

FELLOWES®

TA 497 Inmate Payphone Invitation to Bid Number 12-X-2238645 Bidder's Questions and Answers

Question 1.

Also, there are many ITB specifications that indicate the State's expectation that "the awarded vendor" must or shall or will do certain things or provide certain information. This seems to indicate that the State is only looking for detailed information for the ITB specification from the vendor that is chosen as the highest bidder and awarded the contract. Is it the State's preference that vendor's simply provide an answer indicating that we have understood and will comply with each specification or that each vendor provide detailed information and/or samples for each specification in order in the bid?

Answer to question 1.

A vendor, by returning a signed bid, indicates that the ITB requirements are understood and the vendor will comply with the requirements. A response to each requirement of the awarded vendor is not required. Also, detailed information required of the awarded vendor is not required to be submitted with the bid.

Question 2.

Page 2 – Section 6.3 – Customer References

Will the STATE consider requiring additional customer references, including a listing of all state accounts served as prime contractor during the past 4 years (with an indication of whether the account is a current or past customer)? This additional requirement could provide a more accurate picture of vendors' service history across their entire customer base.

Answer to question 2.

Additional customer references will not be required and no additional credit will be given for listing more than the required references.

Question 3.

Page 4 – Section 8.6.4 – Fees to Inmate Friends and Family

In research of the current vendor we found the following:

- Deposits by Western Union appeared to incur a fee of \$5.00 and up, depending on location and amount funded
- Prepaid account refunds appeared to incur a fee of \$5.00
- A \$50 prepaid account funding by IVR and web appeared to incur a fee of

\$9.50

Is the STATE able to confirm these amounts? In addition, we respectfully request two additional requirements for this section:

- a) Vendors to affirm that they will disclose all fees and policies to end-users prior to them being charged
- b) Vendors to detail in their responses how they identify AL DOC end-users in order to apply appropriate fees at the time of account funding

Answer to question 3.

The State is unable to confirm the amounts questioned. ADOC expects the awarded vendor to follow the fee schedule in section 8.6.4. Additional fees are not allowed.

The State declines to add the two additional requirements suggested for this section.

Question 4.

Page 3 – 8.5.1 – Certification, and 8.6.2. Inmate Rates

In Section 8.6.2, the STATE requires a vendor to hold a Certificate of Public Convenience and Necessity to Provide Inmate Phone Service. The ITB was released on March 20 and, unfortunately, submissions for the April Public Service Commission docket closed that day. Approval from the May docket should occur on or about May 3. Would the STATE consider amending this requirement to allow a vendor to provide this certification subsequent to bid submission but prior to award?

Answer to question 4.

The deadline for bid submission will be extended to May 8, 2012.

Question 5.

Page 16 – 10.7 – Unprofitable Pay Telephones

This section states that the "...vendor may petition the STATE for relocation of the telephone" in situations where the revenue generated does not cover the expenses. Would the STATE consider changing the language to state "...relocation or removal...?"

Answer to question 5.

Yes. 10.7 has been amended to accommodate this request.

Question 6.

Page 22 – Section 11.2.10 - Directories

Will the STATE consider allowing a free call to 411 from the payphone in place of requiring directories?

Answer to question 6.

Directories are required.

Question 7

Page 22 – Section 11.2.14.2 - Use of existing enclosures
Will the STATE allow the purchase of existing payphones, enclosures and TDD units from the current vendor?

Answer to question 7.

The purchase of existing payphones, enclosures and TDD units from the current vendor is considered a business transaction between the vendors. Existing payphones, enclosures and TDD units currently installed and in good working order are acceptable.

Question 8.

Page 26 – Section 11.3.4.8. – Cabling

- a) Is the inside wiring that each phone is connected to owned by the STATE?
- b) Will the STATE explain what cabling is owned by the current vendor that can be acquired or leased?
- c) Are there any sites that have major cable issues or no more plant facilities available?

Answer to question 8.

- a) The inside wiring that each phone is connected to is owned by the State with the exception of the Holman, J.O. Davis, Fountain and Atmore facilities. Converting those facilities to State owned wiring is currently being studied.
- b) The current vendor does not own inside cabling that each phone is connected to.
- c) The State is not aware of major cable issues or limitations of plant facilities available.

Question 9.

Additional Value Added Products and Service – General Question

Will the STATE please advise if there is an interest and corresponding impact on evaluation and scoring for additional features that will enhance the inmate telephone system (ITS) functionality, security while automating to reduce staff resources? For example:

- a) Interface the ITS with offender management and trust systems for automatic population of inmate information without dual entry and offer the inmate the option of purchasing calling time and commissary items which will benefit the STATE as well as the inmate.
- b) Page 27 – Section 11.3.5.4 – Storage Requirements, increase the provision of storage required from 90 days to the length of the

contract as this could aid investigations without impacting financial / per diem offers.

If these features and processes are desired, will the STATE consider making these a requirement and or assign Bid Evaluation weighting?

Answer to question 9.

Additional value added products will not be considered or evaluated during the bid process.

Question 10.

Attachment C – Revenue Summary

In order to provide the best per diem offer, would the STATE provide some additional data regarding existing calling patterns:

- a) The number of calls by jurisdiction and month, in addition to the revenue and minutes already provided?
- b) InterLATA calling broken out by intrastate vs. interstate?
The overall percentage of revenue that is collect vs. prepaid?

Answer to question 10.

Additional calling data will not be provided by the State.

Question 11.

General – Inmate rules for telephone system access

- a) Does the STATE utilize any disciplinary restrictions to the inmate telephone system beyond those described in AR #431?
- b) On average how many inmates are restricted from using the telephones – in particular, Administrative Segregation, Disciplinary Segregation, and any other restriction defined outside AR #431 – at any given time?

Answer to question 11.

Inmate phone usage may also be restricted under AR 403 and AR 414.

Data on inmate phone restrictions is not collected.

Question 12.

The current phone ITB appears to have a statement regarding an additional service the phone can provide electronic money transfer services under section 8.6.4

Are you able to clarify for me if this is an option? And if it is NOT, how we can clarify that within the ITB?

Answer to question 12.

The electronic transfers referred to in the ITB are funds paid directly to the inmate phone vendor designated for the purchase of inmate phone time in accounts set up and maintained by the vendor. These do not represent fund transfers into the ADOC financial system.

JPay currently performs services for electronic money transfers of funds from family and friends to individual inmate accounts which are not related to the inmate phone system.

Question 13.

Given the fact that this is a bid and that the highest "Per Diem" rate will win, will the State consider requiring all vendors, inclusive of the incumbent, to provide all new equipment including inmate telephones AND pay telephones? This will provide a true open competitive bid with a level playing field for all vendors, while assuring that the State receives new equipment from any vendor that is awarded the bid.

Answer to question 13.

The state will not consider this requirement. All installed equipment must be operational.

Question 14.

Bid Instructions – Page 4 – It is noted that the State of Alabama is exempt from paying Sales Tax. In a debit calling environment, the Inmates would be paying the Sales Tax, not the State. Is it correct to expect that the Inmates are not exempt from paying Sales Tax?

Answer to question 14.

Inmate pay phones are governed by the PSC under Docket 15957.

Question 15.

During the transition to a new vendor, the number of inmates in custody using a new vendor's system will change from day to day which would affect the "Per Diem" amount owed by a new vendor. Will the State describe how the "Per Diem" amounts will be prorated during the transition from the incumbent to a new vendor?

Answer to question 15.
State will charge per diem for the average number of inmates at each facility starting on the day of activation.

Question 16.

ITB Page 5, Section 8.9.4 indicates that there are 400 pay telephones; however the Attachments list only 309. Will the State confirm that only the 309 payphones are required or provide the listing of locations for the other 91 pay telephones?

Answer to question 16.

There are approximately 312 pay telephones. Section 8.9.4 has been amended to reflect this.

Question 17.

Please provide the current rates being charged for both inmate and pay telephone service by the existing vendor?

Answer to question 17.

Current Inmate rates are included in the ITB at 8.6.2. Pay telephone rates must be reasonable and customary, without any special surcharges of any kind.

Question 18.

Section 8.14.2 provides a listing of calling types that are to be considered commissionable public payphone revenue. This statement however includes multiple calling types where the vendor would not receive the revenue such as 1-800-xxx-xxxx. Please confirm that the ADOC understands that commissions would not be paid on calling types listed were the vendor does not receive the revenues.

Answer to question 18.

The vendor is not responsible for commissions on revenue that is not received.

Question 19.

With regard to any calculation of Gross Revenue for use in payment of any commissions, please confirm that the ADOC understands that taxes, tax like surcharges or any other fees that may be mandated by any governmental taxing authority and charged to the end user will NOT be included in total Gross Revenue calculations.

Answer to question 19.

Gross revenue calculations are not applicable to per diem rates.

Question 20.

Section 8.14.5 states that Commissions will be calculated by multiplying the average number of inmates in ADOC custody for the month by the vendor's per diem rate multiplied by the number of days in the billing month. Please provide the specific process that the State will utilize to ensure accuracy taking into account inmate release and intake factors.

Answer to question 20.

The State will calculate the average daily inmate population and will provide it to vendor.

Question 21.

Section 11.1.7 states that the DOC will work with the vendor on the mix of pay telephone types. Section 10.7 states that unprofitable phones can be **relocated** (not just removed) unless they are required for other reasons. Will the State confirm that the **number** of payphones can also be adjusted as well?

Answer to question 21.

Yes. 10.7 has been amended to accommodate this request.

Question 22.

Section 10.4.1.2 states that the commission will be reported by call type, per phone, location, and accounting code. Because the commission is based on the per diem method (which will only be known after we get the count from the DOC), there is a possibility that the monthly reports (which are calculated from usage) broken out by the specified criteria will not match the commission reports. Is this acceptable to the DOC or will the DOC alter the reporting criteria in the bid?

Answer to question 22.

Commission reports do not apply to the ADOC.

Question 23.

The ITB requires a Commission Bond in the amount of \$5,000,000; however, the State is currently only receiving a little more than \$4,000,000 in commission dollars. Will the State consider limiting the bond to one year's estimated per diem/commissions total? Alternatively, will the State accept a majority (i.e. 85-90%) of the per diem/commissions in an upfront annual payment, with an annual true-up, as an alternative to the commission bond?

Answer to question 23.

The \$5,000,000 bond requirement stands.

Question 24.

Will vendors receive any additional bid credit for offering lower call rates and/or fees?

Answer to question 24.

No additional credit will be given for offering lower call rates and/or fees.

Question 25.

Will vendors receive any additional credit for offering additional technology or value added services or will this bid be awarded strictly based on the vendor's financial offer and ability to meet the specifications and requirements?

Answer to question 25.

No additional credit will be given for additional technology or value added services.

Question 26.

8.10. ADMINISTRATIVE FEE: The awarded BIDDER shall pay each month to ISD an administrative fee in the amount of 1.5% (.015) of all commissions remitted under this contract during the prior month. The administrative fee will be paid to ISD each month before the 20th and will represent 1.5% (.015) of all commissions remitted under this contract during the prior month and adjustments for error corrections associated with earlier months. This fee shall not be included as a separate charge to any entity. Failure to comply with provisions of this paragraph will be grounds for the State's termination of the contract with the awarded BIDDER.

Please clarify - does this fee apply to inmate telephone revenue only or does it apply to inmate and public coin phones?

Answer to question 26.

The administrative fee applies to both inmate phone commissions and public pay phone commissions.

Question 27.

11.3.5.1 Storage on a hard drive for up to 90 days
This is a recommendation and not a question. As the incumbent vendor we have occasionally had situations where Randy Yarborough's investigation team has needed recordings older than 90 days. We recommend that you increase this requirement to 365 days online storage.

Answer to question 27.

Storage requirements will remain as specified in 11.3.5.4.

11.3.7.6 A toll-free communications linelink to each institution.

Please clarify what is being referred to as the "toll-free communication linelink"?

Answer to question 28.

A "toll-free communication linelink" refers to a database line/link to each institution at no cost to the ADOC.

Question 29.

There's two numbers that are used in the documents to identify the ITB. On the standard terms and conditions, the first page, there's a number that's 12-X-2238645. And then on page one of the bid, it's TA497. Just want to clarify which number you want us to identify our bid package.

Answer to question 29.

12-X-2238645 is the Invitation to Bid number. You will use this number to identify your bid on the bid envelope/package as instructed on page 2 of the ITB. TA497 is the number assigned to the contract itself, not the ITB.

Question 30.

Are we to respond and fill out the standard terms and conditions document?

Answer to question 30.

The document referred to is the Invitation to Bid Document (ITB), and yes, this document must be completed and submitted as instructed on page 2 of the ITB.

Question 31.

Is the Price Sheet at the end of this document where the STATE wants the per diem and commission offer?

Answer to question 31.

The per diem and commission offer is filled out on page 9 of the ITB.

Question 32.

Certain vendors have adopted a process of reclassifying calls such as promotional calls that are not considered to be a "traditional inmate collect call" and consumers are charged \$14.99 for this type of call. Please confirm that all completed calls originating from the correctional facilities as part of this contract are subject to the maximum allowable rates on page 4 of the ITB.

Answer to question 32.

All inmate phone charges are governed by the Alabama Public Service Commission Docket 15957.

Question 33.

In today's inmate calling environment, a large number of calls are completed to called parties who have pre-paid accounts. Certain vendors have adopted a process of charging for "taxes and regulatory assessments" at the time of the deposit when funding these prepaid accounts before any calls are received and services are provided and masquerading the fact they say their offer doesn't contain fees. These assessments are as high as 32% of the deposit amount without knowing whether the call is a local or interstate call. Please confirm that if a called party is funding a prepaid account the vendor can only charge a nominal service fee as outlined on page 4 of the ITB for the deposit and only assess the actual taxes and the approved regulatory assessments at the time the call is completed. Please confirm that vendors may not charge a rounded or blended amount but must charge the actual tax percentage on the actual rated cost of the call. This will ensure the inmate's family and friends only pay for taxes and regulatory assessments based on the actual calls placed and not before service is provided to the family member.

Answer to question 33.

All inmate phone charges are governed by the Alabama Public Service Commission Docket 15957.

Question 34.

6.3 Customer References – Please confirm the references provided must be from the Prime Contractor and not a subcontractor (e.g. a platform provider bidding as a sub to another prime contractor) used to 'qualify' the Prime Contractor.

Answer to question 34.

As stated in the ITB section 6.3, "Vendors must provide with their bid references a minimum of three (3) customers who are currently using the same software and hardware offered with the bid response. At least one of the references must be a state department of corrections or federal prison currently using the proposed system."

Question 35.

6.3 Customer References – What is the minimum tenure of the contract to be used as a reference? Given the size, complexity and financial requirements of this contract, we recommend each reference has a minimum of three consecutive years.

Answer to question 35.

There is no minimum tenure for references.

Question 36.

Are there any additional evaluation points for Alabama based companies either prime contractor or subcontractor?

Answer to question 36.

No additional credit will be given for Alabama based companies.

Question 37.

10.11.2 Implementation Schedule - Please confirm the Implementation Schedule is also due within 10 days of award.

Answer to question 37.

The implementation schedule is due within 10 days of award. Section 10.11.2 has been amended to reflect this.

Question 38.

Would the State consider instead of a commission bond, a bank letter of credit? Irrevocable bank letter of credit?

Answer to question 37.

No.

Question 39.

In the fees that were laid out you have an amount for lobby - - for 475 for a lobby kiosk. Are you going to allow the vendor to put in lobby kiosks?

Answer to question 39.

Lobby kiosks are not part of this ITB.

Question 40.

Question about the pay phones. The way the commission runs, it's 60 days following the close of the month. Would the commission follow generally 60 days -- it mentioned 15 days from the time that you submitted your population figures. Would that still be running on the same timeline as 60 days in arrears from that?

Answer to Question 40.

Section 87.14.15. Commissions for inmate phones must be remitted to the State within 15 calendar days after the vendor has been notified by ADOC of the average number of inmates. For example, if on the 5th day of June ADOC provides the awarded vendor with the average number of May inmates. The awarded vendor must remit to ADOC within the next 15 days.

Question 41.

How far down do we go with the subcontractors that you want us to list?

Answer to Question 41.

The bidder should list all the subcontractors that are providing any kind of work on the phone systems.

Question 42.

Can I get a little more clarification on y'all's plans for debit, how you're going to do it? Introduction of debit cards or the introduction of interfacing with commissary funds?

Answer to Question 42.

That will be addressed in another ITB.

Question 43.

Are you using any type of debit calling today?

Answer to Question 44.

No.

Question 45.

I understand you to say that you would like to have an integrated debit process so that inmates can pay for their calling via a debit and have something other than a debit card?

Answer to Question 45.

Yes, but providing an integrated debit process is not a requirement of this ITB, if the vendor provides it, great; if the vendor does not provide it, great.

Question 46.

What is the amount of revenue or calling that's generated under the debit process today?

Answer to Question 46.

It is negligible.

STATE OF ALABAMA
DEPARTMENT OF FINANCE
MONTGOMERY, ALABAMA

IN THE MATTER OF:
PREBIDDERS CONFERENCE
TA497 TELEPHONE SERVICES PAYING INMATE

* * * * *

PROCEEDINGS taken in the above-styled
cause in the State Purchasing Auditorium,
Alabama Department of Finance, 100 North
Union Street, RSA Union Suite 250,
Montgomery, Alabama, on Wednesday, April 4,
2012, commencing at approximately 10:00 a.m.,
and reported by Gwendolyn P. Timbie,
Certified Court Reporter and Commissioner for
the State of Alabama at Large.

* * * * *

APPEARANCES

FOR STATE PURCHASING:

- Ms. Pat Antle
- Mr. Art Bess, ISD
- Mr. Robert Brantley, DOC
- Mr. Steve Brown, DOC
- Mr. Seebert, DOC

* * * * *

MS. ANTLE: Good morning. My name is Pat Antle, for those I missed this morning. And I want to welcome all of you to State Purchasing. This is the mandatory prebid meeting for the TA497 Telephone Services Paying Inmate.

We also have in attendance Mr. Art Bess from ISD, Mr. Robert Brantley from DOC, and Mr. Steve Brown from DOC, and Mr. Seebert in the back from DOC as well.

If you would, make sure that all companies have been signed in and represented on the sign-in sheets. If you don't appear there, then, you know, you're not allowed to bid. So

I do want to make sure that everybody is signed in legibly, where I can read it, because that's what I go by to send the addendum out. So I've got to be able to read who you are and be able to find you in our system.

If you have -- for any of those I talked -- didn't talk to, later, if you have a business card, if you would leave it with me, it will, you know, make a -- in case I can't read your writing. You know, I know it's clear to you, but it's not always clear to me.

Also, please silence all of your wireless devices. And we ask that you not use them; but, you know, I can't watch everybody. And we also ask that you don't wander in and out. Hopefully, this meeting is not going to last very long; but if it does and we feel like we need a

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1 break, then we can take a break.
 2 We do have a court reporter
 3 here to record the proceedings of the
 4 meeting, Ms. Wendy Timbie. So if you
 5 would, if you have a question or a
 6 comment, please stand, state your
 7 name clearly and the company that you
 8 represent. And like I said, speak
 9 clearly and ask your question so that
 10 she can get it recorded.

11 Also, if you would like to
 12 purchase a copy of these proceedings,
 13 you can get with her after the
 14 meeting if you'd like to order a
 15 copy.

16 We did receive several
 17 questions from vendors prior to the
 18 prebid. And Mr. Bess and
 19 Mr. Brantley will read and answer
 20 those questions when I turn it over
 21 to them.

22 I do want to go over a couple
 23 of procedural questions as far as --

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1 as far as the IT bid is concerned.
 2 This is the invitation to bid
 3 document. All of you, you know,
 4 should have one. And this is what
 5 you're going to be turning in. So do
 6 make sure it is completed properly,
 7 it's signed and notarized, and all
 8 your vendor information is in there
 9 and that you do fill out the price
 10 page correctly, the unit price.

11 And if you have to use
 12 White-Out or make a correction, make
 13 sure that the person who signs the
 14 bid initials those changes on that
 15 price sheet. Also, make sure that
 16 you do get the original and the
 17 proper number of copies in your bid
 18 package.

19 And, also, something new is
 20 the Beason-Hammon Alabama Taxpayer
 21 and Citizen Protection Act. It's
 22 also called E-Verify. All in-state
 23 vendors, by law, have to be

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1 registered with Homeland Security for
 2 E-Verification. Those of you who are
 3 not should get registered.

4 The E-Verify, you'll see that
 5 explanation on page 2, under the
 6 standard terms and conditions, that
 7 the awarded vendor will be required
 8 to submit this E-Verify form to State
 9 Purchasing prior to the award. And I
 10 will notify who that awarded vendor
 11 will be at that time.

12 Does anybody have any
 13 procedural questions for me?

14 MR. TALTON: Can I ask a question
 15 about this first page? Just --

16 MS. ANTLE: If you don't mind
 17 standing up.

18 MR. TALTON: I'm Julius Talton of
 19 Talton Communications.

20 Just -- on the first page
 21 about these -- the delivery, the
 22 terms, the -- you know, are these
 23 all -- are these all applicable to

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1 this particular contract?

2 Also, for our general
 3 contractor's license number, if we're
 4 not necessarily a general contractor,
 5 what do we do about these --

6 MS. ANTLE: I don't think a
 7 general contractor's license is
 8 required for this bid, but this is
 9 just a standard form. It goes out --
 10 every bid we put out has these on
 11 there. Some do apply. You know,
 12 like the prices valid for acceptance
 13 and like the delivery, you know,
 14 terms.

15 If they're -- you know, if
 16 they're not applicable, you can leave
 17 them blank; but, you know --

18 MR. TALTON: That's my question.

19 MS. ANTLE: Yeah. If they are
 20 required -- usually like the delivery
 21 and terms, we -- if they're left
 22 blank, we put in our standard state
 23 terms, which is like 30-day, you

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know, terms, thirty days or whatever;
but --

MR. TALTON: Just leave it blank
if it doesn't apply?

MS. ANTLE: Yeah. You can.

MR. TALTON: Thank you.

MS. ANTLE: Any other questions
for me?

(No response)

MS. ANTLE: All right. At this
time, I will turn it over to our
panel. We'll start with Mr. Art
Bess.

MR. BESS: I guess what we'll do
is read through the current
questions. And if we -- if we have
an answer ready, we'll give you an
answer. If we don't, we'll say that
so.

There will be a -- Pat will
be sending out a -- or posting a list
of all the questions with the
official answers later.

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Question 1: Also, there are
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Answer to Question 1: A
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Question 2: Regarding page 2, Section 3, Customer References, will the State consider requiring additional customer references, including a listing of all state accounts served as prime contractor during the past four years (with an indication of whether the account is a current or past customer)? This additional requirement could provide a more accurate picture of the vendor's service history across their entire customer base.

Answer to Question 2:
Additional customer references will not be required, and no additional credit will be given for listing more

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1 than the required references.

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account funding.

Answer to Question 3: The State is unable to confirm the amounts questioned. ADOC expects the awarded vendor to follow the fee schedule in Section 8.6.4. Additional fees are not allowed.

The State -- and for Part B, the State declines to add two additional requirements suggested for this section.

Question 4: Regarding page 3, 8.5.1, Certification, and 8.6.2, Inmate Rates. In Section 8.6.2, the State requires a vendor to hold a certificate of public convenience and necessity to provide inmate phone service. The ITB was released on March 20. And, unfortunately, submissions for the April Public Service Commission docket closed that day. Approval from the May docket should occur on or about May 3.

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Answer to Question 6:
Directories are required.

Question 7: Page 22, Section 11.2.14.2, Use of Existing Enclosures. Will the State allow the purchase of existing pay phones, enclosures, and TDD units from the current vendor?

Answer to Question 7: The purchase of existing pay phones, enclosures, and TDD units from the current vendor is considered a business transaction between the vendors. Existing pay phones, enclosures, and TDD units currently installed and in good working order are acceptable.

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5 And C: Are there any sites
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11 with the exception of the Holman,
12 J. O. Davis, Fountain, and Atmore
13 facilities. Converting these
14 facilities to state-owned wiring is
15 currently being studied.

16 Answer to Part B: The
17 current vendor does not own inside
18 cabling that each phone is connected
19 to.

20 Answer to Part C: The State
21 is not aware of major cable issues
22 limitations of plant facilities
23 available.

1 Question 9: Additional value
 2 added products and service. General
 3 question. Will the State please
 4 advise if there is an interest in
 5 corresponding impact on evaluation
 and scoring for additional features
 that will enhance the inmate
 telephone system functionality --
 excuse me -- inmate telephone system,
 ITS in quotes -- or in parentheses --
 functionality, security while
 automating to reduce staff resources?

For example, A, interface the
 ITS with a vendor management and
 trust systems for automatic
 population of inmate information
 without dual entry and offer the
 inmate the option of purchasing
 calling time and commissary items
 which will benefit the State as well
 as the inmate.

Part B, page 27, Section
 11.3.5.4, Storage Requirements.

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1 Increase the provision of
 2 storage required from 90 days to the
 3 length of the contract, because this
 4 would aid investigations without
 5 impacting financial/per diem offers.

6 If these features and
 7 processes are desired, will the State
 8 consider making these a requirement
 9 and/or assign bid evaluation waiting?

10 Answer to Question 9:
 11 Additional added -- value added
 12 products will not be considered or
 13 evaluated during the bid process.

14 Question 10: Attachment C.
 15 Revenue summary.

16 In order to provide the best
 17 per diem offer, would the State
 18 provide some additional data
 19 regarding existing calling patterns?

20 A: The number of calls by
 21 jurisdiction and month in addition to
 22 the revenue and minutes already
 23 provided?

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B: InterLATA calling broken out by intrastate versus interstate? The overall percentage of revenue that is collected versus prepaid?

Answer to Question 10: Additional calling data will not be provided by the State.

Question 11: General inmate rules for telephone system access.

A: Does the State utilize any disciplinary restrictions to the inmate telephone system beyond those described in AR #431?

B: On average, how many inmates are restricted from using the telephones? In particular, administrative segregation, disciplinary segregation, and any other restriction defined outside AR #431 at any given time.

Answer to Question 11: Inmate phone usage may also be restricted under AR 403 and AR 414.

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And answer to Part B: Data on inmate phone restrictions is not collected.

Question 12: The current phone ITB appears to have a statement regarding an additional service. The phone can provide electronic money transfer services under Section 8.6.4.

Are you able to clarify for me if this is an option? And if it is not, how can we -- how we can clarify that within the ITB.

Answer to Question 12: The electronic transfers referred to in the ITB are funds paid directly to the inmate phone vendor designated for the purchase of inmate phone time, an account set up and maintained by the vendor. These do not represent fund transfers into the ADOC financial system.

A company J Pay -- capital J,

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capital P-a-y -- currently performs services for electronic money transfers of funds from family and friends to individual inmate accounts which are not related to the inmate phone system.

Question 13: Given the fact that this is a bid and the highest per diem rate will win, will the State consider requiring all vendors, inclusive of the incumbent, to provide all new equipment, including inmate telephones and pay telephones? This will provide a true open competitive bid with a level playing field for all vendors, while assuring that the State receives new equipment from any vendor that is awarded the bid.

Answer to Question 12: The State will not consider this requirement. All installed equipment must be operational.

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1 Question 13 -- no. Excuse
2 me. Question 14, Bid Instructions,
3 page 4. It is noted that the State
4 of Alabama is exempt from paying
5 sales tax. In a debit calling
6 environment, the inmates would be
7 paying the sales tax, not the State.

8 Is it correct to expect that
9 the inmates are not exempt from
10 paying sales tax?

11 Answer to Question 14:
12 Inmate pay phones are governed by the
13 PSC under Docket 15957.

14 Question 15: During the
15 transition to a new vendor, the
16 number of inmates in custody using a
17 new vendor system will change from
18 day to day, which would affect the
19 per diem amount owed by a new
20 vendor.

21 Will the State describe how
22 the per diem amounts will be prorated
23 during the transition from the

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incumbent to a new vendor?

Answer to Question 15: The State will charge per diem for the average number of inmates at each facility, starting on the day of activation.

Question 16: ITB, page 5, Section 8.9.4 indicates that there are 400 pay telephones. However, the attachments list only 309.

Will the State confirm that only the 309 pay phones are required or provide the listing of locations for the other 91 pay telephones?

Answer to Question 16: No representation is made that this information is complete and accurate. There are approximately 400 pay telephones.

Question 17: Section 8.14.2 provides a list of calling types that are to be considered commissionable public pay phone revenue. This

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statement, however, includes multiple calling types where the vendor would not receive the revenue such as 1-800-XXX-XXXX.

Please confirm that the ADOC understands that commissions would not be paid on calling types listed where the vendor does not receive the revenues.

Answer to Question 17: That answer is not available at this time.

MR. BRANTLEY: It appears we've missed that question right there somehow.

MR. BESS: I'll have to call the Question 17. Please provide the current rates being charged for both inmate and pay telephone service by the existing vendor.

Current inmate rates are included in the ITB at 8.6.2. Pay telephone rates must be reasonable

and customary without any special surcharges of any kind.

Question 18: With regard to any calculation of gross revenue for use and payment of any commissions, please confirm that the ADOC understands that the taxes, tax-like surcharges, or any other fees that may be mandated by any governmental taxing authority and charged to the end-user will not be included in the total gross revenue calculations.

Answer: Gross revenue calculations are not applicable to per diem rates.

Question 19: Section 8.14.5 states that the commissions will be calculated by multiplying the average number of inmates in ADOC custody for the month by the vendor's per diem rate, multiplied by the number of days in the billing month.

Please provide the specific

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process that the State will utilize to ensure accuracy, taking into account inmate release and intake factors.

Answer to Question 19: The State will calculate the average daily inmate population and will provide it to the vendor.

Question 20: Section 11.1.7 states that the DOC will work with the vendor on the mix of pay telephone types. Section 10.7 states that the unprofitable phones can be relocated, not just removed, unless they are required for other reasons.

Will the State confirm the number of pay phones that can be adjusted as well?

Answer to Question 20: The number of public pay phones may change as needed with the approval of the service delivery manager of the Information Services Division and the

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state entity being served.

Question 21: Section

10.4.1.2 states that the commission will be reported by call type, per phone, location, and accounting code because the commission is based on the per diem method, which will only be known after we get the count from the DOC. There is a possibility that the monthly reports, which are calculated from usage, broken out by the specified criteria, will not match the commission reports.

Is this acceptable to the DOC, or will the DOC alter the reporting criteria in the bid?

Answer to Question 21:

Commission reports do not apply to the ADOC.

Question 22: The ITB requires a commission bond in the amount of \$5 million. However, the State is currently only receiving a

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1 little more than four million in
2 commission dollars.

3 Will the State consider
4 limiting the bond to one year's
5 estimated per diem/commission's
6 total? Alternatively, will the State
7 accept a majority, i.e., 85 to 90
8 percent, of the per diem/commissions
9 in an up-front annual payment with an
10 annual true-up as an alternative to
11 the commission bond?

12 Answer to Question 22: The
13 \$5 million bond requirement stands.

14 And I believe that is all the
15 questions that we have.

16 MS. ANTLE: So now we'll open up
17 to any other questions that you guys
18 have.

19 MR. SHAPIRO: Josh Shapiro with J
20 Pay. I think you clarified. I just
21 wanted to make sure -- just because I
22 flew out here, I just want to make
23 sure.

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1 Paragraph 8.6.4, you had
2 mentioned that that is -- the funding
3 is for phone funding, not commissary
4 funding. I just wanted to -- and it
5 looks like you answered that in nine.
6 So we're good.

7 Thank you.

8 MS. ANTLE: Any other questions?

9 MR. TALTON: Julius Talton,
Talton Communications.

10 Would the State consider
11 instead of a commission bond, a bank
12 letter of credit? Irrevocable bank
13 letter of credit?

14 MR. BROWN: Julius, I don't know
15 the difference. I'll have to take a
16 look at that.

17 MR. TALTON: Okay. Thank you.
18 If you could answer that.

19 In the fees that were laid
20 out, you have an amount for lobby --
21 for 475 for a lobby kiosk. Are you
22 going to allow the vendor to put in

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1 lobby kiosks?

2 MR. BROWN: We're going to work
3 with the winning vendor on whether
4 we're going to do that or not. For
5 this bid, it is not a requirement.
6 There's certainly the potential to go
7 that direction once we get a winning
8 bidder. And we can sit down and
9 discuss how we do that.

10 But for this bid, it's not
11 part of the specifications.

12 MR. TALTON: It's not a
13 requirement, but I mean -- in other
14 words, the question -- I mean, you
15 had the fee in there. I just assumed
16 that you could put in a lobby kiosk.

17 MR. BROWN: Well, I mean, we're
18 moving that direction. We're going
19 to put a banking ITB out. We're not
20 sure how we're going to carve these
21 pieces up. So...

22 MR. TALTON: Question about the
23 pay phones. The way the commission

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runs, it's 60 days following the close of that month. It didn't really specify what the time period would be with the inmate per diem payment.

In other words, would that follow generally 60 days -- it mentioned 15 days from the time that you submitted your population figures. Would that still be running on the same timeline as 60 days in arrears from that?

MR. BROWN: Do we have a payment schedule in here? Any ITB --

MR. TALTON: Let me ask -- like, for example, we just closed March.

MR. BROWN: Right.

MR. TALTON: March just ended.

Would the payment due for the inmate -- for the number of inmates in March be due in May, or would it be due in April?

MR. BROWN: Well, again, I'm not

1 sure if we put that requirement in
2 here. I can tell you, on the last
3 day of the month, we'll know what the
4 daily average inmate population is.

5 So on the 31st of March, at 5
6 o'clock that night, we know what the
7 average daily population for March
8 is. And we'll make that available.

9 MR. TALTON: I guess my question
10 was, from that point, once we know,
11 how long do we have to make that
12 payment?

13 MR. BROWN: Well, if it's not
14 specified in here --

15 MR. BRANTLEY: It is. It's right
16 here. Section 8.14.15. Commissions
17 for inmate phones must be remitted to
18 the State within 15 calendar days
19 after the vendor has been notified by
20 ADOC of the average number of
21 inmates.

22 So, for example, if on the
23 5th day of -- May finishes. On the

1 5th day of June, we give you the
 2 number for May -- the average number
 3 of May inmates. By 15 days after
 4 that, we expect the check to come to
 5 us. So it's not --

6 MR. TALTON: So in that
 7 particular case, we would be paying
 8 the inmate faster than the pay
 9 phone?

10 MR. BRANTLEY: That's correct.

11 MR. TALTON: Less than 30 days --

12 MR. BROWN: Right. And I think
 13 with the winning bidder, we'll work
 14 something out. The information will
 15 be available. Payment within 30 days
 16 or within 45 days is a typical
 17 business transaction. I think that
 18 we can set it up like that.

19 MR. BRANTLEY: It's 15 days.

20 MR. BROWN: After we tell you
 21 what that number is. You've got 15
 22 days to pay us. If it takes us 30
 23 days to give you that number -- that

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1 will be up to us.

2 MR. TALTON: I think all the
 3 vendors would -- you know, if we have
 4 the same time frame that we do for
 5 the pay phones, that would be very
 6 beneficial.

7 MR. BRANTLEY: That's not what
 8 the bid says. It says it's going --
 9 you know, we're going to tell you --
 10 it's for the inmates' phones.

11 MR. BROWN: It doesn't matter
 12 whether it's commission rate or --
 13 what you're saying is, you won't have
 14 the commission rate available to pay
 15 because you haven't calculated it
 16 within 15 days of the end of the
 17 month. That's not going to happen.

18 MR. TALTON: That's right on the
 19 pay phones.

20 MR. BROWN: On the payment
 21 phones.

22 MR. TALTON: It would be nice to
 23 have the payment -- on the same

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payment cycle for the same months.

MR. BROWN: It's not. It's not. It's going to be in accordance with the bid -- this ITB.

MR. TALTON: You're asking -- I just want to be clear. You're asking for the payment on the inmate to be much faster --

MR. BROWN: Right.

MR. TALTON: -- than on the pay phones?

MR. BRANTLEY: Right.

MR. TALTON: Let's see. How far down -- you mentioned listing subcontractors. How far down do we go with the subcontractors that you want us to list? I mean, down to the company providing the telephones? The wiring? How far down are you looking for us to dig down for our subcontractors?

MR. BROWN: I think you need to list all your subs that are providing

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1 any kind of work on the phone
2 systems. So if they're doing
3 anything for you -- if they're
4 putting the phones in, if they're
5 doing the cabling -- if they're doing
6 any of that, you need to list them.

7 MR. TALTON: I didn't know how
8 far deep you wanted that. Okay.

9 And just to clarify again
10 about exactly how we respond to the
11 ITB. If there is -- there is
12 about -- less than ten sections of
13 information you want us to provide
14 back. You want a list of the
15 subcontractors, the references, and
16 those things. Those are listed in a
17 separate section. Okay. And then we
18 don't do anything within the body of
19 the ITB to say acknowledged, agreed,
20 or read and complied, or anything
21 like that. But we just create a
22 different sub set, I guess, or
23 section to answer those specific

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1 questions? Is that kind of how you'd
2 like the format to read?

3 MS. ANTLE: I believe Mr. Bess
4 said -- answered that question
5 earlier; in that by signing the
6 invitation to bid, you are stating
7 that you do comply with all of the
8 specifications and requirements of
9 the ITB. It is not necessary to say
10 we comply with section this, section
11 that, section whatever.

12 MR. TALTON: I understand that.
13 There's some -- for example, 10.1.2.
14 Pay phones. It's asking to give us a
15 description of how we handle out of
16 the box or cash -- you know, coins in
17 the box, that type thing. There's a
18 requirement. We have to answer that
19 question. And I'm just asking the
20 kind of format you'd like.

21 MR. BRANTLEY: That is the
22 awarded vendor only. It's not with
23 your bid. You know, as you read

1 through this, be careful to look for
2 that term, "the awarded vendor."
3 Because that's not -- we're not
4 expecting that with your bid. We're
5 expecting that to come after the
6 fact, when it's awarded.

7 MR. BROWN: Yeah. That's a clear
8 distinction. We don't expect this
9 from all the bids. We'll work those
10 when we get a winning bidder -- when
11 we get an awarded bidder.

12 MR. TALTON: That's all. Thank
13 you.

14 MR. KENNEDY: Mike Kennedy with
15 IC Solutions.

16 Can I get a little more
17 clarification on y'all's plans for
18 debit, how you're going to do it?
19 Introduction of debit cards or the
20 introduction of interfacing with
21 commissary funds?

22 MR. BROWN: Mike, we're not
23 to go through that. We're not

1 to go through that here, Mike. We've
2 got other -- we've got another ITB
3 that's going to go out.

4 MR. KENNEDY: That's the banking
5 thing you mentioned?

6 MR. BROWN: Right. And that will
7 handle those things. We've got to
8 figure out -- we stripped this down
to pay phones -- I mean, to phones
for the inmates.

MR. KENNEDY: I think that was
it.

All right. Thank you.

MS. ANTLE: Any other questions?

MR. ORSO: Robert Orso with GTO.

If we sent in questions that
were not addressed today, how is that
going to be handled? To be addressed
in the written --

MS. ANTLE: I thought we did.

MR. BROWN: When did you send
them in, Robert?

MR. ORSO: E-mailed them

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1 yesterday to Pat.

2 MR. BROWN: To Pat?

3 MR. ORSO: Pat. I understood we
4 had until today.

5 MS. ANTLE: Any that I got, I
6 forwarded to you guys.

7 MR. BRANTLEY: I haven't received
8 them.

9 MS. ANTLE: I think I printed out
10 everything.

11 MR. BROWN: We haven't had a
12 chance to see anything from GTO. We
13 tried to -- we answered everything we
14 had seen.

15 MR. ORSO: Okay.

16 MS. ANTLE: Do you have your
17 questions now to ask? You can go
18 ahead and ask them now.

19 MR. ORSO: Well, some of them
20 have already been asked. So I would
21 probably prefer if you could just
22 address them in the written -- in
23 your written response. That would be

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fine with me.

MS. ANTLE: I apologize. I don't remember. I mean, I got some. I know I forwarded them over. But --

MR. BRANTLEY: I don't recall seeing any.

MR. ORSO: Well, I had an e-mail where I had asked you a couple of questions about dates. And I just responded to your last e-mail on a date -- actually, the date of when the questions were due. So that was the next section of the bid document. So --

MS. ANTLE: I answered that, didn't I?

MR. ORSO: You did. But that's

the same e-mail that I sent to the --

MS. ANTLE: Well, I apologize. I don't know why I don't have it.

But yes, of course. I'll go

back and check my --

MR. ORSO: You're going to give

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1 us a written document within a week,
2 right?

3 MS. ANTLE: Right. Now, if I
4 don't have it on my e-mail, then, you
5 know, I won't be able to answer
6 them.

7 MR. ORSO: All right.

8 MS. ANTLE: If you'd like, before
9 you leave, I'll go back and check
10 my -- just to make sure. But you
11 won't be able to submit any questions
12 after today. I mean, if I've failed
13 to receive your e-mail for some
14 reason --

15 MR. BROWN: Yeah. This may be
16 the best chance to ask the question
17 now, Robert.

18 MS. ANTLE: You won't be allowed
19 to submit them after today -- after
20 this meeting is adjourned.

21 MR. ORSO: That's fine.

22 MS. ANTLE: So are you sure you
23 don't want to -- you don't remember

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them or have them written out where you can ask them?

MR. ORSO: No. I have them. Okay. I'll just cover them. The ones that we haven't already covered.

On the administrative fee, 8.10, I just wanted to clarify that the 1.5 percent administrative fee -- that's on all commissions, both coin and inmate, or is that just on the inmate commissions?

MR. BESS: That would be on all commissions.

MR. ORSO: All commissions. Okay.

MR. BESS: All revenues, I believe it says.

MR. ORSO: Are we to respond and fill out the standard terms and conditions document? It's one of the attachments. Standard terms and conditions was the name of the --

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1 MS. ANTLE: It was in the
2 specification attachment? Is there
3 something in there?

4 MR. BRANTLEY: What section was
5 that in -- referred to?

6 MS. ANTLE: What page is that?

7 MR. ORSO: I don't have the page
8 number.

9 MS. ANTLE: Oh, you don't have
10 it?

11 MR. ORSO: It was -- I think it
12 was one of the attachments. It was
13 about four documents that were
14 posted.

15 MS. ANTLE: There should have
16 been an attachment for these bid
17 specifications. There should have
18 been an -- three attachments for
19 listings of phones, pay phones and --
20 pay phones and the inmate -- pay
21 phone locations and the inmate prison
22 locations. And then you had a
23 document with the PSC ruling on

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that.

Is that correct, Art?

MR. BESS: Yes.

MS. ANTLE: But you're saying
this was a --

MS. JOHNSON: Vicki Johnson of
CenturyLink.

I believe he's referring to
the nine-page document that you said
we needed to complete and return,
even if some of the items didn't --

MS. ANTLE: Are you talking about
the invitation to bid document?

MR. ORSO: No. I didn't actually
write this question. So I'm not sure
which document.

MR. TALTON: If I can just add.
On page two of that document, I had
difficulty finding the document too.

MS. ANTLE: Of this?

MR. TALTON: Yeah. No. The

tate --

MS. ANTLE: The invitation to

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bid?

MR. TALTON: Right. The nine
page -- on page two, it has standard
terms and conditions.

MS. ANTLE: Uh-huh.

MR. TALTON: That may be what --

MS. ANTLE: Oh, okay. Okay. I'm
sorry.

Now, what's your question
about it?

MR. ORSO: Is that to be
responded to --

MR. BROWN: Does that refer you
to an attachment to fill out?

MR. ORSO: In addition to the --

MS. ANTLE: Well, yes. These are
our standard terms and conditions for
filling out this invitation to bid.

MR. ORSO: All right. This is a
long question here. But certain
vendors have adopted a process of
reclassifying calls such as
promotional calls that are not

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1 considered to be a traditional inmate
2 collect call, and consumers are
3 charged -- example, 14.99 -- for this
type of call.

Please confirm that all
completed calls originated from the
correctional facilities as a part of
this contract are subject to the
maximum allowable rates on page four
of the ITB.

MR. BROWN: That's our intent.
Yes. All calls will be affected by
the rate.

MR. ORSO: So the cap of 4.75
applies.

Another long one. In today's
inmate calling environment, a large
number of calls are completed to call
parties who have prepaid accounts.
Certain vendors have adopted a
process of charging for taxes and
regulatory assessments at the time of
the deposit when funding these

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1 prepaid accounts before any calls are
2 received and services are provided,
3 and masquerading the fact that they
4 say they're offered, doesn't contain
5 fees. These assessments are as high
6 as 32 percent of the deposit amount,
7 without knowing whether the call is
8 local or interstate call or some
9 other type of call.

10 Please conform that if the
11 call party is funding a prepaid
12 account, the vendor can only charge a
13 nominal service fee as outlined on
14 page four of the ITB for deposit and
15 only assess the actual taxes and
16 approved regulatory assessments at
17 the time of the call -- at the time
18 the call is completed.

19 Please confirm that vendors
20 may not charge a rounded or blended
21 amount, but must charge the actual
22 tax percentage on the actual rated
23 cost per jurisdiction of the call.

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This will ensure the inmate families and friends only pay for taxes and regulatory assessments based on the actual calls placed and not before services provided to the family members.

MR. BRANTLEY: What we're saying, that is our intent. But this is governed by that PSC docket that we have attached there.

MR. ORSO: Right. Well, I mean, specifically how calls are billed and how the taxes are applied, whether they're -- applied -- prepaid accounts -- whether they are allowed to be applied at the time of deposit or at the time the call is -- actually takes place and the call is rated, and the actual percentage for that call, based on that jurisdiction, is applied to the call -- to the cost of the call.

There's a big difference

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between before and after.

MR. BROWN: Apparently there are vendors who do it pre -- I mean, I don't know what's the standard practice. That level of detail with the vendors is not something that the State has been involved in in the past.

We put these fees down because we're trying to limit how much money we can charge the families and the inmates on top of what they're already paying for the phone call.

MR. ORSO: Yeah.

MR. BROWN: If we need to amend this and actually say that, or do we need to look at the PSC and find out what their policy is and do not -- I mean, wouldn't all the vendors already have to do whatever the PSC puts out? They're the regulatory authority.

MR. ORSO: We're supposed to.

MR. BROWN: Right.

MR. BRANTLEY: And wouldn't that document that we've got in there in the PSC be the people that would make that decision?

MR. ORSO: Well, the question really is on accuracy. So if a vendor has a tax engine in their billing system, they're able to charge the exact tax for whatever jurisdiction the call is going to.

And so the family and friend or the inmate, they get charged the -- you know, the actual tax, plus whatever regulatory fees are allowable by the PSC. As opposed to vendors who don't have a tax engine, and they charge a blended or a rounded amount up front at the deposit -- time of deposit. And basically, in a lot of cases, there are some extra profit in that

scenario.

MR. BROWN: Is that -- the regulatory authority understands that and allows that practice?

MR. ORSO: I can't answer that question.

MR. BROWN: We don't know.

MR. BRANTLEY: See, I think this is something we'd probably have to coordinate with the PSC and refer to that document -- that docket.

MR. BROWN: I mean, that's our intention. They're the regulatory authority. I don't want to build those regulations into this ITB. I just want -- and that's something I certainly isn't going to flake off constantly. That's something they would do.

MR. ORSO: So that's a question you can address in the written document?

That's all. Thank you.

1 MS. JOHNSON: Vicki Johnson with
2 CenturyLink.

3 If I may, I'd like to go back
4 to the debit question, and that is
5 two questions. Are you using any
6 type of debit calling today? Whether
7 it's cards or integrated debit
8 calling. There's collect calling and
9 prepaid calling. And debit is
10 another ability for inmates to pay
11 for calling.

12 MR. BROWN: No. What we're using
13 right now -- because we don't have
14 the technology -- is we're selling
15 vouchers out of the commissary,
16 basically, with a PIN number. And
17 then they'd make phone calls on it.
18 We are -- we want to move forward in
19 that other direction.

20 MS. JOHNSON: Great. So then
21 what I understand you to say is, yes,
22 you are using debit today by means of
23 vouchers? What some people call

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1 debit cards?

2 MR. BROWN: Yes. Right.

3 MS. JOHNSON: So that is used
4 today.

5 So the question is -- I
6 understand you to say that you would
7 like to have an integrated debit
8 process so that inmates can pay for
9 their calling via a debit and have
10 something other than a debit card?
11 So that's something that, yes, you
12 are looking to do, to implement?

13 MR. BROWN: That's something
14 we're looking to do. But, Vicki,
15 it's not a requirement in this ITB.

16 MS. JOHNSON: I understand. It's
17 not a requirement, but something that
18 you'd like to have?

19 MR. BROWN: Right. But we are
20 not going to score that capability
21 when we look at this ITB. So if yo
22 provide it, great; if you don't
23 provide it, great.

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MS. JOHNSON: Very good.

So, then, the last question on debit. Do you have the ability to determine or tell us the amount of revenue or calling that's generated under the debit process today?

MR. BROWN: I can tell you right now it's negligible. Because we -- it's not robust enough yet.

MS. JOHNSON: I see.

MR. BROWN: So it's really -- it's data that really I don't think would help anybody at this point. It's not a -- we're not doing it enough.

MS. JOHNSON: How long have you had the debit voucher system in process?

MR. BROWN: Less than a year.

MS. JOHNSON: Less than a year?

MR. BROWN: And only at some locations.

MS. JOHNSON: I see. Thank you.

1 MS. ANTLE: Any other questions?

2 MR. MERCER: Adam Mercer of
3 Securus Technologies. Just a couple
4 of, I think, clarification
5 questions.

6 We've talked a whole lot
7 today about the fees that are called
8 out on page four of the ITB. I just
9 want to clarify that that 4.75 fee is
10 the flat fee, regardless of the
11 amount of deposit.

12 So if somebody deposits \$25,
13 it's 4.75. If someone deposits \$50
14 or \$100, it's 4.75. Not 4.75 per --
15 say per \$25.

16 MR. BROWN: Yeah. These are
17 maximum allowable fees. If somebody
18 deposits 25 bucks and you only want
19 to charge them 2.50, that would be
20 great. If they charge 150 bucks,
21 4.75 is the max you can ask for.

22 MR. MERCER: Very good. Than
23 you.

1 And the second clarification
 2 is -- the question that I think was
 3 read by Mr. Bess earlier regarding
 4 the requirement of all vendors,
 5 including the incumbent, to replace
 6 all of the equipment, including the
 7 inmate telephones as well as the coin
 8 telephones.

9 I just want to clarify and
 10 make sure that the State is okay with
 11 the fact that the incumbent vendor
 12 has a significant financial advantage
 13 in this procurement because of that.
 14 There's a significant financial stake
 15 involved in replacing -- especially
 16 the -- just want to clarify and make
 17 sure that the State is aware and
 18 understands and is okay with the fact
 19 that the incumbent vendor has a
 20 significant financial advantage in
 21 this procurement.

MR. BROWN: Yeah. I'm not sure
 there's anything we can do about it.

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1 I mean, that's part of --

2 MR. MERCER: Well, again, per the
 3 question -- and it's fairly standard
 4 practice to ask the question. Also
 5 fairly standard practice for the
 6 agency to add the requirement that
 7 all vendors, inclusive of the
 8 incumbent, provide all new
 9 equipment.

10 MR. BRANTLEY: Well, you do also
 11 have the ability to negotiate -- have
 12 a separate transaction with the
 13 current vendor if you are the winning
 14 vendor to get it. So, I mean --

15 MR. MERCER: Certainly.

16 MR. BRANTLEY: The phone system
 17 is working today. And we discussed
 18 it. Why would we want to go make
 19 somebody replace something that is
 20 actually working, is supposed to be
 21 operational?

22 MR. MERCER: Just in the sake
 23 of --

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MR. BRANTLEY: I understand what you're saying.

MR. MERCER: -- open and equal and level playing field.

MR. BRANTLEY: Yeah. I understand what you're saying.

MR. MERCER: that's the only reason I bring it back up. Because it, again, makes it more difficult for us to become the winning vendor and then negotiate with the incumbent.

Just the clarification. Make sure everybody in the room understands the implications.

MR. BRANTLEY: I understand. Thanks.

MS. ANTLE: Well, state purchasing is required -- or the State is required by law to, you know, bid these contracts, you know, every five years at the max -- maximum number of years we can hold a

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contract by law.

And yes. Every contract that the State has, you know, you're going to have an incumbent vendor. And oftentimes, depending on that contract, the incumbent vendor is going to have the advantage. And there's just nothing we can do about that.

For instance, I also do the cell phone contract. And every five years it's rebid. And if a new -- if a different vendor gets it, then they have to replace every cell phone and air card and every wireless device that they -- that the old vendor had. And they know that going in.

And so that's just -- you know, that's just the way it is, and there's nothing we can do about that.

MS. JOHNSON: Vicki Johnson with CenturyLink.

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1 If I can just add to Adam's
 2 comment. It is quite true that we
 3 have the opportunity -- or I
 4 understand we have the opportunity to
 5 negotiate with the existing provider
 6 for phone equipment. But that does
 7 not -- would not include the
 8 proprietary equipment that they
 9 have.

10 For example, at the DOC for
 11 the system. Yes. I understand it
 12 does include the phone.

13 But what I'm understanding
 14 you to say is, you know that the
 15 existing proprietor has an advantage,
 16 because they have their system here.

17 So if there's any
 18 consideration given to everyone
 19 providing new equipment, that would
 20 be greatly appreciated.

21 Thank you.

22 MS. ANTLE: Any other questions?

23 Go ahead.

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1 MR. ORSO: Robert Orso from GTO.
 2 You mentioned earlier that --
 3 someone asked about value added
 4 services. There would be no
 5 additional credit assigned to that as
 6 far as the bid evaluation.

7 What about if the vendor
 8 chooses to offer lower fees or
 9 rates? Will that come into play at
 10 all and is strictly --

11 MR. BROWN: No. No. We tried to
 12 build this to where -- it basically
 13 was -- whatever the commission rate
 14 is and whatever the per diem rate is,
 15 is basically going to be -- I mean,
 16 there's -- this is not an RFP.

17 MR. ORSO: Right.

18 MR. BROWN: We're not evaluating
 19 different pieces of it.

20 MR. ORSO: Okay. And just for
 21 clarification. There's two numbers
 22 that are used in the documents to
 23 identify the ITB. On the standard

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1 terms and conditions, the first page,
 2 there's a number that's 12-X-222 --
 3 or 2238645. And then the -- of
 4 course, on page one of the -- or the
 bid, it's TA497.

Just want to clarify which
 number you want us to identify our
 bid package.

MS. ANTLE: This is the bid.
 This is the bid number. TA497 is the
 contract number.

MR. ORSO: I've got you.

MS. ANTLE: It had nothing to do
 with the bid number. The contact
 number, TA497, never changes. But
 every time we put a bid out, the ITB
 number will change.

And that's a -- this is the
 document you're going to complete and
 send in and -- with any other
 attachments that you were required to
 submit. But this has to be
 completed, completed correctly.

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1 And when you submit your bid,
 2 on the outside of the bid -- as it
 3 states on page two of how to, you
 4 know, fill out and submit your bid --
 5 on the outside of your envelope
 6 package or box or whatever, you've
 7 got -- you need to put that bid
 8 number in there and the bid opening
 9 date, so that the bid clerk will
 10 recognize that it is a bid package
 11 and not just regular mail, and that
 12 they can record it and get it into
 13 the bid package in a timely manner
 14 prior to the bid opening.

MR. ORSO: All right. Last
 question. This came up earlier about
 the storage time for the recordings.
 I didn't catch whether you're going
 to change it from 90 days to the
 length of contract. Or is that still
 being considered?

MR. BROWN: I think he said we're
 going to leave it alone.

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MR. BESS: We're going to leave it alone.

MR. BROWN: We're not altering the bid for that. It's 90 days.

MR. ORSO: Well, we had put that in our questions too. Because there's just been occasions, you know, where calls were needed further than 90 days back. So we're willing to, you know, increase the storage if you guys wanted to change the requirements. But it's up to you.

MR. BROWN: I understand.

MR. ORSO: Thank you.

MS. ANTLE: Any other questions?

This is the last opportunity you will have to submit questions for this invitation to bid. So, you know, we're here for as long as you need us to be to answer any questions. But once we conclude this meeting, we cannot answer any more technical questions.

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Now, if you need to call me to ask me about how to fill this out, then I will consider answering that. But anything concerning bid specs or, you know, terms and conditions of the bid, that will be closed for discussion for questions once we conclude this meeting.

So is everyone clear on the bid specs and how to fill the bid out and what to submit?

(No response)

MS. ANTLE: This meeting is concluded, then. Thank you very much for your attendance.

(The proceedings concluded at 11:00 a.m.)

GTL

Inmate Phones	Proposed Per deim rate <u>\$0 539</u>	X	Number of Inmates 25,668 00	X	Days 365	=	Total <u>5,049,793 98</u>
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Quigilla Coker
Chya Coker

Public Pay Phones	Percentage Guarantee <u>10 000%</u>	X	\$	Estimated Revenue 120,000	=	\$	12,000
Grand Total						=	<u>5,061,793 98</u>

Securus

Inmate Phones	Proposed Per deim rate <u>\$0 500</u>	X	Number of Inmates 25,668.00	X	Days 365	=	Total <u>4,684,410.00</u>
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Public Pay Phones	Percentage Guarantee <u>0 250%</u>	X	\$	Estimated Revenue 120,000	=	\$	300
Grand Total						=	<u>4,684,710.00</u>

Debra Williams
Deanna Hendrix

Talton

Inmate Phones	Proposed Per deim rate <u>\$0 544</u>	X	Number of Inmates 25,668 00	X	Days 365	=	Total <u>5,096,638 08</u>
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Public Pay Phones	Percentage Guarantee <u>100 000%</u>	X	\$	Estimated Revenue 120,000	=	\$	120,000
Grand Total						=	<u>5,216,638 08</u>

Paul Bulley
Integrity

Century Link

Inmate Phones	Proposed Per deim rate <u>\$0 572</u>	X	Number of Inmates 25,668 00	X	Days 365	=	Total <u>5,358,965 04</u>
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Public Pay Phones	Percentage Guarantee <u>87 699%</u>	X	\$	Estimated Revenue 120,000	=	\$	105,239
Grand Total						=	<u>5,464,203 84</u>

Paul Bulley
Paul Bulley