

CONTRACT #4
RFS # 337.10-67410
FA # Pending

Labor & Workforce
Development

VENDOR:
C2T, Inc. d.b.a. Clear2there



**STATE OF TENNESSEE
DEPARTMENT OF LABOR AND WORKFORCE DEVELOPMENT**

**PHIL BREDESEN
GOVERNOR**

**220 French Landing Drive
Nashville, TN 37243-1002
(615) 741-2582**

**JAMES G. NEELEY
COMMISSIONER**

April 29, 2010

M. D. Goetz, Jr., Commissioner
Department of Finance and Administration
Fiscal Review Committee
State Capitol
Nashville, TN 37243

REF: 337.10-67410 Non Competitive Contract

Dear Mr. Goetz:

Outlined below is our justification for a Non Competitive Contract with C2T, Inc. dba Clear2there.

The term of the contract is from July 1, 2010 through June 30, 2015.

This service is to provide an ON-Line web-based audio teleconferencing service designed for the appellate review process specifically for use in Appeals Operation and combining long distance and conference bridge services with a service to digitally record hearings for Administrative hearing.

There is no other system that allows the state hearing schedule data to be uploaded to the vendor's database to provide meaningful indexing and search capabilities, and autodialing of the party phone numbers. C2T, Inc. dba Clear2there is the only system that allows prior hearing recordings to be replayed in a conference while the current recording of that conference continues. C2T, Inc. dba Clear2there provides back-up disaster recovery copies of recordings and retains recordings for instant web-access to review for the state's required retention period.

C2T, Inc. dba Clear2there was created for appeals and the appeals process. It works for both the Appeals Tribunal and the Board of Review because of the easy access. It is also possible for management to have access or anyone in the agency that might need access to the program

C2T, Inc. dba Clear2there is the only telephone bridging and digital recording system specifically created and designed for state unemployment insurance (UI) appeals hearings. The vendor's representative created the system for the Texas Workforce Commission's appeals unit (lower and higher authority) and C2T, Inc. dba Clear2there is now used exclusively in Texas, Oklahoma, Minnesota, Virginia, Mississippi, Connecticut, and Arizona.

Based on the above justification, I am requesting your approval of this non-competitive contract.

Sincerely,

A handwritten signature in cursive script that reads "James G. Neeley".

James G. Neeley, Commissioner

JGN: HS: MF

**Supplemental Documentation Required for
Fiscal Review Committee**

*Contact Name:	Melvin O'Neal	*Contact Phone:	(615) 532-1071		
*Original Contract Number:	N/A	*Original RFS Number:	3371067410		
Edison Contract Number: <i>(if applicable)</i>	N/A	Edison RFS Number: <i>(if applicable)</i>	N/A		
*Original Contract Begin Date:	7/01/2010	*Current End Date:	6/30/2015		
Current Request Amendment Number: <i>(if applicable)</i>	None				
Proposed Amendment Effective Date: <i>(if applicable)</i>	None				
*Department Submitting:	Department of Labor and Workforce Development				
*Division:	Employment Security Division				
*Date Submitted:	April 29, 2010				
*Submitted Within Sixty (60) days:	Yes				
<i>If not, explain:</i>					
*Contract Vendor Name:	C2T, Inc. dba Clear2there				
*Current Maximum Liability:	\$650,000.00				
*Current Contract Allocation by Fiscal Year: <i>(as Shown on Most Current Fully Executed Contract Summary Sheet)</i>					
FY:2011	FY:2012	FY:2013	FY:2014	FY:2015	FY
\$129,000.00	\$129,000.00	\$129,000.00	\$129,000.00	\$134,000.00	\$
*Current Total Expenditures by Fiscal Year of Contract: <i>(attach backup documentation from STARS or FDAS report)</i>					
FY:2010	FY:	FY:	FY:	FY	FY
\$0.00	\$	\$	\$	\$	\$
IF Contract Allocation has been greater than Contract Expenditures, please give the reasons and explain where surplus funds were spent:			N/A		
IF surplus funds have been carried forward, please give the reasons and provide the authority for the carry forward provision:			N/A		
IF Contract Expenditures exceeded Contract Allocation, please give the reasons and explain how funding was acquired to pay the overage:			N/A		

Supplemental Documentation Required for
Fiscal Review Committee

*Contract Funding Source/Amount:	State:		Federal:	\$650,000.00
Interdepartmental:			<i>Other:</i>	
If " <i>other</i> " please define:				
Dates of All Previous Amendments or Revisions: <i>(if applicable)</i>			Brief Description of Actions in Previous Amendments or Revisions: <i>(if applicable)</i>	
None			None	
Method of Original Award: <i>(if applicable)</i>			N/A	
*What were the projected costs of the service for the entire term of the contract prior to contract award?			N/A	

**Supplemental Documentation Required for
Fiscal Review Committee**

For all new non-competitive contracts and any contract amendment that changes Sections A or C.3. of the original or previously amended contract document, provide estimates based on information provided the Department by the vendor for determination of contract maximum liability. Add rows as necessary to provide all information requested.

If it is determined that the question is not applicable to your contract document attach detailed explanation as to why that determination was made. (See letter to Commissioner, and Non-Competitive Contract Request, enclosed.)

Planned expenditures by fiscal year by deliverable. Add rows as necessary to indicate all estimated contract expenditures.

Deliverable description:	FY:2011	FY:2012	FY:2013	FY:2014	FY:2015
ON-Line web-based audio teleconferencing service	129,000.00	129,000.00	129,000.00	129,000.00	134,000.00

Proposed savings to be realized per fiscal year by entering into this contract. If amendment to an existing contract, please indicate the proposed savings to be realized by the amendment. Add rows as necessary to define all potential savings per deliverable.

Deliverable description:	FY:2011	FY:2012	FY:2013	FY:2014	FY:2015
Unknown	Unknown	Unknown	Unknown	Unknown	Unknown

Comparison of cost per fiscal year of obtaining this service through the proposed contract or amendment vs. other options. List other options available (including other vendors), cost of other options, and source of information for comparison of other options (e.g. catalog, Web site). Add rows as necessary to indicate price differentials between contract deliverables.

Proposed Vendor Cost: (name of vendor)	FY:2011 N/A Sole Source	FY:2012 N/A Sole Source	FY:2013 N/A Sole Source	FY:2014 N/A Sole Source	FY:2015 N/A Sole Source
Other Vendor Cost: (name of vendor)	FY: N/A	FY:	FY:	FY:	FY:
Other Vendor Cost: (name of vendor)	FY:	FY:	FY:	FY:	FY:

FA CONTRACT INFORMATION SUPPLEMENT FOR ALL FA-TYPE CONTRACTS — COMPLETE EITHER SECTION A OR SECTION B	
Contract RFS #	33710-67410
Contractor:	C2T, Inc. dba Clear2there
SECTION A— CONTRACTOR IS AN INDIVIDUAL	SECTION B— CONTRACTOR IS A COMPANY (e.g., sole proprietorship, partnership, or corporation)
Is or has the contractor been a state employee? <input type="checkbox"/> NO (no additional information required) <input type="checkbox"/> YES	Does an individual, who is or has been a state employee, own controlling interest in (or own) the contractor company? <input checked="" type="checkbox"/> NO (no additional information required) <input type="checkbox"/> YES
Was such employment within the past six months? <input type="checkbox"/> NO <input type="checkbox"/> YES (an approved rule exception permitting a contract within six months of employment is also required)	Was such employment within the past six months? <input type="checkbox"/> NO <input type="checkbox"/> YES (an approved rule exception permitting a contract within six months of employment is also required)
Does the contractor receive Tennessee Consolidated Retirement System (TCRS) retirement benefits? <input type="checkbox"/> NO <input type="checkbox"/> YES (the procuring agency general counsel MUST sign an analysis of this procurement using the TCRS analysis guidelines)	Does the individual who owns controlling interest in the contractor company receive Tennessee Consolidated Retirement System (TCRS) retirement benefits? <input type="checkbox"/> NO <input type="checkbox"/> YES (the procuring agency general counsel MUST sign an analysis of this procurement using the TCRS analysis guidelines)
CONTRACTOR SIGNATURE	
CONTRACTOR	DATE

NON-COMPETITIVE CONTRACT REQUEST

This request is NOT required for a contract with a federal, Tennessee, or Tennessee local government entity or a grant.

APPROVED

**COMMISSIONER OF FINANCE &
ADMINISTRATION**

AGENCY REQUEST TRACKING # 3371067410	
1	PROCURING AGENCY Tennessee Department of Labor and Workforce Development – Appeals Operations
2	SERVICE ON-Line web-based audio teleconferencing service for the appellate process.
3	APPROVAL CRITERIA (select one) <input type="checkbox"/> non-competitive negotiation is in the best interest of the state <input checked="" type="checkbox"/> only one uniquely qualified service provider able to provide the service
4	PROPOSED CONTRACTOR C2T, Inc. dba Clear2there
5	CONTRACT BEGIN DATE (attach explanation if < 60 days after F&A receipt) 7/01/2010
6	CONTRACT END DATE (with ALL options to extend exercised) 6/30/2015
7	MAXIMUM CONTRACT COST (with ALL options to extend exercised) \$650,000.00
8	SERVICE DESCRIPTION 1. C2T, Inc. dba Clear2there Features and Functionality <hr/> <p>The C2T, Inc. dba Clear2there Appellate Hub is an ON-Line web-based audio teleconferencing service for the appellate process designed specifically for the appellate review process. Clear2there provides a centralized, custom conference bridge environment with additional services like:</p> <ul style="list-style-type: none"> a) Automated recording of all hearings b) In Conference playback of current or past hearings c) Centralized storage of past hearings for 3 years d) Automated and custom bookmarks of recordings e) Web interface for users f) Hearing review module

AGENCY REQUEST TRACKING # 3371067410

g) Billing Reports

The C2T, Inc. dba Clear2there Conference Bridge Appellate Hub is a seamless conferencing platform providing a secure environment for all participants. C2T, Inc. dba Clear2there utilizes a centralized conferencing service platform where hearing officers, administrators, managers and participants access conferencing services tailored specifically for the appellate review board business process.

The C2T, Inc. dba Clear2there conference bridge system is a digital system and uses audio processing technology software for true full duplex conferences with superior audio quality. Conference users can access the C2T, Inc. dba Clear2there conference bridge system through the web or by using DTMF tones on their telephones.

2. Detailed Features

The following section will provide additional detail related to the summary of features described above.

1. Participants—Maximum number of participants is 92 including 1 moderator and 91 participants.
2. Accessibility- C2T, Inc. dba Clear2there system is accessible by all hearing receptionists, hearing officers, and higher authority reviewers from their differing locations (state office, satellite offices, home offices etc) via the internet. **ACCESS IS SECURE.**
3. High Volume Capabilities- C2T, Inc. dba Clear2there ensures adequate bridging capacity and recording storage for your case volumes, and is scalable to grow as you do.
4. Case Notes- Users can append notes to a case viewable by all other users.
5. Automated Conference Control Features:
 - a) Automatic dialing of telephone numbers for conference participants
 - b) Mute and Un-mute of conference line
 - c) Add and drop participants at any time during the conference
 - d) Provide a visual listing of the name of any party that becomes disconnected during a conference
 - e) Allow international calls at no extra charge
 - f) System redundancy, fault tolerance and disaster recovery features
 - g) Allow search for recordings by key index values such as case #, SSN or ID number, claimant last name or employer name
 - h) Conference host (hearing officer) name, and hearing date
6. Entering Call Back Numbers- If staff currently receive calls from parties in advance of the hearing to take names and telephone numbers of parties, this info along with any special instructions can be entered directly in C2T, Inc. dba Clear2there so that the hearing officer can do one-click dialing to connect that party at the time of hearing.
7. Retrieval of conference call recording- Customers go to the storage location, enter in the case number and can download recordings to any kind of media player.
8. Automated Recording Features-
 - a) High quality recording - clarity, non-distortion
 - b) Allows access, selection and playback of any prior hearing recordings or any earlier portion of the current conference recording during a conference/hearing so that all participants on the telephone call can hear the playback
 - c) Creates automatic bookmarks in the recording to tag noteworthy events such as when participants join or leave the conference call, or a playback of prior recordings starts or stops
 - d) Allows users to enter additional bookmarks from a pick list or identified with their own text tag
 - e) Allows easy retrieval of recordings for downloading. Recordings can be replayed through C2T, Inc. dba Clear2there application through any media player that plays MP3 format
 - f) Burn recordings to CD with standard commercial software

AGENCY REQUEST TRACKING # 3371067410

g) Allows sending copies of hearing recordings as email attachments

9. Reports and Billing- C2T, Inc. dba Clear2there generates itemized monthly reports showing usage of the conference bridge by user name, length of call, number called, date and time of call, cost of call. The on-line report feature allows you to review usage or billing information at any time, for any period.
10. Record Retention- C2T, Inc. dba Clear2there retains recordings for a 3 year retention period
11. Training- C2T, Inc. dba Clear2there provides training in use of the service to your personnel at the time of initial deployment of the service. Training materials are provided. Training consists of a combination of lecture/demonstration to learn the functionality of C2T, Inc. dba Clear2there followed by participation in mock hearings/conferences to get hands on experience.
12. Addition of Users- New users/ moderators can be easily added by the agency using system administrator access. No outside involvement from C2T, Inc. dba Clear2there is required.
13. C2T, Inc. dba Clear2there is able to support unlimited cost centers for billing purposes.

9 **EXPLANATION OF NEED FOR OR REQUIREMENT PLACED ON THE STATE TO ACQUIRE THE SERVICE**

Description of current situation

1. Currently the Appeals Tribunal is using a digital recording system with Phillips hand-held recorders. The recorders are priced at \$299.00 each plus \$75.00-100.00 for the power supply or the costs of regularly replacing batteries. We have no extras for backup recorders available at this time. If there is a technical problem, we are making repairs when possible and using cassette recorders as backup.
2. We are beginning to have failures in our digital recorders that indicate they will have to be replaced in the near future. For each recorder, we also need extra memory cards to record a full day of hearings. With the current staff of 26 Appeals hearing officers and four Board hearing officers using the equipment, that replacement will have an estimated cost of \$13,625.00 plus the market price for the extra memory cards. Our experience has been that each time we reorder, the recorders have been updated and we are expecting a software change at an additional cost plus installation into our state system.
3. Since Appeals Operations began telephone hearings approximately 15 years ago, we have had problems with the telephone system that we have been unable to resolve. We are restricted to connecting only two parties in a telephone hearing which limits the representatives, attorneys or witnesses. If three or more participants are involved, the parties must have the capability of conferencing in that additional participant or being at the same location. When that happens, the parties and the hearing officer frequently have difficulty hearing. A recent development has also included the failure of the speaker-phone system. There was a period of time when there was no state contract for purchasing new telephones. Many cases have to be rescheduled to in-person hearings which causes additional delays to the parties and affects our capability of providing the parties with a prompt hearing.
4. To resolve this problem, we need bridge capabilities. For each hearing officer to have such access during hearing times, would be unreasonably expensive because these hearings are going on simultaneously across the state. Each hearing officer would need separate bridge access. The C2T, Inc. dba Clear2there program will provide one bridge system available to all participants.
5. With the steady increase in workload, we have needed additional server space and have had to install additional server space for our renaming process. That would no longer be necessary because C2T, Inc. dba Clear2there would eliminate our renaming from Phillips file names to Appeals Tribunal file names and provide the off-site storage facilities for security and disaster

AGENCY REQUEST TRACKING # 3371067410

recovery. At this time, all our digital files are located at our present location. It will also eliminate the renaming errors and duplicate or blank files created by hearing officers during the transfer, avoiding additional reschedules.

6. C2T, Inc. dba Clear2there There will replace the costs of our digital recording system, our digital data storage, and our long distance charges and eliminate the problems with our current phone system. The Appeals Tribunal will not have the costs of increasing our server storage space, replacing the digital recorders or replacing our telephone system.
7. Sole source is appropriate because C2T, Inc. dba Clear2there was created for appeals and the appeals process. There is no other program created by appeals for appeals. It works for both the Appeals Tribunal and the Board of Review because of the easy access. It is also possible for management to have access or anyone in the agency that might need access to the program.

10 **HAS THE PROCURING AGENCY EVER BOUGHT THE SERVICE BEFORE ?** YES or NO
IF SO, WHAT PROCUREMENT METHOD WAS USED ?

11 **NAME & ADDRESS OF THE CONTRACTOR'S PRINCIPAL OWNER(S)** (NOT required for a TN state education institution)

C2T, Inc.
 4211 N. Barnes Ave.
 Oklahoma City, OK 73112
 President and Principal Stockholder is Greg Mantia at same address.

12 **EVIDENCE OF THE CONTRACTOR'S EXPERIENCE & LENGTH OF EXPERIENCE PROVIDING THE SERVICE**

In 2003, Travis Voice and Data, a privately held company with headquarters in Oklahoma City, OK created the wholly owned subsidiary, C2T, Inc. dba Clear2there. Travis Voice and Data has been providing audio and video solutions to businesses since 1988. Such solutions included:

- a) medical transcription services for hospitals and doctors,
- b) designing and implementing the State of Oklahoma's No Call Registry,
- c) providing 911 call and logging systems,
- d) selling, installing, and servicing video surveillance systems such as the one implemented for the campus of Texas Christian University,
- e) selling, installing, and servicing telephone systems for customers such as hotels and hospitals
- f) Call Center telephone systems and management tools.

They continue to sell telephone systems, call logging systems, and video surveillance systems.

In 2003 C2T, Inc. dba Clear2there began designing its digital conferencing, recording and storage systems for state administrative hearing operations, especially Unemployment Insurance hearings. With their background and expertise in telephone conferencing, and audio recording systems, they created a state of the art system providing the functions and features described in a foregoing section of this document. It is known as the Clear2there Hosted Call Recording System or the Clear2there Appellate Hub.

Staff Turnover

C2T, Inc. dba Clear2there's Vice President of Operations, Kelly Carlton, has always been and remains Contract Manager for all Hosted Call Recording contracts. The Project Manager proposed for the Tennessee Dept of Labor contract is Maureen Bucek who has been with the company for 5 years and has been the Project Manager for the design and installation of all C2T, Inc. dba Clear2there systems for UI Appeals agency customers since her employment with Travis Voice and Data in 2005. There has been no turnover in C2T, Inc. dba Clear2there tech support personnel throughout the life of the C2T, Inc. dba Clear2there Appellate Hub.

Vendor Performance History

AGENCY REQUEST TRACKING # 3371067410**Texas Workforce Commission**

C2T, Inc. dba Clear2there acquired its first contract for state operations to conference and record Unemployment Insurance telephone hearings when it signed the contract with the Texas Workforce Commission in the fall of 2004. TWC requested a phased deployment to begin about 10 weeks after contract execution with training and rollout starting on November 4, 2004 and ending January 6, 2005. TWC conducts 100% telephone hearings and at the time of the contract award employed 150 hearing officers and scheduled approximately 3000 hearings per week. TWC currently employs more than 200 Hearing Officers and schedules over 3500 hearings per week. C2T, Inc. dba Clear2there was awarded its 5th consecutive contract term with TWC in September 2009 and its services are now approved under a statewide contract with the Texas Department of Information Resources.

Mississippi Dept. Employment Security

The Mississippi Department of Employment Security contracted for C2T, Inc. dba Clear2there services under an emergency contract following the spike in caseloads occasioned by the impact of Hurricane Katrina in 2005. C2T, Inc. dba Clear2there provided the ideal solution to allow MDES to have its 32 hearing officers [regular staff of 12 plus the temporary emergency staff of 20 more hearing officers working from their homes across the country] using one conferencing and recording system and receiving one monthly bill for these services [rather than the hodgepodge of telephone bills they would have received from telco providers across the nation].

C2T, Inc. dba Clear2there services to MDES commenced within 14 days of receipt of the phone call on January 17, 2006 requesting C2T, Inc. dba Clear2there services. C2T, Inc. dba Clear2there personnel arrived on site Monday, January 23, 2006 and began working with staff to write the data transfer program while working with legal staff to produce a contract. The contract was signed on January 26, 2006, trainings were conducted on Monday, January 30, 2006 and users began using C2T, Inc. dba Clear2there in production on January 31, 2006. MDES renewed its contract for C2T, Inc. dba Clear2there services in January 2009.

Arizona Department of Employment Security [AZDES]

The Arizona Department of Employment Security began using Clear2there services in February 2009. AZDES currently has 74 hearing officers using Clear2there. The agency uses Clear2there to conference and record hearings from several different program areas.

Minnesota Dept of Employment and Economic Development [DEED]

Clear2there services for Minnesota DEED began in April 2009. DEED has 40+ Hearing Officers conducting about 600 hearings per week. DEED conducts 100% telephone hearings. Interestingly, Minnesota has almost no non-appearance dismissals. When a hearing gets scheduled, 90% of the time all of the parties show up and participate. Thus, the 40 Hearing Officers in Minnesota have bridge usage equivalent to about 75 Hearing Officers in other states.

Smaller Customers

C2T, Inc. dba Clear2there began providing its services to the Oklahoma Employment Security Commission [11 hearing officers] and the Virginia Employment Commission [20 hearing officers] with deployments in the fall of 2006. OESC issued a new Purchase Order for C2T, Inc. dba Clear2there services in November 2008, and VEC executed a new 2 year contract for C2T, Inc. dba Clear2there services effective July 1, 2008.

13 **OFFICE FOR INFORMATION RESOURCES SUPPORT** (required for information technology service)

ATTACHED or **NOT APPLICABLE** (N/A only to non-information technology service & THDA)

14 **eHEALTH INITIATIVE SUPPORT** (required for health-related professional, pharmaceutical, laboratory, or imaging service)

ATTACHED or **NOT APPLICABLE**

15 **HUMAN RESOURCES SUPPORT** (required for state employee training service)

ATTACHED or **NOT APPLICABLE**

AGENCY REQUEST TRACKING # 3371067410

16 DESCRIPTION OF EFFORTS TO IDENTIFY REASONABLE, COMPETITIVE, PROCUREMENT ALTERNATIVES

The State of Georgia Department of Labor posted their Notice of Intent to Award a Sole Source contract to C2T, Inc. dba Clear2there on the Georgia Procurement Registry on March 2, 2010 and received no complaints or protests during the Notice period. To our knowledge, states that have posted RFPs and awarded contracts for the services of Clear2there, received no bids from other vendors offering comparable services.

17 JUSTIFICATION FOR NON-COMPETITIVE NEGOTIATION RATHER THAN A COMPETITIVE PROCESS

C2T, Inc. dba Clear2there is the only telephone bridging and digital recording system specifically created and designed for state unemployment insurance (UI) appeals hearings. The vendor's representative created the system for the Texas Workforce Commission's appeals unit (lower and higher authority) and Clear2there is now used exclusively in Texas, Oklahoma, Minnesota, Virginia, Mississippi, Connecticut, and Arizona.

There is no other system that allows the state hearing schedule data to be uploaded to the vendor's database to provide meaningful indexing and search capabilities, and autodialing of the party phone numbers. C2T, Inc. dba Clear2there is the only system that allows prior hearing recordings to be replayed in a conference while the current recording of that conference continues. C2T, Inc. dba Clear2there provides back-up disaster recovery copies of recordings and retains recordings for instant web-access to review for the state's required retention period.

There is no other system, to our knowledge that is this specific to meeting the technical and legal requirements for UI appeals hearings. These technical requirements include UI Appeals Hearing software capable of capturing, maintaining, indexing, sharing and archiving clear and accurate recordings of Dept of Labor Lower Authority Appeals Hearings.

AGENCY HEAD SIGNATURE & DATE

(MUST be signed & dated by the ACTUAL procuring agency head as detailed on the current Signature Certification on file with OCR— signature by an authorized signatory is acceptable only in documented exigent circumstances)

James Bradley 4/29/10

MAXIMUM CONTRACT COST

The Clear2there conferencing, recording, storage and retrieval and playback service is priced on the basis of minutes of time on telephone lines into the conference bridging system. The only charges are incurred at the time a Hearing Officer dials him/herself into the bridge to record an in-person hearing, or dials him/herself and other parties into the conference for a telephone hearing.

Assuming a "normal" recording retention requirement of 2 or 3 years, and estimating the annual volume of usage of the system, the cost to our agency would run between 9 cents and 11 cents per minute, per line in the hearing. This covers all the costs for setup and training, long distance charges and conferencing charges for telephone hearings, recording, storage of recording for multi-year retention period, back-up copies of recordings and disaster recovery off-site storage of recordings.

Users in our operation can use the Clear2there websites to search for recordings and download and/or replay them as many times as they want throughout the retention period at no extra charge. Downloaded recordings are in MP3 format so that almost every modern media player [from PCs to MP3 players] can play them. Hearing recordings can be easily burned to CD with any CD burning software the agency owns. Recording files can also be e-mailed as attachments.

The agency does not need any special hardware or software to use Clear2there. If we are using Internet Explorer as the web browser, and have an internet connection, we can access all Clear2there services, functions and features. Hearing Officers can use any type of phone to connect themselves to the recording bridge. Clear2there does not charge any license fees and there are no separate maintenance costs. Maintenance and support of the system is included in the per minute charge. The hearing recordings belong to our agency; Clear2there simply provides the service to create and store those recordings.

Based on approximately 2500 cases/ month or 30,000 cases per year and the current rate of 86% of hearings being done by telephone and approximately 70% of those actually resulting in a recorded hearing, we are looking at a cost of approximately \$81,270.00 per year. We used an average of 20 minutes per hearing and 2.5 parties per hearing (some hearings have 3 parties and some only 2) and the estimated cost of \$.10/minute. The costs will vary based on workload because the cost is per hearing and number of parties. If the workload decreases, the costs will also decrease.

$30000 \times 86\% \times 70\% \times 2.5 \times 20 \times \$.10 = \$90,300.00$. Even if every scheduled hearing were completed, the total would be \$129,000.00 per year.



CONTRACT

(FA-type fee-for-service contract with an individual, business, non-profit, or governmental entity of another state)

Agency Tracking # 33710-67410	Edison ID
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Contractor C2T, Inc. dba Clear2there	Contractor Federal Employer Identification or Social Security # <input type="checkbox"/> C- or <input checked="" type="checkbox"/> V- 73-1329974
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Service
ON-Line web-based audio teleconferencing service for the appellate process

Contract Begin Date July 1, 2010	Contract End Date June 30, 2015	Subrecipient or Vendor <input type="checkbox"/> Subrecipient <input checked="" type="checkbox"/> Vendor	CFDA #(s) 17.255
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FY	State	Federal	Interdepartmental	Other	TOTAL Contract Amount
2011		650,000.00			650,000.00
TOTAL:		\$650,000.00			\$650,000.00

American Recovery and Reinvestment Act (ARRA) Funding – YES NO

OCR USE FA	Agency Contact & Telephone # Melvin O'Neal 615 532-1071	
	Agency Budget Officer Approval (there is a balance in the appropriation from which this obligation is required to be paid that is not otherwise encumbered to pay obligations previously incurred)	
	<table border="1"> <tr> <td>Speed Code LW00004064</td> <td>Account Code 70803000</td> </tr> </table>	Speed Code LW00004064
Speed Code LW00004064	Account Code 70803000	

Contractor Ownership/Control

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

Contractor Selection Method

RFP
 Competitive Negotiation *
 Alternative Competitive Method *
 Non-Competitive Negotiation *
 Other *

***Procurement Process Summary**

Sole source is appropriate because C2T, Inc. dba Clear2there was created for appeals and the appeals process. There is no other program created by appeals for appeals. It works for both the Appeals Tribunal and the Board of Review because of the easy access. It is also possible for management to have access or anyone in the agency that might need access to the program.

CONTRACT
BETWEEN THE STATE OF TENNESSEE,
DEPARTMENT OF LABOR AND WORKFORCE DEVELOPMENT
AND
C2T, Inc. dba Clear2there

This Contract, by and between the State of Tennessee, Department of Labor and Workforce Development, hereinafter referred to as the "State" and C2T, Inc. dba Clear2there, hereinafter referred to as the "Contractor," is for the provision of providing an ON-Line web-based audio teleconferencing service designed for the appellate review process specifically for use in Appeals Operation and combining long distance and conference bridge services with a service to digitally record hearings for Administrative hearings, as further defined in the "SCOPE OF SERVICES."

The Contractor is a for profit corporation.

Contractor Federal Employer Identification or Social Security Number: 73-1329974

Contractor Place of Incorporation or Organization: Oklahoma City, Oklahoma

A. SCOPE OF SERVICES:

- A.1. The Contractor shall provide all service and deliverables as required, described, and detailed by this Scope of Services and shall meet all service and delivery timelines specified in the Scope of Services section or elsewhere in this Contract.
- A.2. The Contractor shall provide complete appellate hub services to streamline the State administrative hearing and recording process to ensure proper adjudication of the high volume of unemployment appeals and provide a rapid and effective method for conducting, recording, storing, and adjudicating such appeals in a timely manner.
- A.3. The Contractor shall provide all the hardware, software or server associated with conference bridging or digital recording. There will not be any license fee or separate maintenance and support fee for the system.
- A.4. The Contractor shall make the system accessible for all hearing receptionist, hearing officers, and both higher and lower authority, from their individual locations whether that is their state office, an itinerant location, home office, etc. via the internet. All access will be secure.
- A.5. The Contractor shall provide the following features in the system:
- 1) automatic dialing of telephone numbers for conference participants,
 - 2) muting and unmuting any conference line,
 - 3) add and drop participants at any time during the conference call,
 - 4) international calls at no extra cost,
 - 5) possible audible cue for conference host if party becomes disconnected and a visual listing of party who was disconnected which will avoid rescheduling for the lost call,
 - 6) redundancy, fault tolerance and disaster recovery features,
 - 7) Index-able Recordings: Search by case #, docket number, Hearing Officer name, and hearing date,
 - 8) High quality recordings- clarity, non- distortion,
 - 9) access, selection and playback of any prior hearing recordings or any earlier portions of the current recording during the conference hearing so that the participants on the call can hear the playback,
 - 10) Automatic bookmarks in the recording to tag noteworthy events such as when participants join or leave the call, or the playback of a prior recording begins or ends,
 - 11) Allows users to enter additional bookmarks from a pick list or their own text tag,
 - 12) Allows easy retrieval of recordings for downloading that can be replayed with the system application or through any media player with the mp3 format at no extra cost,
 - 13) Burn recordings to CD with standard commercial software,

- 14) Allows sending copies of hearing recordings as email attachments,
- 15) Allows users to add case notes to the case that are viewable by all other users,
- 16) Correction or contact information received by the support staff can be entered directly into system to enable the Hearing Officer to do one-click dialing to connect the party at the time of the hearing,
- 17) Allows on-line viewing usage or billing information at any time and for any period,
- 18) Permitting 92 individuals including 1 moderator and 91 participants in the system at the same time,
- 19) Back-up copies of recordings for Disaster Recovery,
- 20) All programming to accept and upload nightly data transfer of your hearing schedule data.

- A.6. The Contractor shall retain recordings for three years and provide unlimited access to download and replay recordings during retention period.
- A.7. The Contractor shall complete training of personnel 4-5 weeks from contract beginning date. Training materials are provided. Training includes lecture/demonstration to learn the functions followed by exercises in hands on experience.
- A.8. The Contractor shall provide a means of bulk download of all recordings owned by the State at the end of the contract or termination.

B. CONTRACT TERM:

- B.1. Contract Term. This Contract shall be effective for the period commencing on July 1, 2010 and ending on June 30, 2015. The State shall have no obligation for services rendered by the Contractor which are not performed within the specified period.

C. PAYMENT TERMS AND CONDITIONS:

- C.1. Maximum Liability. In no event shall the maximum liability of the State under this Contract exceed Six Hundred Fifty Thousand Dollars (\$650,000.00). The payment rates in Section C.3 shall constitute the entire compensation due the Contractor for the Service and all of the Contractor's obligations hereunder regardless of the difficulty, materials or equipment required. The payment rates include, but are not limited to, all applicable taxes, fees, overheads, and all other direct and indirect costs incurred or to be incurred by the Contractor.

The Contractor is not entitled to be paid the maximum liability for any period under the Contract or any extensions of the Contract for work not requested by the State. The maximum liability represents available funds for payment to the Contractor and does not guarantee payment of any such funds to the Contractor under this Contract unless the State requests work and the Contractor performs said work. In which case, the Contractor shall be paid in accordance with the payment rates detailed in Section C.3. The State is under no obligation to request work from the Contractor in any specific dollar amounts or to request any work at all from the Contractor during any period of this Contract.

- C.2. Compensation Firm. The payment rates and the maximum liability of the State under this Contract are firm for the duration of the Contract and are not subject to escalation for any reason unless amended.
- C.3. Payment Methodology. The Contractor shall be compensated based on the payment rates herein for units of service authorized by the State in a total amount not to exceed the Contract Maximum Liability established in Section C.1.
 - a. The Contractor's compensation shall be contingent upon the satisfactory completion of units, milestones, or increments of service defined in Section A.
 - b. The Contractor shall be compensated based upon the following payment rates:

- (1) For service performed from July 1, 2010 through June 30, 2013, the following rates shall apply:

Service Description	Amount (per compensable increment)
All telephone line charge including, Long distance, Conference Bridging and International calls	10 cent per minute per line

- (2) For service performed from July 1, 2013, through June 30, 2015, the Contractor shall be compensated based upon the payment rates in Section C.3.b.(2) above but adjusted by the percentage increase, if any, between the Consumer Price Index for All Urban Consumers (CPI-U): U.S. city average, expenditure category, not seasonally adjusted, index base period: 1982-84=100) published by the United States Department of Labor, Bureau of Labor Statistics in May 2013 and that figure published in the same month, 12-months prior, up to a maximum of 5percent (5%).

- c. The Contractor will provide Itemized monthly reports showing usage of the conference bridge by user name, length of call, number called, date and time of call, and cost of call.

C.4. Travel Compensation. The Contractor shall not be compensated or reimbursed for travel, meals, or lodging.

C.5. Invoice Requirements. The Contractor shall invoice the State only for completed increments of service and for the amount stipulated in Section C.3, above, and as required below prior to any payment.

- a. The Contractor shall submit invoices no more often than monthly, with all necessary supporting documentation, to:

TN Department of Labor and Workforce Development
 Fiscal Services Division
 220 French Landing Drive, A-4
 Nashville, TN 37243

- b. The Contractor agrees that each invoice submitted shall clearly and accurately (all calculations must be extended and totaled correctly) detail the following required information.

- (1) Invoice/Reference Number (assigned by the Contractor);
- (2) Invoice Date;
- (3) Invoice Period (period to which all invoiced charges are applicable);
- (4) Contract Number (assigned by the State to this Contract);
- (5) Account Name: Account Name: Department of Labor and Workforce Development, Employment Security Division;
- (6) Account/Customer Number (uniquely assigned by the Contractor to the above-referenced Account Name);
- (7) Contractor Name;
- (8) Contractor Federal Employer Identification Number or Social Security Number (as referenced in this Contract);
- (9) Contractor Contact (name, phone, and/or fax for the individual to contact with billing questions);
- (10) Contractor Remittance Address;
- (11) Complete Itemization of Charges, which shall detail the following:

- i. Service or Milestone Description (including name /title as applicable) of each service invoiced;

- ii. Number of Completed Units, Increments, Hours, or Days as applicable, of each service invoiced;
 - iii. Applicable Payment Rate (as stipulated in Section C.3.) of each service invoiced;
 - iv. Amount Due by Service; and
 - v. Total Amount Due for the invoice period.
 - c. The Contractor understands and agrees that an invoice to the State under this Contract shall:
 - (1) include only charges for service described in Contract Section A and in accordance with payment terms and conditions set forth in Contract Section C;
 - (2) not include any future work but will only be submitted for completed service; and
 - (3) not include sales tax or shipping charges.
 - d. The Contractor agrees that timeframe for payment (and any discounts) begins when the State is in receipt of each invoice meeting the minimum requirements above.
 - e. The Contractor shall complete and sign a "Substitute W-9 Form" provided to the Contractor by the State. The taxpayer identification number contained in the Substitute W-9 submitted to the State shall agree to the Federal Employer Identification Number or Social Security Number referenced in this Contract for the Contractor. The Contractor shall not invoice the State for services until the State has received this completed form.
- C.6. Payment of Invoice. The payment of the invoice by the State shall not prejudice the State's right to object to or question any invoice or matter in relation thereto. Such payment by the State shall neither be construed as acceptance of any part of the work or service provided nor as an approval of any of the amounts invoiced therein.
- C.7. Invoice Reductions. The Contractor's invoice shall be subject to reduction for amounts included in any invoice or payment theretofore made which are determined by the State, on the basis of audits conducted in accordance with the terms of this Contract, not to constitute proper remuneration for compensable services.
- C.8. Deductions. The State reserves the right to deduct from amounts which are or shall become due and payable to the Contractor under this or any Contract between the Contractor and the State of Tennessee any amounts which are or shall become due and payable to the State of Tennessee by the Contractor.
- C.9. Automatic Deposits. The Contractor shall complete and sign an "Authorization Agreement for Automatic Deposit (ACH Credits) Form." This form shall be provided to the Contractor by the State. Once this form has been completed and submitted to the State by the Contractor all payments to the Contractor, under this or any other Contract the Contractor has with the State of Tennessee shall be made by Automated Clearing House (ACH). The Contractor shall not invoice the State for services until the Contractor has completed this form and submitted it to the State.
- D. STANDARD TERMS AND CONDITIONS:**
- D.1. Required Approvals. The State is not bound by this Contract until it is approved by the appropriate State officials in accordance with applicable Tennessee State laws and regulations.
- D.2. Modification and Amendment. This Contract may be modified only by a written amendment executed by all parties hereto and approved by the appropriate Tennessee State officials in accordance with applicable Tennessee State laws and regulations.
- D.3. Termination for Convenience. The State may terminate this Contract without cause for any reason. Said termination shall not be deemed a Breach of Contract by the State. The State shall give the Contractor at least thirty (30) days written notice before the effective termination date. The Contractor shall be entitled to receive compensation for satisfactory, authorized service completed

as of the termination date, but in no event shall the State be liable to the Contractor for compensation for any service which has not been rendered. 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 the Contractor fails to properly perform its obligations under this Contract in a timely or proper manner, or if the Contractor violates any terms of this Contract, the State shall have the right to immediately terminate the Contract and withhold payments in excess of fair compensation for completed services. Notwithstanding the above, the Contractor shall not be relieved of liability to the State for damages sustained by virtue of any breach of this Contract by the Contractor.
- D.5. Subcontracting. The Contractor shall not 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 State. If such subcontracts are approved by the State, 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). Notwithstanding any use of approved subcontractors, the Contractor shall be the prime contractor and shall be responsible for all work performed.
- D.6. Conflicts of Interest. The Contractor warrants that no part of the total Contract 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.
- D.7. Nondiscrimination. The Contractor hereby agrees, warrants, and assures 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 Contractor on the grounds of disability, age, race, color, religion, sex, national origin, or any other classification protected by Federal, Tennessee State constitutional, or statutory law. The Contractor shall, upon request, show proof of such nondiscrimination and shall post in conspicuous places, available to all employees and applicants, notices of nondiscrimination.
- D.8. Prohibition of Illegal Immigrants. The requirements of Public Acts of 2006, Chapter Number 878, of the state of Tennessee, addressing the use of illegal immigrants in the performance of any Contract to supply goods or services to the state of Tennessee, shall be a material provision of this Contract, a breach of which shall be grounds for monetary and other penalties, up to and including termination of this Contract.
- a. The Contractor hereby attests, certifies, warrants, and assures that the Contractor shall not knowingly utilize the services of an illegal immigrant in the performance of this Contract and shall not knowingly utilize the services of any subcontractor who will utilize the services of an illegal immigrant in the performance of this Contract. The Contractor shall reaffirm this attestation, in writing, by submitting to the State a completed and signed copy of the document at Attachment A, hereto, semi-annually during the period of this Contract. Such attestations shall be maintained by the Contractor and made available to state officials upon request.
 - b. Prior to the use of any subcontractor in the performance of this Contract, and semi-annually thereafter, during the period of this Contract, the Contractor shall obtain and retain a current, written attestation that the subcontractor shall not knowingly utilize the services of an illegal immigrant to perform work relative to this Contract and shall not knowingly utilize the services of any subcontractor who will utilize the services of an illegal immigrant to perform work relative to this Contract. Attestations obtained from such subcontractors shall be maintained by the Contractor and made available to state officials upon request.
 - c. The Contractor shall maintain records for all personnel used in the performance of this Contract. Said records shall be subject to review and random inspection at any reasonable time upon reasonable notice by the State.

- d. The Contractor understands and agrees that failure to comply with this section will be subject to the sanctions of Public Chapter 878 of 2006 for acts or omissions occurring after its effective date. This law requires the Commissioner of Finance and Administration to prohibit a contractor from contracting with, or submitting an offer, proposal, or bid to contract with the State of Tennessee to supply goods or services for a period of one year after a contractor is discovered to have knowingly used the services of illegal immigrants during the performance of this Contract.
- e. For purposes of this Contract, "illegal immigrant" shall be defined as any person who is not either a United States citizen, a Lawful Permanent Resident, or a person whose physical presence in the United States is authorized or allowed by the federal Department of Homeland Security and who, under federal immigration laws and/or regulations, is authorized to be employed in the U.S. or is otherwise authorized to provide services under the Contract.
- D.9. Records. The Contractor shall maintain documentation for all charges under this Contract. The books, records, and documents of the Contractor, insofar as they relate to work performed or money received under this Contract, shall be maintained for a period of three (3) full years from the date of the final payment and shall be subject to audit at any reasonable time and upon reasonable notice by the State, the Comptroller of the Treasury, or their duly appointed representatives. The financial statements shall be prepared in accordance with generally accepted accounting principles.
- D.10. Prevailing Wage Rates. All contracts for construction, erection, or demolition or to install goods or materials that involve the expenditure of any funds derived from the State require compliance with the prevailing wage laws as provided in *Tennessee Code Annotated*, Section 12-4-401 *et seq.*
- D.11. Monitoring. The Contractor's activities conducted and records maintained pursuant to this Contract shall be subject to monitoring and evaluation by the State, the Comptroller of the Treasury, or their duly appointed representatives.
- D.12. Progress Reports. The Contractor shall submit brief, periodic, progress reports to the State as requested.
- D.13. 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.14. 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.
- The Contractor, being an independent contractor and not an employee of the State, agrees to carry adequate public liability and other appropriate forms of insurance, including adequate public liability and other appropriate forms of insurance on the Contractor's employees, and to pay all applicable taxes incident to this Contract.
- D.15. State Liability. The State shall have no liability except as specifically provided in this Contract.
- D.16. 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.17. State and Federal Compliance. The Contractor shall comply with all applicable State and Federal laws and regulations in the performance of this Contract.
- D.18. 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.19. 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.20. 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.21. 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:

Melvin O'Neal, Accounting Manager
TN Department of Labor & Workforce Development
220 French Landing Drive, A-4
Nashville, TN 37243
Telephone # 615-532-1071
FAX # 615-741-3002

The Contractor:

Maureen Bucek
C2T, Inc. dba Clear2there
4211 N. Barnes Ave.
Oklahoma City, OK 73112
mbucek@clear2there.com
Toll free # 1-800-210-2172
Telephone # 405-948-1797
FAX # 405-948-9222

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

- E.3. Subject to Funds Availability. The Contract is subject to the appropriation and availability of State and/or Federal funds. In the event that the funds are not appropriated or are otherwise unavailable, the State reserves the right to terminate the Contract upon written notice to the Contractor. Said termination shall not be deemed a breach of Contract by the State. Upon receipt of the written notice, the Contractor shall cease all work associated with the Contract. Should such an event occur, the Contractor shall be entitled to compensation for all satisfactory and authorized services completed as of the termination date. Upon such termination, 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.
- E.4. Tennessee Consolidated Retirement System. The Contractor acknowledges and understands that, subject to statutory exceptions contained in *Tennessee Code Annotated*, Section 8-36-801, *et. seq.*, the law governing the Tennessee Consolidated Retirement System (TCRS), provides that if a retired member of TCRS, or of any superseded system administered by TCRS, or of any local retirement fund established pursuant to *Tennessee Code Annotated*, Title 8, Chapter 35, Part 3 accepts state employment, the member's retirement allowance is suspended during the period of the employment. Accordingly and notwithstanding any provision of this Contract to the contrary, the Contractor agrees that if it is later determined that the true nature of the working relationship between the Contractor and the State under this Contract is that of "employee/employer" and not that of an independent contractor, the Contractor may be required to repay to TCRS the amount of retirement benefits the Contractor received from TCRS during the period of this Contract.
- E.5. Voluntary Buyout Program. The Contractor acknowledges and understands that, for a period of two years beginning July 16, 2008, restrictions are imposed on former state employees who received a State of Tennessee Voluntary Buyout Program (VBP) severance payment with regard to contracts with state agencies that participated in the VBP.
- a. The State will not contract with either a former state employee who received a VBP severance payment or an entity in which a former state employee who received a VBP severance payment or the spouse of such an individual holds a controlling financial interest.
 - b. The State may contract with an entity with which a former state employee who received a VBP severance payment is an employee or an independent contractor. Notwithstanding the foregoing, the Contractor understands and agrees that there may be unique business circumstances under which a return to work by a former state employee who received a VBP severance payment as an employee or an independent contractor of a State contractor would not be appropriate, and in such cases the State may refuse Contractor personnel. Inasmuch, it shall be the responsibility of the State to review Contractor personnel to identify any such issues.
 - c. With reference to either subsection a. or b. above, a contractor may submit a written request for a waiver of the VBP restrictions regarding a former state employee and a contract with a state agency that participated in the VBP. Any such request must be submitted to the State in the form of the *VBP Contracting Restriction Waiver Request* format available from the State and the Internet at: www.state.tn.us/finance/rds/ocr/waiver.html. The determination on such a request shall be at the sole discretion of the head of the state agency that is a Party to this Contract, the Commissioner of Finance and Administration, and the Commissioner of Human Resources.
- E.6. Insurance. The Contractor shall carry adequate liability and other appropriate forms of insurance.
- a. The Contractor shall maintain, at minimum, the following insurance coverage:
 - (1) Workers' Compensation/ Employers' Liability (including all states coverage) with a limit not less than the relevant statutory amount or one million dollars (\$1,000,000) per occurrence for employers' liability whichever is greater.
 - (2) Comprehensive Commercial General Liability (including personal injury & property damage, premises/operations, independent contractor, contractual liability and completed operations/products) with a bodily injury/property damage combined

single limit not less than one million dollars (\$1,000,000) per occurrence and two million dollars (\$2,000,000) aggregate.

- b. At any time State may require the Contractor to provide a valid Certificate of Insurance detailing Coverage Description; Insurance Company & Policy Number; Exceptions and Exclusions; Policy Effective Date; Policy Expiration Date; Limit(s) of Liability; and Name and Address of Insured. Failure to provide required evidence of insurance coverage shall be a material breach of this Contract.

- E.7. Confidentiality of Records. Strict standards of confidentiality of records shall be maintained in accordance with the 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 State law and ethical standards and 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 State law and ethical standards.

The Contractor will be deemed to have satisfied its obligations under this section by exercising the same level of care to preserve the confidentiality of the State's information as the Contractor exercises to protect its own confidential information so long as such standard of care does not violate the applicable provisions of the first paragraph of this section.

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.

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

- E.8. Annual Report and Audit. The Contractor shall prepare and submit, within nine (9) months after the close of the reporting period, an annual report of its activities funded under this Contract to the commissioner or head of the contracting agency, the Tennessee Comptroller of the Treasury, and the Commissioner of Finance and Administration. The annual report for any Contractor that receives five hundred thousand dollars (\$500,000) or more in aggregate federal and state funding for all its programs shall include audited financial statements. All books of account and financial records shall be subject to annual audit by the Tennessee Comptroller of the Treasury or the Comptroller's duly appointed representative. When an audit is required, the Contractor may, with the prior approval of the Comptroller, engage a licensed independent public accountant to perform the audit. The audit contract between the Contractor and the licensed independent public accountant shall be on a contract form prescribed by the Tennessee Comptroller of the Treasury. Any such audit shall be performed in accordance with generally accepted government auditing standards, the provisions of OMB Circular A-133, if applicable, and the *Audit Manual for Governmental Units and Recipients of Grant Funds* published by the Tennessee Comptroller of the Treasury. The Contractor shall be responsible for reimbursement of the cost of the audit prepared by the Tennessee Comptroller of the Treasury, and payment of fees for the audit prepared by the licensed independent public accountant. Payment of the audit fees of the licensed independent public accountant by the Contractor shall be subject to the provisions relating to such fees contained in the prescribed contract form noted above. Copies of such audits shall be provided to the designated cognizant state agency, the State Contracting Department, the Tennessee Comptroller of the Treasury, and the Department of Finance and Administration and shall be made available to the public.
- E.9. Printing Authorization. The Contractor agrees that no publication coming within the jurisdiction of *Tennessee Code Annotated*, Section 12-7-101, *et. seq.*, shall be printed unless a printing

authorization number has been obtained and affixed as required by *Tennessee Code Annotated*, Section 12-7-103 (d).

- E.10. Workpapers Subject to Review. The Contractor shall make all audit, accounting, or financial analysis workpapers, notes, and other documentation available for review by the Comptroller of the Treasury or his representatives, upon request, during normal working hours either while the analysis is in progress or subsequent to the completion of this Contract.
- E.11. 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 that the Contractor or the Contractor's services are endorsed. It is expressly understood and agreed that the obligations set forth in this section shall survive the termination of this Contract in perpetuity.
- E.12. Lobbying. The Contractor certifies, to the best of its knowledge and belief, that:
- a. No federally appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal contract, grant, loan, or cooperative agreement.
 - b. If any funds other than federally appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this contract, grant, loan, or cooperative agreement, the Contractor shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.
 - c. The Contractor shall require that the language of this certification be included in the award documents for all sub-awards at all tiers (including subcontracts, sub-grants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into and is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, *U.S. Code*.

- E.13. Debarment and Suspension. The Contractor certifies, to the best of its knowledge and belief, that it, its current and future principals, its current and future subcontractors and their principals:
- a. are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any federal or state department or agency;
 - b. have not within a three (3) year period preceding this Contract been convicted of, or had a civil judgment rendered against them from commission of fraud, or a criminal offence in connection with obtaining, attempting to obtain, or performing a public (federal, state, or local) transaction or grant under a public transaction; violation of federal or state antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification, or destruction of records, making false statements, or receiving stolen property;
 - c. are not presently indicted or otherwise criminally or civilly charged by a government entity (federal, state, or local) with commission of any of the offenses detailed in section b. of this certification; and

- d. have not within a three (3) year period preceding this Contract had one or more public transactions (federal, state, or local) terminated for cause or default.

The Contractor shall provide immediate written notice to the State if at any time it learns that there was an earlier failure to disclose information or that due to changed circumstances, its principals or the principals of its subcontractors are excluded or disqualified.

E.14. Copyrights and Patents. 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 or suits which may be brought against the State for infringement of any laws regarding patents or copyrights which may arise from the Contractor's performance of this Contract. In any such action brought against the State, the Contractor shall satisfy and indemnify the State for the amount of any final judgment for infringement. The Contractor further agrees it shall be liable for the reasonable fees 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. The State shall give the Contractor written notice of any such claim or suit and full right and opportunity to conduct the Contractor's own defense thereof.

E.15. 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.

IN WITNESS WHEREOF,

C2T, Inc. dba Clear2there:

CONTRACTOR SIGNATURE

DATE

Kelly Carlton, Vice President of Operation

TENNESSEE DEPARTMENT OF LABOR AND WORKFORCE DEVELOPMENT:

JAMES G. NEELEY, COMMISSIONER

DATE

ATTESTATION RE PERSONNEL USED IN CONTRACT PERFORMANCE

SUBJECT CONTRACT NUMBER:	33710-67410
CONTRACTOR LEGAL ENTITY NAME:	C2T, Inc. dba Clear2there
FEDERAL EMPLOYER IDENTIFICATION NUMBER: (or Social Security Number)	73-1329974

The Contractor, identified above, does hereby attest, certify, warrant, and assure that the Contractor shall not knowingly utilize the services of an illegal immigrant in the performance of this Contract and shall not knowingly utilize the services of any subcontractor who will utilize the services of an illegal immigrant in the performance of this Contract.

CONTRACTOR SIGNATURE

NOTICE: This attestation MUST be signed by an individual empowered to contractually bind the Contractor. If said individual is not the chief executive or president, this document shall attach evidence showing the individual's authority to contractually bind the Contractor.

Kelly Carlton, Vice President of Operation

DATE OF ATTESTATION



OIR Pre-Approval Endorsement Request E-Mail Transmittal

TO : Jane Chittenden, OIR Procurement & Contract Management Director
Department of Finance & Administration
E-Mail : Jane.Chittenden@tn.gov

FROM : Melvin O'Neal, Contract Coordinator
Labor and Workforce Development
E-Mail : melvin.oneal@tn.gov

DATE : 4/13/2010

RE : Request for OIR Pre-Approval Endorsement

APPLICABLE RFS #	AGENCY-ASSIGNED TRACKING #3371067410
OIR ENDORSEMENT SIGNATURE & DATE :	
<i>FOR TECHNICAL MERIT ONLY</i>	
<i>Mark Bengel (H)</i> <i>4/28/10</i>	
Chief Information Officer	
<i>NOTE: Proposed contract/grant support is applicable to the subject IT service technical merit.</i>	

Office for Information Resources (OIR) pre-approval endorsement appears to be required pursuant to professional service contracting regulations pertaining to procurements with information technology as a component of the scope of service. This request seeks to ensure that OIR is aware of and has an opportunity to review the procurement detailed below and in the attached documents.

Please document OIR endorsement of the described procurement (with the appropriate signature above), and return this document via e-mail at your earliest convenience.

1 SUBJECT PROCUREMENT DOCUMENT TYPE (mark one) :
<input type="checkbox"/> RFP <input type="checkbox"/> Competitive Negotiation Request <input type="checkbox"/> Alternative Procurement Method Request <input checked="" type="checkbox"/> Non-Competitive Contract Request <input type="checkbox"/> Non-Competitive Amendment Request <input type="checkbox"/> Contract <input type="checkbox"/> Contract Amendment <input type="checkbox"/> Grant <input type="checkbox"/> Grant Amendment
2 INFORMATION SYSTEMS PLAN (ISP) PROJECT APPLICABILITY :
<input checked="" type="checkbox"/> Not Applicable to this Request <input type="checkbox"/> Applicable – ISP PROJECT # RESPONSE CONFIRMED BY : Carla Farris, Assistant Administrator, Information Technology
3 CONTRACTING AGENCY CONTACT :
Melvin O'Neal, Contract Coordinator TELEPHONE # 615 532-1071 Melvin.oneal@tn.gov

APPLICABLE RFS # AGENCY-ASSIGNED TRACKING #3371067410

4 - SUBJECT INFORMATION TECHNOLOGY SERVICE DESCRIPTION:

On-line web conferencing system designed for the appellate review process specifically for use in Appeals Operation and combining long distance and conference bridge services with a service to digitally record hearings for Administrative hearings

5 REQUIRED ATTACHMENT(S) AS APPLICABLE (copies without signatures acceptable) :

- RFP, Competitive Negotiation Request, Alternative Procurement Method Request, or Non-Competitive Contract/Amendment Request**
- proposed contract/grant or amendment**
- original contract/grant & any prior amendments**

TO: James G. Neeley
Commissioner

Don Ingram
Administrator
Tennessee Department of Labor and Work Force
Development

Michael Thomason
Assistant Administrator

FROM: Lynda McDaniel
Director Appeals Operations

January 8, 2010

PROPOSAL for Clear2There

Clear2There combines long distance and conference bridge services with a service to digitally record hearings for Administrative hearings. The Agency will not need to purchase, lease, house or maintain any hardware, software, or server associated with conference bridging or digital recording.

The Clear2There system will be accessible to all hearing receptionists, hearing officers, both higher and lower authority, from their individual locations whether that is their state office, an itinerant location, home office, etc. via the internet. All access is secure.

The features of this system are as follows:

- Automatic dialing of telephone numbers for conference participants. This will eliminate the caller identify which will avoid return calls from parties and prevent *ex parte* communication
- Mute and Unmute any conference line
- Add and drop participants at any time during the conference call

- Possible audible cue for conference host if party becomes disconnected and a visual listing of party who was disconnected which will avoid rescheduling for the lost call
- International calls at no extra cost
- System redundancy, fault tolerance and disaster recovery features
- Indexable Recordings: Search by case #, docket number, Hearing Officer name, and hearing date
- High quality recordings- clarity, non- distortion
- Allows access, selection and playback of any prior hearing recordings or any earlier portions of the current recording during the conference hearing so that the participants on the call can hear the playback
- Automatic bookmarks in the recording to tag noteworthy events such as when participants join or leave the call, or the playback of a prior recording begins or ends
- Allows users to enter additional bookmarks from a pick list or their own text tag
- Allows easy retrieval of recordings for downloading that can be replayed with CLEAR2THERE application or through any media player with the mp3 format at no extra cost
- Burn recordings to CD with standard commercial software
- Allows sending copies of hearing recordings as email attachments
- Users can add case notes to the case that are viewable by all other users
- Correction or contact information received by the support staff can be entered directly into Clear2There to enable the Hearing Officer to do one-click dialing to connect the party at the time of the hearing.

Additional features for management:

- Clear2There generates itemized monthly reports showing usage of the conference bridge by user name, length of call, number called, date and time of call, and cost of call. The on-line report allows viewing usage or billing information at any time and for any period.
- Clear2There retains recordings for any retention period specified by the contract.

- Clear2There provides training in use of the service to personnel at the time of initial deployment of service. Training materials are provided. Training includes lecture/demonstration to learn the functions followed by exercises in hands on experience.

Advantages to the Appeals Process

- Multiple party connections to ensure participation of all parties, representatives and witnesses
- Allows as many or as few participants as needed for completion of the hearing
- Clear connections through the bridge for clarity and volume control
- Allows for use through our current phone system to allow parties both in person and by telephone for split hearings
- Off site storage of recordings for security and disaster recovery
- In the event of a disaster, hearings can be conducted via internet from remote locations without making any special arrangements regarding the phones or hardware.

Financial Considerations

The Clear2There conferencing, recording, storage and retrieval and playback service is priced on the basis of minutes of time on telephone lines into the conference bridging system. The only charges are incurred at the time a Hearing Officer dials him/herself into the bridge to record an in-person hearing, or dials him/herself and other parties into the conference for a telephone hearing.

Assuming a "normal" recording retention requirement of 2 or 3 years, and "guesstimating" the annual volume of usage of the system [I'm guessing less than Texas and more than Mississippi], the cost to our agency would run between 9 cents and 11 cents per minute, per line in the hearing. This covers all the costs for setup and training, long distance charges and conferencing charges for telephone hearings, recording, storage of recording for multi-year retention period, back-up copies of recordings and disaster recovery off-site storage of recordings.

The Agency does not need any special hardware or software to use Clear2There. Since we are using Internet Explorer as our web

browser, and have an internet connection, we can access all Clear2There services, functions and features. Hearing officers can use any type of phone to connect themselves to the recording bridge. Clear2There does not charge any license fees and there are no separate maintenance costs. Maintenance and support of the system is included in the per minute charge. The hearing recordings belong to our agency. Clear2There simply provides the service to create and store those recordings.

The Clear2There service has been used by the Texas Workforce Commission for almost 5 years. Other customers include the Unemployment Insurance and labor-related programs in Mississippi, Oklahoma, Virginia, Arizona, and Minnesota. Three of the oldest contracts came up for renewal last year and every customer renewed their contract. Clear2There is currently working with several other states in gathering information to help them get bureaucratic approvals for Clear2There services. In addition to my discussions with representative of Clear2There, I have spoken to appeals personnel in these states that have used the program. I have received no negative feedback. Reports are positive about ease, efficiency and time savings provided by Clear2There. Clear2There promptly addresses any problems from any source, whether it is operator error or a perceived problem with the system.

We pay only for the amount of conferencing and recording service we use each month. Thus, the service costs scale up or down to match our caseload needs-- no need for desktop/handheld recorders to get thrown on a shelf to gather dust when the unemployment level drops. When the workload drops, the cost of the system will drop proportionately.

There is never any separate or extra charge other than that monthly bill for the usage; no charges for setup or deployment or training, no license fees or maintenance agreements. Clear2There owns all the hardware and software necessary to create the conferences and recordings-- so the states own nothing that needs to be maintained.

We have anytime access on-line to a detailed report of the bill that shows every hearing, every number dialed and the length of time that line was on the conference, the cost per line in the conference, total cost for that hearing and monthly totals of minutes used. The bill is broken down by any program type and cost center that we want.

Hearing officers can easily change locations [telecommuting, assignment to temporary offices, etc.] because they can hold hearings from any place with an internet connection and a phone that will ring. This makes Clear2There an ideal tool for Disaster Recovery plans because of its universal secure access. Also, we can easily do what Mississippi is doing right now-- hire retired Hearing Officers from across the country to work from home on a temporary project to handle the caseload spikes occasioned by the current economic conditions. All Mississippi has to do to prepare these temporary Hearing Officers to conduct and record telephone hearings from different locations around the nation is to add their names and phone numbers to the User Profiles in Clear2There and allow them active access to the CLEAR2THERE website. No muss, no fuss.

Clear2There is rolling out a new enhancement to provide a website where parties can go to self-register their phone numbers as an alternative to calling in to our agency to leave the phone number where they can be reached for the hearing. This is another solution to reduce rescheduling because we have incorrect numbers. It also eliminates any time delays or errors in transposing numbers because another person has to handle the transfer of information.

Philosophy

This proposal is based on three strongly held principles.

First, to maintain the commitment of the Tennessee Department of Labor and Work Force Development to provide prompt and clear hearings to the case participants.

Second to provide the highest quality of service to members of our division, the Courts and the general public we serve.

Third, to maintain those services within Federal and Departmental budgetary guidelines and restraints.

Description of current situation

Currently the Appeals Tribunal is using a digital recording system with Phillips hand-held recorders. The recorders are priced at \$299.00 each plus \$75.00-100.00 for the power supply or the costs of regularly replacing batteries. We have no extras for backup recorders available at this time. If there is a technical problem, we are making repairs when possible and using cassette recorders as backup.

We are beginning to have failures in our digital recorders that indicate they will have to be replaced in the near future. For each recorder, we also need extra memory cards to record a full day of hearings. With the current staff of 26 Appeals hearing officers and four Board hearing officers using the equipment, that replacement will have an estimated cost of \$13,625.00 plus the market price for the extra memory cards. Our experience has been that each time we reorder, the recorders have been updated and we are expecting a software change at an additional cost plus installation into our state system.

Since Appeals Operations began telephone hearings approximately 15 years ago, we have had problems with the telephone system that we have been unable to resolve. We are restricted to connecting only two parties in a telephone hearing which limits the representatives, attorneys or witnesses. If three or more participants are involved, the parties must have the capability of conferencing in that additional participant or being at the same location. When that happens, the parties and the hearing officer frequently have difficulty hearing. Many cases have to be rescheduled to in person hearings which causes additional delays to the parties and affects our capability of providing the parties with a prompt hearing.

To resolve this problem, we need bridge capabilities. For each hearing officer to have such access during hearing times, would be unreasonably expensive because these hearings are going on simultaneously across the state. Each hearing officer would need separate bridge access. The Clear2There program will provide one bridge system available to all participants.

With the steady increase in workload, we have needed additional server space and have had to install additional server space for our renaming process. That would no longer be necessary because Clear2There would eliminate our renaming from Phillips file names to Appeals Tribunal file names and provide the off-site storage facilities for security and disaster recovery. At this time, all our digital files are located at our present location. It will also eliminate the renaming errors and duplicate or blank files created by hearing officers during the transfer, avoiding additional reschedules.

Clear2There will replace the costs of our digital recording system, our digital data storage, our long distance charges and eliminate the problems with our current phone system. The Appeals Tribunal will not have the costs of increasing our server storage space, replacing the digital recorders or replacing our telephone system.

Sole source is appropriate because Clear2There was created for appeals and the appeals process. There is no other program created by appeals for appeals. It works for both the Appeals Tribunal and the Board of Review because of the easy access. It is also possible for management to have access or anyone in the agency that might need access to the program.