



CONTRACT

(state revenue contract with an individual, business, non-profit, or government entity of another state or country and from which the state receives monetary compensation)

Begin Date April 16, 2014	End Date April 15, 2015	Agency Tracking # 32901-14102	Edison ID 40231
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Contractor Legal Entity Name GLOBAL TEL*LINK CORPORATION	Contractor Registration ID 92861
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Service Caption
Revenue Contract for Inmate Telephone System Services

Ownership/Control

African American
 Asian
 Hispanic
 Native American
 Female
 Person w/Disability
 Small Business
 Government
 NOT Minority/Disadvantaged
 Other:

Selection Method & Process Summary (mark the correct response to confirm the associated summary)

RFP The procurement process was completed in accordance with the approved RFP document and associated regulations.
 Competitive Negotiation The predefined, competitive, impartial, negotiation process was completed in accordance with the associated, approved procedures and evaluation criteria.
 Alternative Competitive Method The predefined, competitive, impartial, procurement process was completed in accordance with the associated, approved procedures and evaluation criteria.
 Non-Competitive Negotiation The non-competitive procuring party selection was completed as approved, and the procurement process included a negotiation of best possible terms & price.
 Other The procuring party selection was directed by law, court order, settlement agreement, or resulted from the state making the same agreement with all interested parties or all parties in a predetermined "class."

Agency Contact & Telephone # <i>Lisac Parks</i>	OCR USE - RV
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**CONTRACT
BETWEEN THE STATE OF TENNESSEE,
DEPARTMENT OF CORRECTION
AND
GLOBAL TEL*LINK CORPORATION**

This Contract, by and between the State of Tennessee, Department of Correction, hereinafter referred to as the "State" and Global Tel*Link Corporation, hereinafter referred to as the "Contractor," is for the provision of Inmate Telephone System Services, as further defined in the "SCOPE OF SERVICES."

The Contractor is a For-Profit Corporation.
Contractor Place of Incorporation or Organization: Delaware

A. SCOPE OF SERVICES:

A.1. The purpose of the inmate telephone system is to provide inmates in DOC facilities with outbound telephone services and to provide DOC with the means to ensure the proper and lawful use of the system by inmates. Availability of services is important to correctional facility operations. It is considered by DOC to be a critical service element with stringent availability and quality of service objectives. The future system will consist of the following elements:

- a. Processing of Outbound calls only. Inbound calls of any type will not be processed.
- b. Capabilities at each facility to provide outbound direct-dial debit and collect calling services in a secure fashion.
- c. Outclearing services for rating, billing and collection of collect calls.
- d. Provision of a centralized management facility in Nashville.
- e. Provision of a person(s) for system administration, training and support.
- f. Provision of Repair and Maintenance Staff for inmate phone equipment and stations.
- g. Phone sets to be supplied and phased in by the contractor.

A.2. The State's goal is to maximize revenue back to the State while providing a technologically advanced system for the provision of inmate telephone service.

A.3. Centralized personnel are needed to assist or perform the following tasks:

- a. Inmate Telephone Called Number Validation
- b. System Administration
- c. Report Generation
- d. Help Desk
- e. Trouble Report Management, Tracking, and Resolution
- f. Personnel Training
- g. Bad Debt Management
- h. The person(s) appointed to this position by the Contractor as part of this Contract will be responsible for assisting institutions in the efficient operation of the system.

A4. Contractor Responsibilities

- a. Installation and management of equipment for inmate calling to include maintenance expenses and the cost of the installation and transition to any new equipment supplied



and/or required by the Contractor. Contractor to provide for replacement of all current phone sets to be phased in. Program management of new equipment installation and service implementation for institutions to be added to the system or for equipment to be added to existing institutions.

- b. Provision of rating information using industry acceptable rates, with discounts dictated by the State and their installation into the system so debit and collect calls can be real time rated and classified into the proper rating categories based on the called numbers. The State will have the right to approve the rates to be used and expects them to be comparable to those used by the three major long distance carriers and LECs for intraLATA calling.
- c. Rating and out processing of collect calls to billing agencies. The State will consider various proposals and associated risks as to how this might be accomplished. The Proposer can bid a fixed commission rate and be totally responsible for collections or with the State getting a higher guaranteed commission, the State/DOC will consider a sharing of risk and rewards on unbillables/bad debt management.
- d. Establishment and management of a Help Desk at a State location in Nashville during normal business hours which will advise remote institutions on use of the system, take trouble reports and trouble ticket response times same as section 6.14 and manage them to resolution, working with remote institutions to validate numbers to be called by inmates and input them into the system, train personnel on use of the complete system and act as system manager.
- e. Production of monthly statistical reports to the State/DOC on uncompleted and completed call volumes in various categories, billed revenue in categories (debit and collect), bad debt calls sorted in various ways (inmate, called number, etc.), traffic usage by time of day, telephone, groups of telephones, etc.
- f. Production of specific reports as needed to be dictated by the State/DOC.
- g. Training of State/DOC personnel in the use of equipment as required. This will be done centrally in Nashville.
- h. Co-develop with the State/DOC, an overall quality assurance plan, as part of project management planning and maintain the plan throughout the contract.
- i. Provision of documentation to the State/DOC in ten copies to explain operation of the system in detail and in addition, necessary information documentation at each user site for proper operation of the system.
- j. Provision of a Project Manager during any equipment additions and a complete transition. The name and background of this individual should be provided in the proposal.

A5. State Responsibilities

- a. Provide the State/DOC Statement of Requirements to Contractor for new installations or installation of new equipment at existing institutions.
- b. Review proposals and estimated work documents submitted in response to Statements of Requirements.
- c. Issue Work Order authorization for the installation of new telephone equipment.
- d. Manage all premise wiring for the ITS.
- e. Work with the Contractor in the development and production of monthly statistical reports required by the State/DOC.
- f. Work with the Contractor in specifying day-to-day reports that might be needed based on individual situations.



- g. Work with the Contractor and subcontractors to monitor unbillable and uncollectible revenue and take actions to reduce risk. (Bad debt is ultimately the Contractor's responsibility, and commissions will be paid on billed revenue- NOT collected revenue. See Section C.1)
- h. Work with the Contractor and carriers in establishing the most cost-effective method of completing inmate calls.
- i. Periodically review quality control practices and recommend or require changes in those practices as needed.
- j. The State is responsible for all related facilities; such as to:
 - 1) Provide adequate electrical service for installed equipment including utility outlets and existing UPS equipment
 - 2) Provide adequate HVAC for facilities as dictated by installed equipment
 - 3) Provide adequate lighting for equipment areas
 - 4) Provide adequate security and protection of installed equipment
 - 5) Space for the Help Desk and associated personnel
- k. The State will issue all work orders in written form, except for stop work orders that can be verbally issued by the State Project Manager (to be followed by written direction). The Project Manager assigned by the State for this project is:

Jesse Griggs
Tennessee Department of Correction
6406 Centennial Blvd.
Nashville, TN 37209
(615) 350-1930
Fax (615) 253-6359

B. CONTRACT PERIOD:

This Contract shall be effective for the period beginning April 16, 2014, and ending on April 15, 2015.

C. PAYMENT TERMS AND CONDITIONS:

- C.1. Commission payments shall be made by the Contractor to the State on all calls from inmate telephones.
 - a. The commission will be Fifty and one tenth percent (50.1%) of Contractor's total billed revenue from these phones. Total billed revenue will be determined in accordance with the "Charges per call" and "Rate per Minute" established in Attachment TWO to this contract. Each payment shall be in the form of a check made out to the State of Tennessee, Department of Correction. Checks should be sent to:

Attn: Fiscal Services
Tennessee Department of Correction State of Tennessee
3rd Floor, Rachel Jackson Building
320 6th Avenue North
Nashville, Tennessee 37243-0465

Checks shall be submitted on a monthly basis and shall be accompanied by a report which itemizes minutes of usage, billable revenue, and commission for each phone, summarized by Prison Facility.



- b. The Contractor shall be compensated based upon the following payment rates:
- (1) Except as provided in subsection (2), for service performed from April 16, 2014, through April 15, 2015, the rates as outlined in Attachment TWO shall apply.
 - (2) For Interstate Inmate Calling Services performed from April 16, 2014, through April 15, 2015, the Contractor shall be compensated based upon the maximum payment rates for Interstate Inmate Calling Services as they apply, as published by the Federal Communications Commission, a summary of which is Attachment THREE of this Contract.

D. STANDARD TERMS AND CONDITIONS:

- D.1. Required Approvals. The State is not bound by this Contract until it is signed by the contract parties and approved by appropriate officials in accordance with applicable Tennessee laws and regulations (depending upon the specifics of this contract, said officials may include, but are not limited to, the Commissioner of Finance and Administration, the Commissioner of Human Resources, and the Comptroller of the Treasury).
- D.2. Modification and Amendment. This Contract may be modified only by a written amendment signed by all parties hereto and approved by both the officials who approved the base contract and, depending upon the specifics of the contract as amended, any additional officials required by Tennessee laws and regulations (said officials may include, but are not limited to, the Commissioner of Finance and Administration, the Commissioner of Human Resources, and the Comptroller of the Treasury).
- D.3. Termination for Convenience. The Contract may be terminated by either party by giving written notice to the other, at least ninety (90) days before the effective date of termination. Said termination shall not be deemed a breach of contract by the State. Should the State exercise this provision, the State shall have no liability to the Contractor. Should either the State or the Contractor exercise this provision, the Contractor shall be required to compensate the State for satisfactory, authorized services completed as of the termination date and shall have no liability to the State except for those units of service which can be effectively used by the Contractor. The final decision, as to what these units of service are, shall be determined by the State. In the event of disagreement, the Contractor may file a claim with the Tennessee Claims Commission in order to seek redress.
- Upon such termination, the Contractor shall have no right to any actual general, special, incidental, consequential, or any other damages whatsoever of any description or amount.
- D.4. Termination for Cause. If either party fails to properly perform or fulfill its obligations under this Contract in a timely or proper manner or violates any terms of this Contract, the other party shall have the right to immediately terminate the Contract. The Contractor shall compensate the State for completed services.
- D.5. Subcontracting. Neither the Contractor nor the State shall assign this Contract or enter into a subcontract for any of the services performed under this Contract without obtaining the prior written approval of the other. If such subcontracts are approved, they shall contain, at a minimum, sections of this Contract below pertaining to "Conflicts of Interest," "Nondiscrimination," and "Records" (as identified by the section headings).
- D.6. Conflicts of Interest. The Contractor warrants that no amount shall be paid directly or indirectly to an employee or official of the State of Tennessee as wages, compensation, or gifts in exchange for acting as an officer, agent, employee, subcontractor, or consultant to the Contractor in



connection with any work contemplated or performed relative to this Contract other than as required by section A. of this Contract.

- D.7. **Nondiscrimination.** The State and the Contractor hereby agree, warrant, and assure that no person shall be excluded from participation in, be denied benefits of, or be otherwise subjected to discrimination in the performance of this Contract or in the employment practices of the State or the Contractor on the grounds of handicap or disability, age, race, color, religion, sex, national origin, or any other classification protected by Federal, Tennessee State constitutional, or statutory law.
- D.8. **Records.** The Contractor shall maintain documentation for its transactions with the State under this Contract. The books, records, and documents of the Contractor, insofar as they relate to work performed or money paid under this Contract, shall be maintained for a period of three (3) full years from the final date of this Contract and shall be subject to audit, at any reasonable time and upon reasonable notice, by the state agency, the Comptroller of the Treasury, or their duly appointed representatives. The financial statements shall be prepared in accordance with generally accepted accounting principles.
- D.9. **Strict Performance.** Failure by any party to this Contract to insist in any one or more cases upon the strict performance of any of the terms, covenants, conditions, or provisions of this Contract shall not be construed as a waiver or relinquishment of any such term, covenant, condition, or provision. No term or condition of this Contract shall be held to be waived, modified, or deleted except by a written amendment signed by the parties hereto.
- D.10. **Independent Contractor.** The parties hereto, in the performance of this Contract, shall not act as employees, partners, joint venturers, or associates of one another. It is expressly acknowledged by the parties hereto that such parties are independent contracting entities and that nothing in this Contract shall be construed to create an employer/employee relationship or to allow either to exercise control or direction over the manner or method by which the other transacts its business affairs or provides its usual services. The employees or agents of one party shall not be deemed or construed to be the employees or agents of the other party for any purpose whatsoever.

Claims against the State of Tennessee, or its employees, or injury damages expenses or attorney's fees are heard and determined by the Tennessee Claims Commission or the Tennessee Board of Claims in the manner prescribed by law (*Tennessee Code Annotated*, Sections 9-8-101 *et seq.*, 9-8-301 *et seq.*, and 9-8-401 *et seq.*). Damages recoverable against the State of Tennessee shall be expressly limited to claims paid by the Board of Claims or the Claims Commission pursuant to *Tennessee Code Annotated*, Section 9-8-301 *et seq.*

- D.11. **State Liability.** The State shall have no liability except as specifically provided in this Contract.
- D.12. **Force Majeure.** The obligations of the parties to this Contract are subject to prevention by causes beyond the parties' control that could not be avoided by the exercise of due care including, but not limited to, natural disasters, riots, wars, epidemics, or any other similar cause.
- D.13. **State and Federal Compliance.** The Contractor and the State shall comply with all applicable State and Federal laws and regulations in the performance of this Contract.
- D.14. **Governing Law.** This Contract shall be governed by and construed in accordance with the laws of the State of Tennessee. The Contractor agrees that it will be subject to the exclusive jurisdiction of the courts of the State of Tennessee in actions that may arise under this Contract. The Contractor acknowledges and agrees that any rights or claims against the State of Tennessee or its employees hereunder, and any remedies arising therefrom, shall be subject to and limited to those rights and remedies, if any, available under *Tennessee Code Annotated*, Sections 9-8-101 through 9-8-407.



- D.15. **Completeness.** This Contract is complete and contains the entire understanding between the parties relating to the subject matter contained herein, including all the terms and conditions of the parties' agreement. This Contract supersedes any and all prior understandings, representations, negotiations, and agreements between the parties relating hereto, whether written or oral.
- D.16. **Severability.** If any terms and conditions of this Contract are held to be invalid or unenforceable as a matter of law, the other terms and conditions hereof shall not be affected thereby and shall remain in full force and effect. To this end, the terms and conditions of this Contract are declared severable.
- D.17. **Headings.** Section headings of this Contract are for reference purposes only and shall not be construed as part of this Contract.

E. SPECIAL TERMS AND CONDITIONS:

- E.1. **Conflicting Terms and Conditions.** Should any of these special terms and conditions conflict with any other terms and conditions of this Contract, these special terms and conditions shall control.
- E.2. **Communications and Contacts.** All instructions, notices, consents, demands, or other communications required or contemplated by this Contract shall be in writing and shall be made by certified, first class mail, return receipt requested and postage prepaid, by overnight courier service with an asset tracking system, or by EMAIL or facsimile transmission with recipient confirmation. Any such communications, regardless of method of transmission, shall be addressed to the respective party at the appropriate mailing address, facsimile number, or EMAIL address as set forth below or to that of such other party or address, as may be hereafter specified by written notice.

The State:

Jesse Griggs
Tennessee Department of Correction
6406 Centennial Blvd.
Nashville, TN 37209
Telephone # (615) 350-1930
FAX # (615) 253-6359

The Contractor:

Teresa Ridgeway
Global Tel*Link Corporation
2609 Cameron Street
Mobile, Alabama 36607
TELEPHONE NUMBER: 251-479-4500
FACSIMILE NUMBER: 703-435-0980

All instructions, notices, consents, demands, or other communications shall be considered effectively given upon receipt or recipient confirmation as may be required.

- E.3. **Tennessee Department of Revenue Registration.** The Contractor shall be registered with the Department of Revenue for the collection of Tennessee sales and use tax. This registration requirement is a material requirement of this Contract.
- E.4. **Confidentiality of Records.** Strict standards of confidentiality of records and information shall be maintained in accordance with applicable state and federal law. All material and information, regardless of form, medium or method of communication, provided to the Contractor by the State



or acquired by the Contractor on behalf of the State shall be regarded as confidential information in accordance with the provisions of applicable state and federal law, state and federal rules and regulations, departmental policy, and ethical standards. Such confidential information shall not be disclosed, and all necessary steps shall be taken by the Contractor to safeguard the confidentiality of such material or information in conformance with applicable state and federal law, state and federal rules and regulations, departmental policy, and ethical standards.

The Contractor's obligations under this section do not apply to information in the public domain; entering the public domain but not from a breach by the Contractor of this Contract; previously possessed by the Contractor without written obligations to the State to protect it; acquired by the Contractor without written restrictions against disclosure from a third party which, to the Contractor's knowledge, is free to disclose the information; independently developed by the Contractor without the use of the State's information; or, disclosed by the State to others without restrictions against disclosure. Nothing in this paragraph shall permit Contractor to disclose any information that is confidential under federal or state law or regulations, regardless of whether it has been disclosed or made available to the Contractor due to intentional or negligent actions or inactions of agents of the State or third parties.

It is expressly understood and agreed the obligations set forth in this section shall survive the termination of this Contract.

- E.5. State Furnished Property. The Contractor shall be responsible for the correct use, maintenance, and protection of all articles of nonexpendable, tangible, personal property furnished by the State for the Contractor's temporary use under this Contract. Upon termination of this Contract, all property furnished shall be returned to the State in good order and condition as when received, reasonable use and wear thereof excepted. Should the property be destroyed, lost, or stolen, the Contractor shall be responsible to the State for the residual value of the property at the time of loss.
- E.6. Prohibited Advertising. The Contractor shall not refer to this Contract or the Contractor's relationship with the State hereunder in commercial advertising in such a manner as to state or imply an endorsement by the State. It is expressly understood and agreed that the obligations set forth in this section shall survive the termination of this Contract in perpetuity.
- E.7. Incorporation of Additional Documents. Each of the following documents is included as a part of this Contract by reference. In the event of a discrepancy or ambiguity regarding the Contractor's duties, responsibilities, and performance under this Contract, these items shall govern in order of precedence below.
- a. this Contract document with any attachments or exhibits (excluding the items listed at subsections b. through e., below);
 - b. any clarifications of or addenda to the Contractor's proposal seeking this Contract;
 - c. the State solicitation, as may be amended, requesting proposals in competition for this Contract;
 - d. any technical specifications provided to proposers during the procurement process to award this Contract;
 - e. the Contractor's proposal seeking this Contract.
- E.8. Performance Bond. The Contractor shall provide to the State a performance bond guaranteeing full and faithful performance of all undertakings and obligations under this Contract and in the amount equal to ONE MILLION TWO HUNDRED THOUSAND DOLLARS (\$1,200,000.00). The Contractor shall submit the bond no later than the day immediately preceding the Contract start



date and in the manner and form prescribed by the State (at Attachment FOUR hereto), and the bond shall be issued through a company licensed to issue such a bond in the state of Tennessee. The performance bond shall guarantee full and faithful performance of all undertakings and obligations under this Contract for:

- a. the Contract term and all extensions thereof; or
- b. the first, calendar year of the Contract (ending December 31st following the Contract start date) in the amount of ONE MILLION TWO HUNDRED THOUSAND DOLLARS (\$1,200,000.00), and, thereafter, a new performance bond in the amount of ONE MILLION TWO HUNDRED THOUSAND DOLLARS (\$1,200,000.00), covering each subsequent calendar year of the contract period. In which case, the Contractor shall provide such performance bonds to the State no later than each December 10th preceding the calendar year period covered beginning on January 1st of each year.

Failure to provide to the State the performance bond(s) as required herein prior to the Contract start date and, as applicable, no later than December 10th preceding each calendar year period covered beginning on January 1st of each year, shall result in contract termination. The Contractor understands that the stated amount of the performance bond required hereunder shall not be reduced during the contract period for any reason.

- E.8. Date/Time Hold Harmless. As required by *Tennessee Code Annotated*, Section 12-4-118, the contractor shall hold harmless and indemnify the State of Tennessee; its officers and employees; and any agency or political subdivision of the State for any breach of contract caused directly or indirectly by the failure of computer software or any device containing a computer processor to accurately or properly recognize, calculate, display, sort or otherwise process dates or times.
- E.9. Hold Harmless. The Contractor agrees to indemnify and hold harmless the State of Tennessee as well as its officers, agents, and employees from and against any and all claims, liabilities, losses, and causes of action which may arise, accrue, or result to any person, firm, corporation, or other entity which may be injured or damaged as a result of acts, omissions, or negligence on the part of the Contractor, its employees, or any person acting for or on its or their behalf relating to this Contract. The Contractor further agrees it shall be liable for the reasonable cost of attorneys for the State in the event such service is necessitated to enforce the terms of this Contract or otherwise enforce the obligations of the Contractor to the State.

In the event of any such suit or claim, the Contractor shall give the State immediate notice thereof and shall provide all assistance required by the State in the State's defense. The State shall give the Contractor written notice of any such claim or suit, and the Contractor shall have full right and obligation to conduct the Contractor's own defense thereof. Nothing contained herein shall be deemed to accord to the Contractor, through its attorney(s), the right to represent the State of Tennessee in any legal matter, such rights being governed by *Tennessee Code Annotated*, Section 8-6-106.

- E.10. Breach. A party shall be deemed to have breached the Contract if any of the following occurs:
- failure to perform in accordance with any term or provision of the Contract;
 - partial performance of any term or provision of the Contract;
 - any act prohibited or restricted by the Contract, or
 - violation of any warranty.

For purposes of this Contract, these items shall hereinafter be referred to as a "Breach."

- a. Contractor Breach— The State shall notify Contractor in writing of a Breach.



- (1) In event of a Breach by Contractor, the State shall have available the remedy of Actual Damages and any other remedy available at law or equity.
- (2) **Liquidated Damages—** In the event of a Breach, the State may assess Liquidated Damages. The State shall notify the Contractor of amounts to be assessed as Liquidated Damages. The parties agree that due to the complicated nature of the Contractor's obligations under this Contract it would be difficult to specifically designate a monetary amount for a Breach by Contractor as said amounts are likely to be uncertain and not easily proven. Contractor hereby represents and covenants it has carefully reviewed the Liquidated Damages contained in above referenced, Attachment ONE and agree that said amounts represent a reasonable relationship between the amount and what might reasonably be expected in the event of Breach, and are a reasonable estimate of the damages that would occur from a Breach. It is hereby agreed between the parties that the Liquidated Damages represent solely the damages and injuries sustained by the State in losing the benefit of the bargain with Contractor and do not include any injury or damage sustained by a third party. The Contractor agrees that the liquidated damage amount is in addition to any amounts Contractor may owe the State pursuant to the indemnity provision or other section of this Contract.

The State may continue to withhold the Liquidated Damages or a portion thereof until the Contractor cures the Breach, the State exercises its option to declare a Partial Default, or the State terminates the Contract. The State is not obligated to assess Liquidated Damages before availing itself of any other remedy. The State may choose to discontinue Liquidated Damages and avail itself of any other remedy available under this Contract or at law or equity; provided, however, Contractor shall receive a credit for said Liquidated Damages previously withheld except in the event of a Partial Default.

- (3) **Partial Default—** In the event of a Breach, the State may declare a Partial Default. In which case, the State shall provide the Contractor written notice of: (1) the date which Contractor shall terminate providing the service associated with the Breach; and (2) the date the State will begin to provide the service associated with the Breach. Notwithstanding the foregoing, the State may revise the time periods contained in the notice written to the Contractor.

In the event the State declares a Partial Default, the State may withhold, together with any other damages associated with the Breach, from the amounts due the Contractor the greater of: (1) amounts which would be paid the Contractor to provide the defaulted service; or (2) the cost to the State of providing the defaulted service, whether said service is provided by the State or a third party. To determine the amount the Contractor is being paid for any particular service, the Department shall be entitled to receive within five (5) days any requested material from Contractor. The State shall make the final and binding determination of said amount.

The State may assess Liquidated Damages against the Contractor for any failure to perform which ultimately results in a Partial Default with said Liquidated Damages to cease when said Partial Default is effective. Upon Partial Default, the Contractor shall have no right to recover from the State any actual, general, special, incidental, consequential, or any other damages whatsoever of any description or amount. Contractor agrees to cooperate fully with the State in the event a Partial Default is taken.



(4) **Contract Termination**— In the event of a Breach, the State may terminate the Contract immediately or in stages. The Contractor shall be notified of the termination in writing by the State. Said notice shall hereinafter be referred to as Termination Notice. The Termination Notice may specify either that the termination is to be effective immediately, on a date certain in the future, or that the Contractor shall cease operations under this Contract in stages. In the event of a termination, the State may withhold any amounts which may be due Contractor without waiver of any other remedy or damages available to the State at law or at equity. The Contractor shall be liable to the State for any and all damages incurred by the State and any and all expenses incurred by the State which exceed the amount the State would have paid Contractor under this Contract. Contractor agrees to cooperate with the State in the event of a Contract Termination or Partial Takeover.

b. **State Breach**— In the event of a Breach of Contract by the State, the Contractor shall notify the State in writing within 30 days of any Breach of Contract by the State. Said notice shall contain a description of the Breach. Failure by the Contractor to provide said written notice shall operate as an absolute waiver by the Contractor of the State's Breach. In no event shall any Breach on the part of the State excuse the Contractor from full performance under this Contract. In the event of Breach by the State, the Contractor may avail itself of any remedy at law in the forum with appropriate jurisdiction; provided, however, failure by the Contractor to give the State written notice and opportunity to cure as described herein operates as a waiver of the State's Breach. Failure by the Contractor to file a claim before the appropriate forum in Tennessee with jurisdiction to hear such claim within one (1) year of the written notice of Breach shall operate as a waiver of said claim in its entirety. It is agreed by the parties this provision establishes a contractual period of limitations for any claim brought by the Contractor.

IN WITNESS WHEREOF,

GLOBAL TEL*LINK CORPORATION

 4/11/14
CONTRACTOR SIGNATURE DATE

**JEFFREY B. HAIDINGER, PRINTED NAME AND TITLE OF CONTRACTOR SIGNATORY (above)
PRESIDENT & CHIEF OPERATING OFFICER**

DEPARTMENT OF CORRECTION:

 4-22-2014
DERRICK D. SCHOFIELD, COMMISSIONER DATE



ATTACHMENT ONE

LIQUIDATED DAMAGES

For purposes of determining liquidated damages for all outages, deficiencies are classified as follows:

Deficiency	Definition	Liquidated Damages
I	Single Telephone Station Outage	\$10 per day, one week after reporting
II	Major Site Outage outside an Act of God. Major Site Outage is defined in RFP Section 6.17.2. of the Contractor's completed Request for Proposal, in solicitation RFS 329.01-143	\$200 per hour, five hours after reporting.
III	Complete System Outage outside an Act of God.	\$3,000 per hour, three hours after reporting.

Circuit problems are controlled by phone company not inmate phone provider. Hardware replacement may require one to two days to complete.

ATTACHMENT TWO

COLLECT CALLS	Data Provided for Illustration Only		Charges per Call	Data Provided for Illustration Only		Rate per Minute ³	Revenue
	Calls ³	Minutes		Calls ³	Minutes		
Local1	418,885	7,624,585	0.89500			0.098450	374,902.08
Ext. Local1	535	12,442	0.89500				478.83
Intrastate-Intralata	864,386	14,062,228	0.44750			0.116350	1,771,239.08
Intrastate-Interlata	671,695	11,488,569	1.85265			0.617550	2,578,783.74
Interstate-Intralata	2,553	34,172	3.53525				30,128.41
Interstate-Interlata	77,198	1,178,509	3.53525			0.617550	1,000,702.46
Puerto Rico & Virgin Islands							-
Non-US Caribbean							-
Canada							-
Mexico							-
International Overseas							-
DEBIT CALLS							
Local	256,561	5,626,172	0.805500				206,659.89
Ext. Local	14	315	0.805500				11.28
Intrastate-Intralata	322,071	4,634,937	0.402750			0.088605	540,392.69
Intrastate-Interlata	151,297	2,649,985	1.667385			0.104715	529,763.53
Interstate-Intralata	177	1,778	3.181725			0.555795	1,551.37
Interstate-Interlata	12,637	193,091	3.181725			0.555795	147,526.47
Puerto Rico & Virgin Islands	138	2,243	4.640000			0.690000	2,187.99
Non-US Caribbean							-
Canada	374	6,874	0.440000			0.440000	3,189.12
Mexico ²	11	72	1.220000			1.220000	101.26
International Overseas ²	11	73	1.000000			1.000000	84.00
Total Proposed Revenue							7,187,702.19
Commission Percentage⁴							0.501
State's Commission							3,600,000.00

NOTES:

1. The Tennessee Regulatory Authority has established an interim maximum total charge of \$1.50 for local inmate calls. Proposers should assume that this will be made permanent.
2. Calls to Mexico and overseas international calls were only provided during the final month of the 2004 fiscal year.
3. The call volume and minutes information in the Revenue Proposal Schedule represents actual data from fiscal year 2004. It is the stated goal of the Department of Correction to maintain a reasonably constant flow of revenue from the inmate telephone system, while providing the service at the lowest possible cost to inmates and their families.
4. The Commission Percentage will be calculated by dividing \$3,600,000 by the Total Proposed Revenue.





Federal
Communications
Commission

10/20/14 10:00 AM

FCC

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Guide

Inmate Telephone Service

Background

FCC rules that significantly reformed Interstate Inmate Calling Service (ICS) rates and practices recently went into effect in an effort to stem undue high costs to inmates' families. In most cases, inmates' telephone calling options are limited to one or more of the following calling types: collect, debit account or pre-paid account. Also, incarcerated persons typically may not choose their long distance service provider. These factors, combined with unrestricted long distance rates, often resulted in unreasonably high phone bills for inmates' families.

The following revised rules took effect on Feb. 11, 2014:

New Rate Caps for Interstate Calls from Prisons

The FCC rate caps for interstate calls are:

- \$0.25 per minute for collect calls
- \$0.21 per minute for debit or pre-paid calls

This equates to a per-call rate cap (including per-call charges) of:

- \$3.75 for a 15-minute call
- \$3.15 for a 15-minute debit or pre-paid call

Charges on inmate calls placed after Feb. 11, 2014, that exceed the new interstate rate caps are in violation of federal rules.

Additional New Requirements

Providers of inmate calling services are now prohibited from assessing any additional charges or fees when the inmate must use **Telecommunications Relay Service (TRS)** equipment. (TRS is a telephone service that allows persons with hearing or speech disabilities to place and receive telephone calls.)

Moreover, no ICS provider may block a collect call solely because it lacks a prior billing relationship with the called party's telephone provider unless the provider also offers debit, pre-paid or pre-paid collect calling options.

FCC rules require that, when an inmate places a collect call, each operator service provider (OSP) must identify itself to the person receiving the call before connecting the call. Each OSP must also disclose, before connecting the call, how the receiving party may obtain rate quotations. Additionally, the OSP must permit the receiving party to terminate the telephone call at no charge before the call is connected. These rules apply only to interstate OSP calls.

Judicial Review of Other ICS Rules

On Jan. 13, 2014, the U.S. Court of Appeals for the District of Columbia Circuit issued a partial stay of the Order establishing the new ICS rules. Specifically, three of the rules ("Cost-Based Rates for Inmate Calling Services;" "Interim Safe Harbor;" and "Annual Reporting and Certification Requirement") are not in effect, pending further judicial review.

Filing a Complaint About Interstate ICS Rates

Complaints about interstate ICS rates may be filed with the FCC. You can file your complaint using an FCC online complaint form found at www.fcc.gov/complaints. Please complete the online complaint form in full. When you open the online complaint form, follow the series of prompts that will take you to the section you need to complete.



You may also contact the FCC's Consumer Center directly by calling 1-888-CALL-FCC (1-888-225-5322) voice or 1-888-TELL-FCC (1-888-835-5322) TTY; or faxing 1-866-418-0232; or you may file your complaint by writing to:

Federal Communications Commission
Consumer and Governmental Affairs Bureau
Consumer Inquiries and Complaints Division
445 12th Street, S.W.
Washington, DC 20554

Your complaint should include the following information:

- Your name, address, email address and phone number where you can be reached
- The name, phone number, city and state of the company that you are complaining about
- The amount of any disputed charges, whether you paid them, whether you received a refund or adjustment to your bill, the amount of any adjustment or refund you have received, an explanation if the disputed charges are related to services in addition to residential or business telephone services
- Details of your complaint and any additional relevant information

Filing a Complaint About Intrastate ICS Rates

Most states, however, have similar rules for intrastate (within a state) OSP calls. To complain about rates for intrastate collect calls from public phones in prisons, contact the state public utility commission in the state where the call originated and terminated. State public utility commission addresses may be found at www.naruc.org/commissions.cfm or in the blue pages or government section of your local telephone directory.

For More Information

Visit the FCC's Consumer Publications Library at www.fcc.gov/encyclopedia/consumer-publications-library for information about communications issues, or write to the address above.

Print Out

Inmate Telephone Service Guide (pdf)

Updated: March 18, 2014

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For more information, contact:
FCC Consumer Inquiries and Complaints Division
445 12th Street, S.W.
Washington, DC 20554
Toll-free: 1-877-480-1332
Voice: 202-418-1802
TTY: 202-418-3496
Fax: 202-418-3497

<p>Consumer Center Consumer Policy Consumer and Governmental Affairs Bureau 445 12th Street, S.W. Washington, DC 20554 Voice: 202-418-1802 TTY: 202-418-3496</p>	<p>FCC Digital Strategy Open Government Division E-Readiness Act E-Readiness and Transparency Act FISMA Modernization Act Privacy and Civil Liberties Accessibility Rights</p>
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FORM TO BE USED WHEN BONDING
ONLY ONE YEAR OF A MULTI-YEAR CONTRACT

Bond No. CMS0273870

KNOW ALL MEN BY THESE PRESENTS:

That, GLOBAL TEL'LINK CORPORATION
(hereinafter called the "Principal"), and RLI Insurance Company, a corporation of the State of Illinois and whose principal office is located in the City of Peoria, State of Illinois (hereinafter called the Surety), are held and firmly bound unto STATE OF TENNESSEE DEPARTMENT OF CORRECTION (hereinafter called the Oblige), in the full and just sum of One Million Nine Hundred Twenty Three Thousand Nine Hundred and Dollars, (\$1,993,900.00) to the payment of which sum, well and truly to be made, the said Principal and Surety bind themselves, their, and each of their heirs, administrators, executors, successors and assigns, jointly and severally, firmly by these presents.

WHEREAS, the above bound Principal has entered into a certain written contract with the above mentioned Oblige described as: inmate Telephone System Services dated 3/10/2014 to 3/9/2015 for a period of one years which contract is hereby referred to and made a part hereof as fully and to the same extent as if copied at length herein.

WHEREAS, the Oblige has agreed to accept a bond guaranteeing the performance of said contract for a period of only one year.

NOW THEREFORE, THE CONDITION OF THE ABOVE OBLIGATION IS SUCH, that if the above bounden Principal shall well and truly keep, do and perform, each and every, all and singular the matters and things in said contract set forth and specified to be by the said Principal kept, done and performed, at the time and in the manner in said contract specified during the term of this bond, and shall pay over, make good and reimburse to the above named Oblige, all loss and damage which said Oblige may sustain by reason of failure or default on the part of said Principal, then this obligation shall be void, otherwise to be and remain in full force and effect.

PROVIDED, HOWEVER, that this bond is subject to the following conditions and provisions:

1. This bond is for the term beginning 3/10/2014 and ending 3/10/2015.
2. In the event of default by the Principal in performance of the contract during the term of this bond the Surety shall be liable only for the loss to the Oblige due to actual excess costs of performance of the contract up to the termination of the term of this bond.
3. No claim, action, suit or proceeding, except as herein set forth, shall be instituted against the Surety on this bond unless same be brought or instituted and process served upon the Surety within six months after the completion of the contract.
4. Neither non renewal by the Surety, nor failure, nor inability of the Principal to file a replacement bond shall constitute loss to Oblige recoverable under this bond.
5. The bond may be renewed for additional terms at the option of the Surety, by continuation certificate executed by the Surety.

Signed and sealed this 5th day of March, 2014.

GLOBAL TEL'LINK CORPORATION
By [Signature]
RLI Insurance Company
By [Signature]
Wayne G. McVaugh, Attorney-in-Fact



RLI Surety
 P.O. Box 3967 | Peoria, IL 61612-3967
 Phone: (800)645-2402 | Fax: (309)689-2036
 www.rlicorp.com

POWER OF ATTORNEY

RLI Insurance Company



Know All Men by These Presents:

That this Power of Attorney is not valid or in effect unless attached to the bond which it authorizes executed, but may be detached by the approving officer if desired.

That **RLI Insurance Company**, an Illinois corporation, does hereby make, constitute and appoint:

Darella E. White, Douglas R. Wheeler, Richard A. Jacobus, Mary C. O'Leary, Elizabeth Marrero, Maureen McNeill, Marisa Thielen, Wayne G. McVaugh, Marina Tapia, Jaquanda Long, jointly or severally

in the City of Philadelphia, State of Pennsylvania its true and lawful Agent and Attorney in Fact, with full power and authority hereby conferred, to sign, execute, acknowledge and deliver for and on its behalf as Surety, the following described bond.

Any and all bonds provided the bond penalty does not exceed Twenty Five Million Dollars (\$25,000,000.00).

The acknowledgment and execution of such bond by the said Attorney in Fact shall be as binding upon this Company as if such bond had been executed and acknowledged by the regularly elected officers of this Company.

The **RLI Insurance Company** further certifies that the following is a true and exact copy of the Resolution adopted by the Board of Directors of **RLI Insurance Company**, and now in force to-wit:

"All bonds, policies, undertakings, Powers of Attorney or other obligations of the corporation shall be executed in the corporate name of the Company by the President, Secretary, any Assistant Secretary, Treasurer, or any Vice President, or by such other officers as the Board of Directors may authorize. The President, any Vice President, Secretary, any Assistant Secretary, or the Treasurer may appoint Attorneys in Fact or Agents who shall have authority to issue bonds, policies or undertakings in the name of the Company. The corporate seal is not necessary for the validity of any bonds, policies, undertakings, Powers of Attorney or other obligations of the corporation. The signature of any such officer and the corporate seal may be printed by facsimile."

IN WITNESS WHEREOF, the **RLI Insurance Company** has caused these presents to be executed by its Vice President with its corporate seal affixed this 24th day of February, 2014.



RLI Insurance Company

By: [Signature]
 Roy C. Die Vice President

State of Illinois }
 County of Peoria } SS

CERTIFICATE

On this 24th day of February, 2014, before me, a Notary Public, personally appeared Roy C. Die, who being by me duly sworn, acknowledged that he signed the above Power of Attorney as the aforesaid officer of the **RLI Insurance Company** and acknowledged said instrument to be the voluntary act and deed of said corporation.

I, the undersigned officer of **RLI Insurance Company**, a stock corporation of the State of Illinois, do hereby certify that the attached Power of Attorney is in full force and effect and is irrevocable; and furthermore, that the Resolution of the Company as set forth in the Power of Attorney, is now in force. In testimony whereof, I have hereunto set my hand and the seal of the **RLI Insurance Company** this 5th day of March, 2014.

By: [Signature]
 Jacqueline M. Bockler Notary Public

RLI Insurance Company

By: [Signature]
 Roy C. Die Vice President



3732338020212



RLI Insurance Company
 P.O. Box 3967 Peoria IL 61612-3967
 Phone: 309-692-1000 Fax: 309-693-1610

RLI Insurance Company

December 31, 2012

Admitted Assets

Investments:	
Fixed maturities	\$ 357,980,948
Equity securities	912,184,028
Short-term investments	23,235,318
Real estate	17,271,017
Properties held to produce income	0
Cash on hand and on deposit	10,051,146
Other invested assets	1,115,700
Receivables for securities	0
Agents' balances	85,516,217
Investment income due and accrued	4,022,247
Funds held	4,000
Reinsurance recoverable on paid losses	10,137,514
Federal income taxes receivable	0
Net deferred tax asset	381,309
Guarantee funds receivable or on deposit	179,484
Electronic data processing equipment, net of depreciation	227,680
Receivable from affiliates	0
Other admitted assets	1,594,808
Total Admitted Assets	\$ 1,423,901,416

Liabilities and Surplus

Liabilities:	
Reserve for unpaid losses and loss adjustment expenses	\$ 423,119,909
Unearned premiums	183,123,513
Accrued expenses	46,246,361
Funds held	9,404,285
Advance premiums	4,637,635
Amounts withheld	46,853,072
Ceded reinsurance premium payable	16,146,440
Payable for securities	0
Statutory penalties	1,244,800
Current federal & foreign income taxes	2,163,748
Federal income tax payable	0
Borrowed money and accrued interest	0
Debits outstanding	0
Payable to affiliate	3,061,840
Other liabilities	4,107,634
Total Liabilities	\$ 739,929,235
Surplus:	
Common stock	\$ 10,000,375
Additional paid-in capital	242,451,064
Unassigned surplus	431,620,722
Total Surplus	\$ 684,072,181
Total Liabilities and Surplus	\$ 1,423,901,416

State of Illinois }
 County of Peoria }

The undersigned, being duly sworn, says: That he is the President of RLI Insurance Company; that said Company is a corporation duly organized, in the State of Illinois, and licensed and engaged in business in the State of _____ and has duly complied with all the requirements of the laws of said State applicable of said Company and is duly qualified to act as Surety under such laws; that said Company has also complied with and is duly qualified to act as Surety under the Act of Congress approved July 1947, 6U.S.C sec. 6-13; and that to the best of his knowledge and belief the above statement is a full, true, and correct statement of the financial condition of the said Company on the 31st day of December 2012.

Attest:



{ Corporate Seal Affixed }

Michael J. Stone
 Michael J. Stone President
Cynthia S. Dohm
 Cynthia S. Dohm Assistant Secretary

Sworn to before me this 4th day of March, 2013.



{ Notarial Seal Affixed }

Jacqueline M. Bockler
 Jacqueline M. Bockler Notary Public, State of Illinois