

INFORMATION TECHNOLOGY CONTRACT

INMATE TELEPHONE SYSTEM COR11-18470

1. PARTIES

THIS CONTRACT is entered into by and between the State of Montana Department of Corrections , (hereinafter referred to as "the State"), whose address and telephone number are PO Box 201301, Helena, MT 59620, 406-444-3980, and Telmate, LLC, (hereinafter referred to as the "Contractor"), whose address and telephone number are 1108 SE Sixth Street, Ontario, OR 97914 and 208-739-8333.

THE PARTIES AGREE AS FOLLOWS:

2. EFFECTIVE DATE, DURATION, AND RENEWAL

2.1 Contract Term. The contract term is for a period of three years beginning upon execution of a fully signed contract unless terminated earlier in accordance with the terms of this contract. (Section 18-4-313, MCA)

2.2 Contract Renewal. This contract may, upon mutual agreement between the parties and according to the terms of the existing contract, be renewed in one-year intervals, or any interval that is advantageous to the State. This contract, including any renewals, may not to exceed a total of 10 years, at the option of the State.

3. SERVICES AND/OR SUPPLIES

Contractor agrees to install and provide to State an Inmate Telephone System and subsequent services per the specifications as detailed in the response to the Request for Proposal #11-18470 and Proposal Clarification letter dated November 8, 2010.

4. COSTS AND COMMISSION

4.1 Costs. The costs and expenses of providing the Services, including but not limited to installation charges, materials and labor costs, shall be the sole responsibility of the Contractor and shall not be charged to State except as otherwise expressly provided for.

4.2 Commission. Contractor shall pay to State, commissions in connection with the telephone usage at each Facility. Monthly Commission payments of twenty three thousand dollars (\$23,000) or 25% percent, whichever is greater, on the total gross billable collect, debit, and prepay revenue at each Facility, calculated at the rates set forth in this Contract. Contractor shall be responsible for maintaining records sufficient to permit the proper determination of commissions due to State. Contractor shall send a statement to State setting forth the current commissions due to State.

4.3 Rates The collect, debit, and prepaid call rates shall be: \$0.24 connect fee per call and \$0.12 per minute, as stated in the response to the Request for Proposal #11-18470.

5. PREVAILING WAGE REQUIREMENTS

5.1 Montana Resident Preference. The nature of the work performed, or services provided, under this contract meets the statutory definition of a "public works contract" in section 18-2-401, MCA. Unless superseded by federal law, Montana law requires that Contractors and subcontractors give preference to the employment of Montana residents for any public works contract in excess of \$25,000 for construction or