 - a. Each panel shall be equipped with a protective front cover bracket, Hubbell No. FPRBRKT1.
- G. 12-288 port, rack mount fiber patch panels.
- 1. Rack mount fiber patch panels shall be modular in design. Mounting brackets shall be provided for 12 pack adapters. Adapter packs shall sit vertically in the panel.
 - 2. Panels shall mount into standard 19 inch relay racks.
 - 3. Panels shall be no more than 1-3/4 inch or 1 rack unit high.
 - 4. Rack Mount fiber panel for up to 288 fiber strands shall be Hubbell # FCR3U12SP or equal
 - 5. Rack Mount fiber panel for up to 144 fiber strands shall be Hubbell # FCR2U6SP or equal
- H. 12-pack adapter panels shall be installed in each fiber panel for termination.
- 1. Adapters shall support 12 fibers each.
 - 2. Shall provide duplex connections for the fiber.
 - 3. SC 12-pack adapters for multimode fibers shall be Hubbell #FSPSCDS6Y (yellow) or equal.
- I. Fiber cables shall be fusion spliced to pigtails for termination at each patch panel. Provide 1 meter, pre-connectorized pigtails for fusion splicing to the fiber. Terminate all fiber strands installed
- 1. Pigtails shall have SC connectors.
 - 2. All pigtails shall be simplex.
 - 3. Match the pigtail to the size and transmission rate of the glass in the fiber.
 - 4. Pigtails shall be Hubbell # FPSCS1SMZ or equal.
- J. For splicing fiber at the end devices, provide a splice tray that mounts into the fiber panel.
- 1. Splice tray shall be sized to hold 12 or more fusion splices. Each tray shall be mounted into the fiber panel. If there is no room in the panel then the contractor shall provide a splice shelf.
 - a. Shelf shall mount below the fiber panel.
 - b. Route all fiber cables that utilize the splice trays into the shelf, and then extend spliced ends up into the fiber panel.
 - 2. Splice shelf shall be Hubbell #FSS01 or equal
 - a. Equip with splice trays as required. Shall be Hubbell #Stray12F or #Stray 24F.
- K. In buildings and where space is available the fiber cable shall be coiled prior to termination.
- 1. Coil the fiber inside of a stowage ring.
 - 2. Fiber stowage ring shall Leviton #48900-IFR or equal.

PART 3 - EXECUTION

3.01 EXAMINATION

- A. Pathways: Prior to installation, verify pathways (conduits, etc.) exist and are 'ready' to accept cables. Install raceways where none are existing.
- B. Equipment Rooms: Prior installation, verify telecom rooms are 'ready' to accept the backbone cables and terminations.
- C. Identify location of racks, and position of fiber patch panels prior to fiber installation.
- D. Inspect fiber cable prior to installation for damage during shipping. The Contractor shall be responsible for all damaged or nonfunctional fiber cables. If any strands of a fiber cable are not working, the Engineer has the right to order the complete replacement of the entire fiber cable.

3.02 PREPARATION

- A. Contractor shall designate the location of the spare coil of fiber at each end of the run prior to installation.
- B. The Contractor is solely responsible to verify that the cable is operational – both cable sheath and strand continuity – prior to installation.

3.03 INSTALLATION

A. Backbone Cabling

1. General

- a. Cable runs shall have continuous sheath continuity, homogenous in nature. Splices are not permitted, unless approved in writing by the Owner.
- b. Pigtail splicing at destination equipment is required
- c. Protect fibers during installation & termination. Fibers damaged during installation or termination shall result in replacement of the affected cable at no additional cost.
- d. Installation of fiber cable shall be by a trained installer.
- e. All fiber, if not installed inside cable tray, shall be attached to the building structure with approved supports a minimum of every 5 feet.
- f. As part of the as-built drawings, provide the actual footage of each fiber cable installed. Mark this on the drawings.
- g. Any fiber strands that do not pass a sufficient signal light signal will be identified as noncompliant, and the Engineer has the right to order the complete replacement of the fiber cable by the Contractor.

2. Placement

- a. Bend Radius: Maintain a minimum bend radius of 20 times the cable diameter during installation, and a minimum bend radius of 10 times the cable diameter after installation.
- b. Pulling: Maintain pulling tension within manufacturer's limits. Use a pulling tension meter when using mechanical assistance during installation. Record maximum pulling tension for each cable run and submit to the Owner for review if requested. Replace runs when manufacturer's maximum pulling tension is exceeded.
- c. Protection: Place and suspend cables in a manner to protect them from physical interference or damage. Replace cable if damaged during installation.
- d. Place cables with no kinks, twists, or impact damage to the sheath.
- e. Only use UL approved cable-pulling compounds when necessary to reduce pulling tensions.
- f. Secure cables at each telecommunications vault and building entrance with duct plugs.
- g. Provide a 30 feet (minimum) sheathed cable service loop at each end of the run within the Communications Rooms; Store slack in slack storage loop ring mounted on the wall. This coil shall be stored and labeled on the wall in a storage ring,

3. Routing
 - a. Install cables within designated pathways.
 - b. Neatly dress and organize cables using designated cable routing facilities and fasten to support devices via tie wraps or Velcro-type straps.
 - c. When routing horizontally within telecom rooms, utilize the overhead cable tray/runway or install new J-hook supports. When routing vertically within telecom rooms, install the wall mounted vertical cable supports (D-Rings) and properly fasten. "Properly fasten" shall consist of cable ties in a 'crossed' configuration per cable or cable bundle (up to three cables or innerducts) every 24 inches on center.
 - d. Place and suspend cables in a manner to protect them from physical interference or damage.

4. Termination
 - a. Provide the termination panel in designated equipment rack or on the wallfield per drawings (if not shown, locate at the top rack).
 - b. Provide accessories required for proper installation of each termination panel, including connector panels and adapters.
 - c. Properly strain relief cables at termination points (at/within the fiber optic termination panels) per manufacturer's instructions.
 - d. Terminate/connectorize fiber strands at both ends using the specified fiber optic connectors appropriate for the mode type of the fiber. Perform terminations in accordance with manufacturer's instructions.
 - e. Provide required tools, consumables and accessories for complete termination of fiber strands.
 - f. Provide 3 feet of unsheathed fiber slack within the patch panel/termination enclosure at each end of the run. Properly store fiber slack in rear of patch panel into the 'routing rings', per manufacturer's instructions. Include 'extension' service loop/fold in the rear of the shelf to allow the drawer to be pulled out without putting tension on the fibers.
 - g. Secure the fiber to the entrance of the patch panel with hook and loop fasteners.
 - h. After installation and termination of the fiber cable, install labels on the patch panel showing:
 - 1) Type and quantity of fiber cable
 - 2) Termination location at far end including building name and comm room name.
 - 3) Length of fiber cable.
 - i. Attach a self-adhesive clear plastic sleeve to the inside of the plexiglas cover of the panel. Slide in a laser printed label showing all information about the fiber cable.
 - j. Label the fiber cable just outside of the fiber panel with a yellow fiber optic cable label, Panduit No. PST-FO.

5. Splicing of Pig-tails shall be completed with a fusion splicer, or equivalent.
 - a. Each strand shall be thoroughly cleaned and all coverings shall be removed prior to splicing
 - b. To cleave the fiber, use the method and equipment recommended by the manufacturer of the fusion splicer that will be used.
 - c. Fibers shall be properly aligned prior to splicing.
 - d. The splicer used shall be able to inject light directly into the fiber just after it is spliced, and provide an estimate of the loss through the splice.
 - e. After splicing, a heat shrink tube with a rigid skeleton shall be used to protect the splice. Coordinate this heat shrink tube with the splice tray to be installed in the splice shelf. Heat shrink tubes shall fit into the grooves in the splice tray.
 - f. Loss through the splice shall be no more than 0.1 dB

Exhibit B

Handholes

GENERAL

3.04 SECTION INCLUDES

- A. In grade handholes for pull and junction boxes. Where particular specifications, such as manufacturers or brand names are specified, Contractor may provide alternates or their equivalents to the extent they provide the same or better functionality and pending the review and approval of MDOC.

3.05 PREPARATION

- A. Contractor shall secure all permits required to install any handholes and underground conduits as per the contract drawings.
- B. All negotiations and paperwork required for installation of underground conduits and handholes shall be completed by the Contractor.
- C. Contact MISDIG prior to any digging.
- D. Contractor is responsible for any and all utilities that may be damaged during the installation of the handhole and associated conduits.

PART 4 - PRODUCTS

4.01 ACCEPTABLE MANUFACTURERS

- A. Quazite or other equal

4.02 MATERIALS

- A. Handholes shall be constructed from polymer concrete and reinforced by a heavy weave fiberglass.
- B. Enclosures and covers shall be dark green or gray in color.
- C. Enclosures and covers shall be rated for no less than 5,000 pounds over a 10 inch x 10 inch area (AASHTO H-20 loading) and be designed and tested to temperatures of -50 degrees fahrenheit.
- D. Material compressive strength should be no less than 11,000 psi.
- E. Handholes shall be impact resistant, tested per ASTM D-2444
- F. Water absorption shall be less than 1 percent, as per ASTM D-570.
- G. Provide skid resistant surface integrally molded covers.
- H. Boxes shall be stackable for extra depth.
- I. Provide stainless steel penta head bolts recessed in each corner of cover to secure box cover.
- J. Provide logo in cover reading "COMMUNICATIONS."

4.03 HANDHOLE

- A. Typical handhole for use throughout the project shall be a stackable enclosure box with an open bottom.
 - 1. Each box shall be 36" inches long x 24 inches wide x 35 inches deep minimum inside dimensions.
 - 2. Equip with a lid that has a logo that states "Communications"
 - 3. 36" long x 24" high x 24" deep handhole shall Quazite #PD2436BA26 or equal. Equip with an extension, Quazite #PG2436EA08 or equal.
 - 4. Outside each dorm at transitions from building conduit to underground backbone conduit a smaller handhole shall be installed. No smaller than 18"x24"
- B. Secure the lid to the handhole with Penta-head bolts.

4.04 PENTA-HEAD SOCKET

- A. Provide a penta head socket for standard socket drive wrench so as to allow Owner to remove and install handhole covers.

PART 5 - EXECUTION

5.01 INSTALLATION

- A. Install handhole, top flush with final grade, with slight grade away from cover for drainage at locations as shown on plans.
- B. Provide 6 inches of pea gravel under handhole for drainage.
- C. Provide clean backfill, well tamped around handhole box.
- D. Provide stackable quantity of handholes to meet depth required.
- E. Route cables along sides of the handhole where possible. Attach to the side with Quazite cable racks and cable hooks.
- F. Where required, the Contractor shall install pulling hooks for installing cables and conduits. Hooks shall be installed in the walls opposite the conduit entrances.
- G. After complete backfill around the handhole with topsoil to a depth of 6" from the top of the handhole.
 - 1. The Contractor shall repair the surface back to its original state.
 - 2. Dirt and gravel shall be replaced.
 - 3. Where grass was removed, it shall be reseeded and covered with straw. Initial watering shall be completed by the Contractor. Additional watering will be completed by the Owner.
 - 4. Where plants were removed, the Contractor shall replace the plants and re-landscape the area back to its original state.

Exhibit C
Exterior Pathways

SECTION 28 2100 – Exterior Raceways

PART 1 - GENERAL

1.01 SECTION INCLUDES

- A. This section describes products and practices regarding the installation of conduits and cables exterior to buildings. Where particular specifications, such as manufacturers or brand names are specified, Contractor may provide alternates or their equivalents to the extent they provide the same or better functionality and pending the review and approval of MDOC.

1.02 PREPARATION

- A. Contractor shall secure all permits required to install cable on any poles and install underground conduits as per the contract drawings.
- B. All negotiations and paperwork required for installation of underground conduits and attachment to poles shall be completed by the Contractor.
- C. Contact MISsDIG prior to any digging.
- D. Contractor is responsible for any and all utilities that may be damaged during the installation of the cable to the poles and the installation of any underground conduits.

1.03 STANDARDS TO FOLLOW FOR INSTALLATION

- A. NFPA 101. Life Safety Code
- B. ANSI/TIA/EIA-758 Customer-Owner Outside Plant Telecommunications Cabling Standard. TIA/EIA-758-1 Addendum No: 1
- C. ANSI/TIA/EIA-606-A Administration Standard for the Telecommunications Infrastructure of Commercial Buildings.
- D. BICSI. 2006. Telecommunications Distribution Methods Manual (TDMM) 11th edition. Tampa, FL: BICSI
- E. BICSI. 2007. Outside Plant Distribution Reference Manual (OSPDRM) 4th edition. Tampa, FL: BICSI
- F. Federal Communications Commission. 1998. Code of Federal Regulations, Title 47, and Telecommunication—Parts 40 through 69. Washington, DC: FCC.
- G. Institute of Electrical and Electronic Engineers. 2002. National Electrical Safety Code®. Piscataway, NJ: IEEE.
- H. 2002. ISO/IEC 18010: 2002. Information Technology—Pathways and Spaces for Customer Premise Cabling. Geneva: International Organization for Standardization/International Electrotechnical Commission, 2002.
- I. National, State, Local and any other building and fire codes.
- J. National Fire Protection Association, Inc®. 2005. NFPA 70. National Electrical Code® Handbook. Quincy, MA: NFPA.
- K. National Electrical Contractors Association/BICSI. 2006. ANSI/NECA/BICSI-568-A. Standard for Installing Commercial Building Telecommunications Cabling. Bethesda, MD: NECA.
- L. National Electrical Safety Code® (NESC®).
- M. Telecommunications Industry Association. 2002. ANSI J-STD-607A. Commercial Building Grounding (Earthing) and Bonding Requirements for Telecommunications. Arlington, VA: TIA
- N. 2004. TIA-569-B. Commercial Building Standards for Telecommunications Pathways and Spaces.

- O. United States Department of Labor. DOL. Regulations. 29 CFR Part 1910, Occupational Safety and Health Standards. Washington, DC: OSHA
- P. RUS Bull 1751F-640 Design of Buried Plant, Physical Considerations
- Q. RUS Bull 1751F-643 Design of Aerial Plant
- R. International Code Council: ICC

PART 2 - PRODUCTS

2.01 UNDERGROUND MATERIALS

- A. All underground conduits installed via trenching shall be sized as shown on the drawings, Schedule 40, PVC, Carlon Plus 40 type conduit or approved equal.
 - 1. Conduit shall meet NEMA specifications: TC-2 (Conduit), TC-3 (Fittings) and UL 651 Conduit) and 514b (Fittings).
 - 2. The conduit shall be made from polyvinyl chloride compound (recognized by UL) which includes inert modifiers to improve weatherability and heat distortion.
 - 3. The conduit and fittings shall be homogeneous plastic material free from visible cracks, holes, or foreign inclusions. The conduit bore shall be smooth and free of blisters, nicks, or other imperfections that could mar conductors or cables.
 - 4. All PVC conduit shall be connected with clear solvent Carlon Cement No. VC9962. Conduits shall only be joined when temperature is above 30 degrees F.
 - 5. If conduit is to be installed in weather less than 30 degrees F, use Carlon Cement No. VC9982.
- B. Where required the contractor shall install EMT type conduit sized as per the drawings inside buildings. Install fiber cable inside conduit where it is within 15' of an inmate accessible area.
 - 1. Electrical Metallic Tubing (EMT) shall be Listed to Standard for Electrical Metallic Tubing - Steel, UL 797 and produced to American National Standards Institute - ANSI C80.3
 - 2. Provide fittings for connecting conduit to boxes and the building. All fittings shall be UL listed. Compression fittings shall be used. Set screw fittings are not approved.
 - 3. All fittings shall be compression fittings. No set screw couplers are allowed
- C. Innerduct to be installed inside underground conduit. shall be Carlon 1-1/4 inch or 1 inch flexible, smoothwall, riser rated innerduct as noted on the drawings.
 - 1. Provide the quantity of innerducts in each conduit as noted on the drawings.
 - 2. Each innerduct shall be installed with a pull tape.
 - 3. All innerduct shall be orange in color and footage shall be marked.
 - 4. Innerduct shall be orange in color.
- D. All unused conduits and innerducts installed by the contractor shall be plugged with a tapered plug sized for the conduit to be plugged.
 - 1. Plugs shall be universal plastic plugs by Osburn Associates or equivalent.
- E. Where more than one conduit is installed in an open trench, the conduits shall be installed with spacers. Conduits shall be spaced a minimum of 1-1/2 inches apart.
 - 1. Spacers shall be available for conduits from 2 inches to 4 inches.
 - 2. All spacers shall secure conduits in place during installation of fill around conduits.
 - 3. Spacers shall be connected to each other to provide a tight and secure fit.
 - 4. Spacers shall provide rigidity for the conduit system if the fill is dirt, sand, or concrete.
- F. Underground warning tape shall be installed when open trenching has been done, and conduits have been installed for communications cables.
 - 1. Warning tape shall be a minimum of 3 inches wide.
 - 2. Tape shall be printed with the logo: "WARNING: COMMUNICATIONS CABLES BURIED BELOW."
 - 3. Tape shall be a detectable tape when buried at 18 inches below the surface.
 - 4. Detectable portion shall be aluminum foil, with foil being surrounded by polyethylene. Tape shall be orange in color.
 - 5. Fiber optic Tools #FOT6508 or equal

- G. Where conduit is directionally bored, install a copper cable, minimum #6 AWG for identifying location of conduits in the future.
- H. Lubrication for communications during installation shall be Gardner Bender No. 79-402 or equivalent.
 - 1. The cable pulling lubricant shall be compatible with all cable jackets.
 - 2. The lubricant shall be UL or CSA listed.
 - 3. The lubricant shall contain no waxes, greases, silicones, or polyalkylene glycol oils or waxes.
 - 4. A 200 gram sample of the lubricant, when placed in a 1 foot, split metal conduit and fully dried for 24 hours at 105 degrees C, shall not spread a flame more than 3 inches beyond a point of ignition at a continued heat flux of 40 KW/m². Total time of test shall be 1/2 hour.

PART 3 - EXECUTION

3.01 INSTALLATION SURVEY

- A. The contractor shall conduct an initial installation survey of the route and facilities to plan and schedule the installation of the raceways and cables.
 - 1. Before beginning construction, consult available records and contact other utilities and government agencies to determine existing or proposed facilities (e.g., power, fuel oil, gas, sewer, water mains and telephone cable systems).
 - 2. Gather general information about the existing OSP conditions to determine where the proposed OSP facilities will be placed.
 - 3. Preliminary investigations allow for the following to be considered:
 - a. Building construction
 - b. Road improvement or repair operations
 - c. Landscaping
 - d. Safety conditions
 - e. Work site equipment access
 - f. Future maintenance
 - 4. During the installation survey, prepare sketches and notes showing measured distances from curb, centerline, or property lines to catch basins, sewer maintenance holes, hydrants, tracks, utility cover plates, etc. that might have impact on the installation.
 - a. Notes shall also be made of construction details (e.g., railroad crossings, bridge attachments, and abnormal soil conditions) that might influence the proposed infrastructure.
 - b. Provide all notes to the designer.
 - c. No extra funding will be provided for site conditions.
- B. Ground Penetrating Radar
 - 1. Contractor shall employ a firm to complete Ground Penetrating radar at all locations where underground conduits or handholes are to be installed.
 - 2. Provide the owner with a GPS map showing all tested areas and all utilities and conduits and cables found in the paths.
 - 3. Revise paths as required to support installation of conduits and handholes away from existing utilities.

3.02 INSTALLATION UNDERGROUND

- A. Where Directional Boring, see Directional Boring specification section.
- B. When open trenching for the installation of conduits, the conduits shall be buried below the frost line.
 - 1. Verify installation depth with local building authorities prior to installation.

2. Install PVC conduits for all underground conduits except at building entrances and under roads and train tracks.
 3. Install the quantity of conduits as shown on the contract documents. Provide all connectors required for the installation of a completely operational and secure system.
 4. When installing 3 or more conduits for communications in the same trench, the conduits shall be stacked with no more than 2 conduits laid side by side, unless specifically noted.
 5. Utilize conduit spacers for stacking and keeping conduits a consistent distance away from each other.
 - a. Where conduits are installed in a trench, provide conduit spacers a minimum of every 5 feet.
 - b. Spacers shall be installed to withstand the backfill process. All spacers at any 1 location along the conduits shall be mechanically connected.
 - c. The Contractor shall make sure that the concrete extends between and underneath each conduit during the backfill process.
 - d. Where more than 2 and less than 5 conduits are to be installed in the same trench, the conduits shall be stacked with no more than 2 conduits per level.
 - e. Where more than 4 and less than 7 conduits are to be installed in the same trench, the conduits shall be stacked with no more than 3 conduits per level.
 - f. Where conduits turn 90 degrees the contractor shall install 60" radius conduit sweeps for all 4" conduits.
 6. There shall be a minimum of a 3 inch space between the conduits and each side of the trench after initial conduit installation.
 7. Prior to backfilling the trench, the Contractor shall have the Engineer inspect the work and sign off on its installation.
 8. Backfill shall be completed with pea gravel and dirt. Contractor shall ensure that the pea gravel is fully encasing each conduit. No spaces or air pockets are allowed.
 - a. Sand or pea gravel fill shall extend 1 inch above the topmost conduit. Fill the rest of the hole with the previously removed material.
 - b. Fill the rest of the hole with the previously removed material.
 9. During installation and backfill the Contractor shall ensure that none of the conduits are broken or damaged. Any broken or damaged conduits shall be replaced by the Contractor at the Contractor's expense.
 10. Install a warning tape above all buried conduits at 18 inches below the finished grade. See specifications above for warning tape.
 11. Where the conduits route below a street or train tracks, or where the conduits enter a building, the PVC shall be replaced with rigid galvanized steel (RGS) conduit.
 - a. 3 feet before routing below the road or train tracks, transition from PVC to RGS conduit. Provide all the connectors and hardware required for a smooth transition.
 - b. 18 inches prior to routing through a wall, transition from PVC to RGS conduit. Provide all the connectors and hardware required for a smooth transition.
 12. After completion of conduits and backfill around conduits, the Contractor shall repair the surface back to its original state.
 - a. Dirt shall be replaced.
 - b. Where grass was removed, it shall be reseeded and covered with straw. Initial watering shall be completed by the Contractor. Additional watering will be completed by the Owner.
 - c. Where plants were removed, the Contractor shall replace the plants and relandscape the area back to its original state.
- C. Install the quantity of innerducts into the underground conduits as directed on the drawings.
1. Fiber cables can be installed inside the innerducts.
 2. Innerducts shall be marked at each end with a sequential number so that the innerduct can be identified at each end.

- D. Any unused conduits and innerducts installed by the contractor shall be plugged with a tapered plug at each end. The plug shall be installed to stop water from passing through the conduit.
 - 1. Where conduits enter a manhole or a building, they shall be sealed to prevent water from entering from around the conduit.
- E. Install a detectable warning tape no more than 18 inches below finished grade to mark the location of the underground conduits.
 - 1. The warning tape shall be installed directly above the center of the conduits.
 - 2. The tape shall be installed so that the words are visible on the top of the tape.
 - 3. Contact Engineer and Owner to review the required markings on the tape.
- F. When installing underground cable the contractor shall install based on BICSI and Industry standards.
 - 1. For installation of cables the contractor shall consider using a capstan that utilizes a hydraulic motor.
 - a. Typical pulling speeds of 75 –150 fpm
 - b. Typical pulling distances ~ 1000 –2500 ft
 - c. Utilize a Pressure gauge that displays hydraulic pressure –not cable tension
 - 1) Gauge must be calibrated to indicate cable tension
 - 2) Hydraulic relief valve needs routine calibration to confirm and/or adjust bypass valve at 600 lb tension
 - 2. Maximum rated cable load should be 600lb (typically)
 - a. Pressure gauge displays should display hydraulic pressure –not cable tension
 - b. Gauge must be calibrated to indicate cable tension
 - c. Utilize a breakaway pulling swivel
 - 3. At underground locations, maintain a slack loop on the pull-of side of intermediate capstands
 - a. This prevents additive pulling force of multiple capstans
 - b. Provides a pulling buffer.
 - 4. Minimum bend radius of cables shall be:
 - a. Under load (during installation)
 - 1) –Rmin= 15 xOD
 - b. No load (after installation)
 - 1) –Rmin= 10 xOD
 - c. Note: diameter = 2 xradius, therefore
 - 1) –Dmin= 30 xOD (during installation)
 - 2) –Dmin= 20 xOD (for storage coils)
 - 5. When installing cable it may be required to coil cable at intermediate pulling locations and corners. Utilize the figure 8 method of cable stowage for temporary stowage locations.
 - a. When figure 8-ing large heavy cables, use the “Smear Method” for stacking the cable layers
 - b. Offset the cross-over points in each layer by about 4 inches. This will help prevent sheath dents caused by the cable’s own weight

**Exhibit D
INTEGRATION LIST**

All associated costs with integration must be assumed by the Contractor.

<u>Current Technology</u>	STG 2.8 (State of Michigan)
<u>Volume of Data</u>	3 MB quarterly/ 12 MB annually
<u>Bidder Response</u>	
<u>Current Technology</u>	JPay
<u>Volume of Data</u>	2200-2400 Incoming Files. Incoming File size 70-120KB
<u>Bidder Response</u>	
<u>Current Technology</u>	Keefe
<u>Volume of Data</u>	36000-45000 Incoming Files. Incoming File size 2500-3000KB
<u>Bidder Response</u>	
<u>Current Technology</u>	GTL
<u>Volume of Data</u>	800-1200 Incoming Files. Incoming File size 80-150KB
<u>Bidder Response</u>	
<u>Current Technology</u>	Visitor Tracking (State of Michigan)
<u>Volume of Data</u>	17 KB daily estimated
<u>Bidder Response</u>	



**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	Contract Administrator Program Manager	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.				



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 48200

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
----------------------	--------

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 <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:	

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

Special Equipment Fund (per Month) Revised V2

If the base per minute rates are increased by the totals provided in the Special Equipment Fund (SEF) table, the Contractor will deposit the associated percentage of the Special Equipment Fund (SEF) rate increase as identified below:

For Example: From 6,250,000 to 8,333,333 minutes per month, PCS will deposit 70% of the Special Equipment Fund (SEF) rate increase 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.

If the State increases the blended rate for the SEF by more than \$0.18 or if volume drops below 6,250,000 minutes/month, the State and Contractor will mutually agree on any modifications to this table. The following example demonstrates how the blended rate will be calculated:

EXAMPLE (Blended Rate Calculation)			
	Local, IntraLATA, InterLATA/Intrastate	Interstate	Int'l
% by Band	90% - Collect/Prepaid 90% - Debit	10% - Collect/Prepaid 9% - Debit	0% - Collect/Prepaid 1% - Debit
Collect/Prepaid	\$0.1532	\$0.1832	
Debit	\$0.1382	\$0.1682	\$0.2430
Blended Rate	\$0.1487		

Prior to completion of the implementation (State acceptance at all MDOC facilities as identified in the agreed upon project schedule), if the monthly minutes do not reach 6,250,000 per month, PCS will still deposit 70% of the Special Equipment Fund (SEF) rate increase into the SEF.

		Current Special Equipment Fund (SEF) Rate Addition (Updated through Contract Change Notice #1)				
		Collect Local	Collect Interstate	Debit Local	Debit Interstate	Debit International
Total Min/Year	Total Min/Month	\$0.1532	\$0.1832	\$0.1382	\$0.1682	\$0.2430
75,000,000 - 100,000,000	6,250,000 - 8,333,333	70.00%	70.00%	70.00%	70.00%	70.00%
100,000,001 - 102,500,000	8,333,334 - 8,541,667	70.25%	70.25%	70.25%	70.25%	70.25%

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 <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

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



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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 Triplite 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 Triplite 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



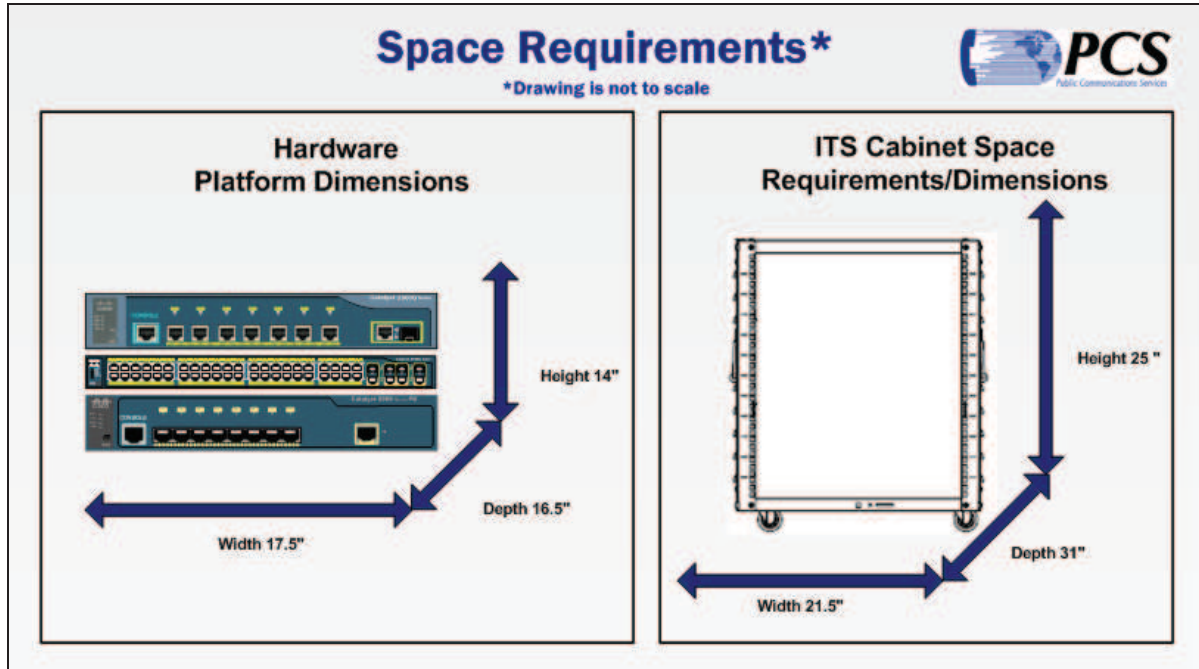
switch, if required. UPS units must be adequate for the size of each correctional facility. Adequacy must be documented based on UPS manufacturer's recommendations. The Contractor must provide, install and maintain (according to manufacturer's specifications) all ITS UPS equipment at each of the correctional 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

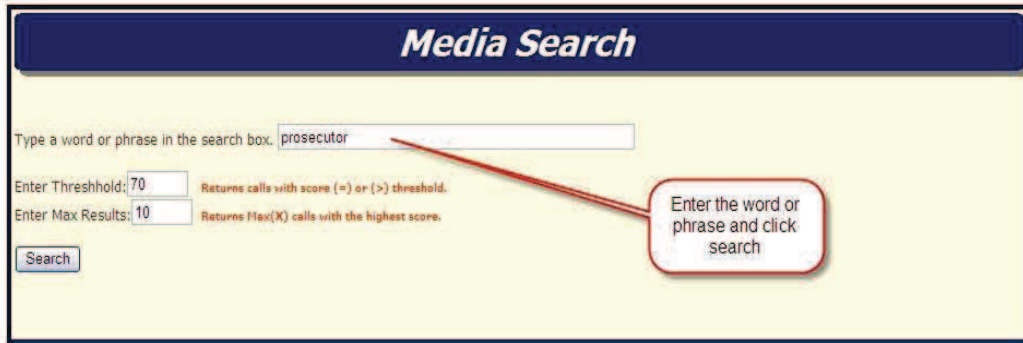
The Contractor can provide keyword search through Nexidia™. The system allows investigators to search call recordings for keywords or phrases by using Nexidia’s uniquely effective phonetic search methods. Nexidia can search a large number of recordings quickly and can take the investigator directly to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



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.

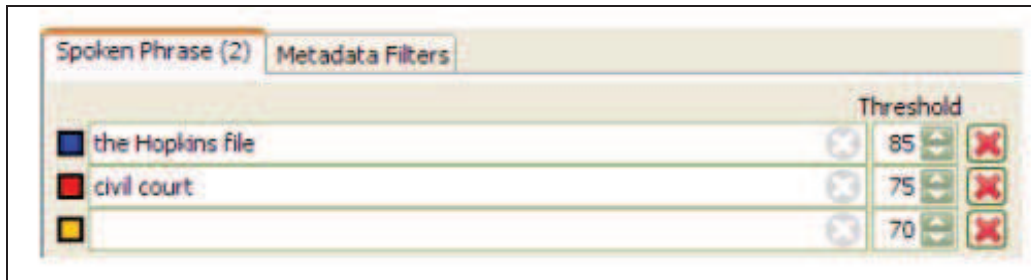
Search and Results Lists

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.

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)

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:

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.

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 125mill minutes/year), the State and Contractor will mutually agree on any modifications to this table.

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%



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



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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



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S	Maxey Woodland (WCC)	1	134	8	5	1	1	0	0	0	0
S	Mound (NRF)	1	1,066	107	107	1	1	16	14	16	16
N	Muskegon (MCF)	1	1,150	51	44	0	1	0	0	0	0
N	Newberry (NCF)	1	1,072	41	41	0	0	6	2	2	4
N	Oaks (ECF)	1	1,154	52	52	0	0	42	20	20	24
N	Ojibway (OCF)	1	1,090	47	36	0	0	22	16	16	22
S	Parnall (SMT)	1	1,695	85	57	4	4	22	19	22	22
N	Central Michigan (STF)	1	2,484	120	94	0	0	22	22	22	22
N	Pugsley (MPF)	1	1,344	65	30	0	0	0	0	0	0
S	Reformatory (RMI)	1	1,313	68	68	4	0	20	12	12	16
S	Ryan (RRF)	1	1,078	104	104	0	0	16	14	14	16
N	Saginaw (SRF)	1	1,486	117	117	2	2	44	8	8	40
S	SAI (ZPF/ZPM)	1	176	11	11	0	0	0	0	0	0
N	St. Louis (SLF)	1	1,176	60	60	0	0	30	25	30	30
N	Chippewa (URF)	1	2,150	97	70	0	0	2	2	2	2
N	Thumb (TCF)	1	1,216	119	119	0	0	30	21	30	30
N	Tuscola	1	110	8	8	0	0	0	0	0	0
N	West Shoreline (MTF)	1	1,202	64	40	0	0	8	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.
†Inpatient psychiatric units operated by the Michigan Dept. of Community Health

Source: Correctional Facilities Administration