



STATE OF MISSOURI
OFFICE OF ADMINISTRATION
DIVISION OF PURCHASING AND MATERIALS MANAGEMENT (DPMM)
REQUEST FOR BEST AND FINAL OFFER (BAFO)
FOR REQUEST FOR PROPOSAL (RFP)

BAFO REQUEST NO.: 001, REVISION #002
RFP NO.: B2Z05070
TITLE: OFFENDER TELEPHONE SERVICE
ISSUE DATE: 02-15-06

REQ NO.: NR 3002150000041
BUYER: JOHN STOBART
PHONE NO.: (573) 751-3796
E-MAIL: john.stobart@oa.mo.gov

RETURN BAFO RESPONSE NO LATER THAN 02-21-06 AT 5:00 PM CENTRAL TIME

MAILING INSTRUCTIONS: Print or type **RFP Number** and **Return Due Date** on the lower left hand corner of the envelope or package. Sealed BAFOs should be in DPMM office (301 W High Street, Room 630) by the return date and time.

RETURN BAFO RESPONSE TO: (U.S. Mail) DPMM or (Courier Service) DPMM
PO BOX 809 301 WEST HIGH STREET, RM 630
JEFFERSON CITY MO 65102-0809 JEFFERSON CITY MO 65101

CONTRACT PERIOD REVISED BY BAFO #001, REVISION #002
CONTRACT PERIOD: DATE OF AWARD THROUGH FIVE YEARS

DELIVER SUPPLIES/SERVICES FOB (Free On Board) DESTINATION TO THE FOLLOWING ADDRESS:

VARIOUS CORRECTIONAL INSTITUTIONS
THROUGHOUT THE STATE OF MISSOURI

The offeror hereby declares understanding, agreement and certification of compliance to provide the items and/or services, at the prices quoted, in accordance with all terms and conditions, requirements, and specifications of the original RFP as modified by any previously issued RFP amendments and by this and any previously issued BAFO requests. The offeror agrees that the language of the original RFP as modified by any previously issued RFP amendments and by this and any previously issued BAFO requests shall govern in the event of a conflict with his/his proposal. The offeror further agrees that upon receipt of an authorized purchase order from the Division of Purchasing and Materials Management or when a Notice of Award is signed and issued by an authorized official of the State of Missouri, a binding contract shall exist between the offeror and the State of Missouri.

SIGNATURE REQUIRED

DOING BUSINESS AS (DBA) NAME Public Communications Services, Inc.		LEGAL NAME OF ENTITY/INDIVIDUAL FILED WITH IRS FOR THIS TAX ID NO. Public Communications Services, Inc.	
MAILING ADDRESS 11859 Wilshire Blvd., Suite 600		IRS FORM 1099 MAILING ADDRESS 11859 Wilshire Blvd., Suite 600	
CITY, STATE, ZIP CODE Los Angeles, CA 90025		CITY, STATE, ZIP CODE Los Angeles, CA 90025	
CONTACT PERSON Tommie Joe		EMAIL ADDRESS tommie.joe@teampcs.com	
PHONE NUMBER 310-231-1000, Ext. 3037		FAX NUMBER 310-954-2118	
TAXPAYER ID NUMBER (TIN) 95-4615444	TAXPAYER ID (TIN) TYPE (CHECK ONE) <input checked="" type="checkbox"/> FEIN <input type="checkbox"/> SSN		VENDOR NUMBER (IF KNOWN)
VENDOR TAX FILING TYPE WITH IRS (CHECK ONE) (NOTE: LLC IS NOT A VALID TAX FILING TYPE.) <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Individual <input type="checkbox"/> State/Local Government <input type="checkbox"/> Partnership <input type="checkbox"/> Sole Proprietor <input type="checkbox"/> Other			
AUTHORIZED SIGNATURE 		DATE February 16, 2006	
PRINTED NAME Tommie Joe		TITLE Chief Operating Officer	

**OFFENDER TELEPHONE SERVICES
INFORMATION TECHNOLOGY SERVICES DIVISION**

RFP B2Z05070 is hereby amended by BAFO #001, Revision #002 to correct the contract period stated on page one, signature page, to DATE OF AWARD THROUGH FIVE YEARS.



STATE OF MISSOURI
OFFICE OF ADMINISTRATION
DIVISION OF PURCHASING AND MATERIALS MANAGEMENT (DPMM)
REQUEST FOR BEST AND FINAL OFFER (BAFO)
FOR REQUEST FOR PROPOSAL (RFP)

BAFO REQUEST NO.: 001, REVISION #001
RFP NO.: B2Z05070
TITLE: OFFENDER TELEPHONE SERVICE
ISSUE DATE: 02-14-06

REQ NO.: NR 3002150000041
BUYER: JOHN STOBART
PHONE NO.: (573) 751-3796
E-MAIL: john.stobart@oa.mo.gov

RETURN BAFO RESPONSE NO LATER THAN 02-21-06 AT 5:00 PM CENTRAL TIME

MAILING INSTRUCTIONS: Print or type **RFP Number** and **Return Due Date** on the lower left hand corner of the envelope or package. Sealed BAFOs should be in DPMM office (301 W High Street, Room 630) by the return date and time.

RETURN BAFO RESPONSE TO: (U.S. Mail) DPMM or (Courier Service) DPMM
PO BOX 809 301 WEST HIGH STREET, RM 630
JEFFERSON CITY MO 65102-0809 JEFFERSON CITY MO 65101

CONTRACT PERIOD: DATE OF AWARD THROUGH ONE YEAR

DELIVER SUPPLIES/SERVICES FOB (Free On Board) DESTINATION TO THE FOLLOWING ADDRESS:

VARIOUS CORRECTIONAL INSTITUTIONS
THROUGHOUT THE STATE OF MISSOURI

The offeror hereby declares understanding, agreement and certification of compliance to provide the items and/or services, at the prices quoted, in accordance with all terms and conditions, requirements, and specifications of the original RFP as modified by any previously issued RFP amendments and by this and any previously issued BAFO requests. The offeror agrees that the language of the original RFP as modified by any previously issued RFP amendments and by this and any previously issued BAFO requests shall govern in the event of a conflict with his/his proposal. The offeror further agrees that upon receipt of an authorized purchase order from the Division of Purchasing and Materials Management or when a Notice of Award is signed and issued by an authorized official of the State of Missouri, a binding contract shall exist between the offeror and the State of Missouri.

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CONTACT PERSON Tommie Joe		EMAIL ADDRESS tommie.joe@teampcs.com	
PHONE NUMBER 310-231-1000, Ext. 3037		FAX NUMBER 310-954-2118	
TAXPAYER ID NUMBER (TIN) 95-4615444	TAXPAYER ID (TIN) TYPE (CHECK ONE) <input checked="" type="checkbox"/> FEIN <input type="checkbox"/> SSN		VENDOR NUMBER (IF KNOWN)
VENDOR TAX FILING TYPE WITH IRS (CHECK ONE) (NOTE: LLC IS NOT A VALID TAX FILING TYPE.) <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Individual <input type="checkbox"/> State/Local Government <input type="checkbox"/> Partnership <input type="checkbox"/> Sole Proprietor <input type="checkbox"/> Other			
AUTHORIZED SIGNATURE 		DATE February 16, 2006	
PRINTED NAME Tommie Joe		TITLE Chief Operating Officer	

**OFFENDER TELEPHONE SERVICES
INFORMATION TECHNOLOGY SERVICES DIVISION**

RFP B2Z05070 is hereby amended by BAFO #001, Revision #001 as follows:

The following paragraphs have been revised:

Exhibit A.1, subparagraph a;
Exhibit A.1, subparagraph b;
Exhibit C-1, subparagraph 1 s;
Exhibit C-1, subparagraph 4;

The following paragraphs have been added:

3.1.6;
3.1.7



STATE OF MISSOURI
OFFICE OF ADMINISTRATION
DIVISION OF PURCHASING AND MATERIALS MANAGEMENT (DPMM)
REQUEST FOR BEST AND FINAL OFFER (BAFO)
FOR REQUEST FOR PROPOSAL (RFP)

BAFO REQUEST NO.: 001
RFP NO.: B2Z05070
TITLE: OFFENDER TELEPHONE SERVICE
ISSUE DATE: 02-03-06

REQ NO.: NR 3002150000041
BUYER: JOHN STOBART
PHONE NO.: (573) 751-3796
E-MAIL: john.stobart@oa.mo.gov

RETURN BAFO RESPONSE NO LATER THAN 02-14-06 AT 5:00 PM CENTRAL TIME

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RETURN BAFO RESPONSE TO: (U.S. Mail) DPMM or (Courier Service) DPMM
PO BOX 809 301 WEST HIGH STREET, RM 630
JEFFERSON CITY MO 65102-0809 JEFFERSON CITY MO 65101

CONTRACT PERIOD: DATE OF AWARD THROUGH FIVE YEARS

DELIVER SUPPLIES/SERVICES FOB (Free On Board) DESTINATION TO THE FOLLOWING ADDRESS:

VARIOUS CORRECTIONAL INSTITUTIONS
THROUGHOUT THE STATE OF MISSOURI

The offeror hereby declares understanding, agreement and certification of compliance to provide the items and/or services, at the prices quoted, in accordance with all terms and conditions, requirements, and specifications of the original RFP as modified by any previously issued RFP amendments and by this and any previously issued BAFO requests. The offeror agrees that the language of the original RFP as modified by any previously issued RFP amendments and by this and any previously issued BAFO requests shall govern in the event of a conflict with his/his proposal. The offeror further agrees that upon receipt of an authorized purchase order from the Division of Purchasing and Materials Management or when a Notice of Award is signed and issued by an authorized official of the State of Missouri, a binding contract shall exist between the offeror and the State of Missouri.

SIGNATURE REQUIRED

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Public Communications Services, Inc.		
MAILING ADDRESS		
11859 Wilshire Blvd., Suite 600		
CITY, STATE, ZIP CODE		
Los Angeles, California 90025		
CONTACT PERSON		EMAIL ADDRESS
Tommie Joe		tommie.joe@teampcs.com
PHONE NUMBER		FAX NUMBER
310-231-1000, Ext. 3037		310-954-2118
TAXPAYER ID NUMBER (TIN)	TAXPAYER ID (TIN) TYPE (CHECK ONE)	VENDOR NUMBER (IF KNOWN)
95-4615444	<input checked="" type="checkbox"/> FEIN <input type="checkbox"/> SSN	
VENDOR TYPE (CHECK ONE)		
<input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Individual <input type="checkbox"/> State/Local Government <input type="checkbox"/> Partnership <input type="checkbox"/> Sole Proprietor <input type="checkbox"/> Other		
AUTHORIZED SIGNATURE		DATE
		February 14, 2006
PRINTED NAME		TITLE
Tommie Joe		Chief Operating Officer

**OFFENDER TELEPHONE SERVICES
INFORMATION TECHNOLOGY SERVICES DIVISION**

RFP B2Z05070 is hereby amended by BAFO #001 as follows:

The following paragraphs have been **REVISED**:

Exhibit A.1;
Exhibit A.1, subparagraph a;
Exhibit A.1, subparagraph b;
Exhibit C-1, subparagraph 4.

The following paragraphs have been **ADDED**:

C-1, subparagraph 1 s;
Exhibit C-1, subparagraph 3 c;
Exhibit C-1, subparagraph 5 a.



February 17, 2006

Attention: John Stobbart
Division of Purchasing and Materials Management
301 West High Street, Truman Building, Room 630
Jefferson City, MO 65101

Dear Mr. Stobbart:

PCS is honored to have the opportunity to present its best and final offer to the State of Missouri for Offender Telephone Services pursuant to your Request for Proposal B2Z05070. PCS has proposed the best equipment, technology, service and support available in today's marketplace, while providing the lowest possible call rates.

We are confident that our proposal provides the best value proposition to meet and exceed the State of Missouri's goals and objectives. We look forward to responding to any questions resulting from your review of the enclosed best and final offer. For additional information, please feel free to contact me at 310-954-3015 or by email at joe.pekarovic@teampcs.com.

Sincerely,

A handwritten signature in black ink, appearing to read "Joe Pekarovic", written over a horizontal line.

Joe Pekarovic
Vice President of Sales

1. CLARIFICATIONS:

1.1 Please confirm the validity of the proposal for an additional 60 days from the BAFO receipt due date.

☐ PCS confirms its proposal to the State of Missouri is valid for an additional 60 days from the BAFO receipt due date.

2. OFFEROR RESPONSE TO CHANGED REQUIREMENTS: The offeror is requested to respond to the following revised and added paragraphs:

3.1.6

3.1.6 The contractor shall furnish, install, and maintain all storage equipment and software as required for CDR and recordings based upon the provisions and requirements state herein.

☐ PCS has read and will comply. PCS will furnish, install and maintain the storage equipment and software required for the CDR and recordings of the Offender Telephone System based upon the provisions and requirements stated herein.

3.1.7

3.1.7 The contractor shall furnish, install, monitor, and maintain all WAN connections and equipment required for their design, based upon the provisions and requirements stated herein.

☐ PCS has read and will comply. PCS will furnish, install and maintain all WAN connections and equipment required for their design, based upon the provisions and requirements stated herein.

Exhibit A.1;

A.1 REQUIRED PRICING: The offeror must state below the firm, fixed price for performing OTS services in accordance with the provisions and requirements stated herein. All costs associated with providing the required services, including all travel and expenses to be incurred by contractor staff, must be included. The offeror must propose all items (001 through 009). Prices shall not include commissions to be paid to the State of Missouri (see RFP paragraph 4.4.1).

☐ PCS has read and will comply. The prices stated below are firm and fixed. These prices include all costs associated with performing the OTS services in accordance with the provisions and requirements as stated in the RFP, inclusive of travel and staff expenses. Prices for the Basic OTS are presented in Items 001 through 009. These prices do not include commissions to be paid to the State of Missouri.

Exhibit A.1, Subparagraph a;

a. Basic OTS: The offeror must propose all items (001 through 008). The offeror must state the firm, fixed rates per minute and shall include all set up fees for all offender calls for the following service, *exclusive of any and all local, state, and federal fees/taxes.*

ITEM NO.	Description	Unit of Measure	Firm Fixed Price
001	Local Call	Minute	\$0.10
002	Set-up Charge for Local Call	Call	\$1.00
003	Intralata Call	Minute	\$0.10
004	Set-up Charge for Intralata Call	Call	\$1.00
005	Interlata Call	Minute	\$0.10
006	Set-up Charge for Interlata Call	Call	\$1.00
007	Interstate Call	Minute	\$0.10
008	Set-up Charge for Interstate Call	Call	\$1.00

Exhibit A.1, Subparagraph b;

b. Basic OTS With Option 1 Features and Functions: *The offeror must propose item 009. The offeror must state a firm, fixed all inclusive postalized price per minute, which must include any and all regulatory fees/surcharges, set up fees, and any and all taxes, etc.:*

ITEM NO.	Description	Unit of Measure	Firm Fixed Postalized Price
009	Postalized Call	Per Minute	\$ 0.09

Exhibit C-1, subparagraph 1 s;

s. The offeror should describe the WAN connection, and equipment provided in each location, including storage for CDR and recordings. The offeror should describe the process by which the contractor will upgrade the WAN in the event the state is not satisfied with performance of the WAN.

- ☐ PCS will provide the State of Missouri with a Carrier Class Network utilizing Cisco 2811, 2851, and 3845 integrated services routers with interface cards selected specifically to meet the configuration and bandwidth requirements of each location.

PCS utilizes an nx T1 connection to a carrier class MPLS network. When additional bandwidth is required, T1's are "bonded" to provide a larger connection to the network in port increments of 1.5 Mb/s (e.g. 1.5, 3.0, 4.5 Mb/s). In solutions requiring greater than 9 Mb/s, PCS utilizes a DS3 connection with a port access ranging from 9 to 45 Mb/s.

The equipment at each of the 20 State of Missouri DOC Correctional facilities will consist of one or more VAC Focus100 systems, each with 6 months of online storage. The primary means of storage will be on Raid5 HSS SCSI disk arrays with external NAS disk backup of the CDRs and recordings. This will ensure that each facility has online access to locally stored call recordings for a minimum of 6 months and online local access to CDR data for the duration of the contract.

Additionally, all recordings and data will be automatically transmitted and centrally stored at the offices of Huber & Associates in Jefferson City, MO for online access. This location will maintain all call recordings and CDR data for all sites for the 5-year duration of the contract. The Huber & Associates location will be configured with the following:

- Five (5), 7-Terabyte Fibre Channel (16-Bay) SATA Raid 5 HSS Disk Arrays
- 12-Port Fibre Channel Switch
- Fibre Array Management Software

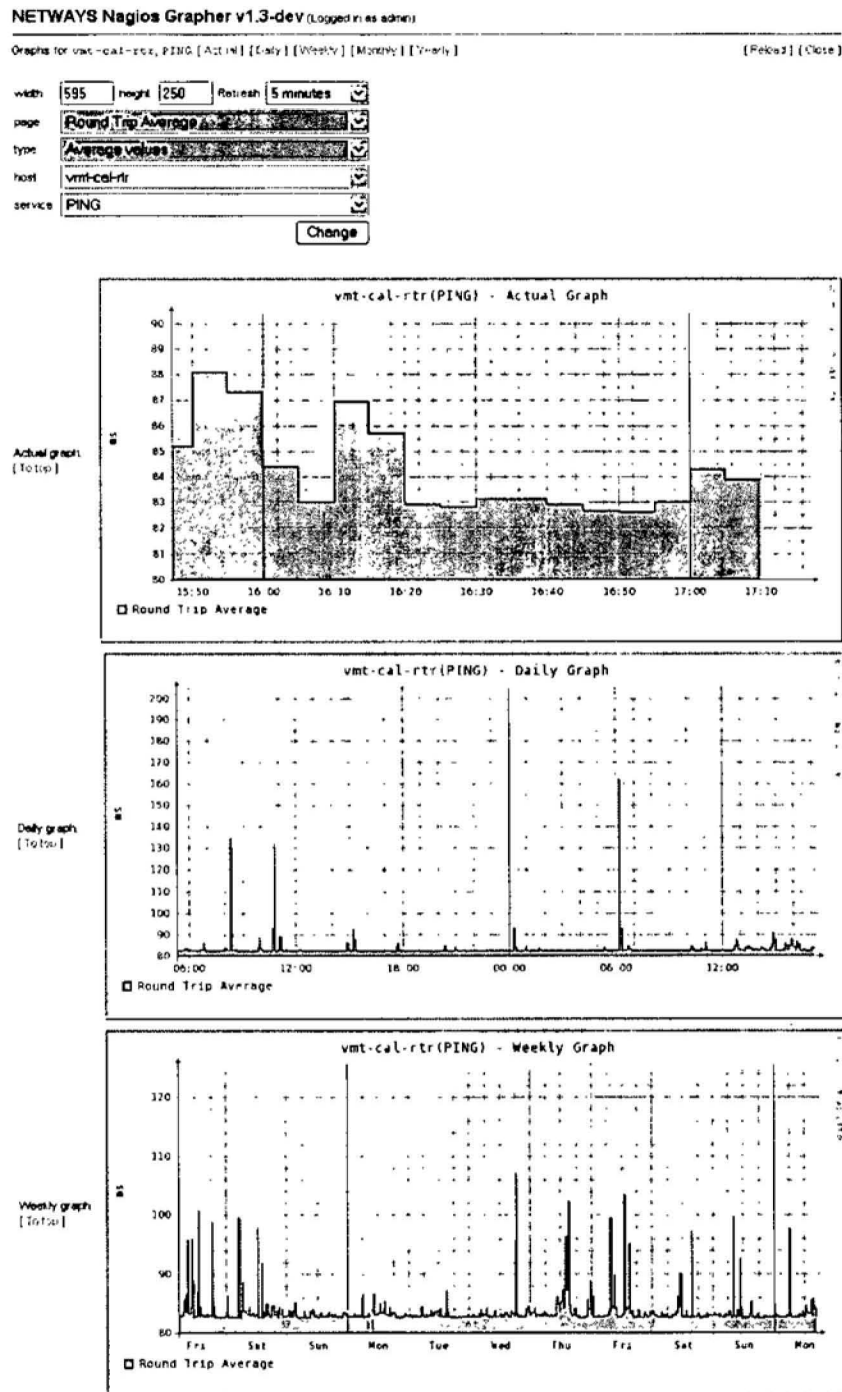
Following contract award, PCS will engineer a Wide Area Network (WAN) for the State of Missouri Department of Correction facilities and investigative offices as well as connections to PCS' monitoring and storage facilities. Each location will be connected to the WAN via a circuit of sufficient bandwidth to ensure information access speeds meet the requirements of the DOC. The design of this network will be based upon calculations of latency, availability and bandwidth utilization.

PCS and the State of Missouri both understand that over time there will be a need to respond to growth and changing utilization levels at some of the facilities. PCS actively monitors all network locations to ensure they are meeting satisfactory performance levels. PCS will make these reporting tools available to the State of Missouri.

La-ten-cy (lā'tn-sē) *n.*

1. The time between initiating a request for data and the beginning of the actual data transfer.

Each location will have routers that report back to the PCS network management system via SNMP. The screen shots below show some of the reports available. PCS will work with the State of Missouri to define performance thresholds for each of the facilities. Should any performance thresholds not be met, system alarms will notify both PCS and the State of Missouri that upgrades in network capacity may be required. Below please note an example of a PCS system management report. These reports will be available to the State of Missouri DOC for all locations.



PCS System Management Reports Show Network Performance by the Minute, Day, Week, Month, and Year.

PCS will proactively work with the State to anticipate changing usage patterns and to provide the State with specific bandwidth tiers and upgrade times for all locations. By anticipating changes in usage patterns, network upgrades can be implemented without experiencing any deterioration in network performance. Should performance

fall below the service levels established for any location, PCS will increase bandwidth to meet the agreed upon thresholds.

These performance thresholds may include round-trip delays (latency), bandwidth thresholds and circuit availability. The State may also include other threshold requirements it finds relevant to satisfactory performance.

Current Network Status				Host Status Totals			Service Status Totals			
Last Updated: Mon Feb 13 17:34:11 PST 2006 Updated every 90 seconds Nagios® - www.nagios.org Logged in as admin				Up	Down	Unreachable	OK	Warning	Unknown	Critical
View History For This Host View Notifications For This Host View Service Status Detail For All Hosts				119	0	0	1	1	0	0
				All Problems	All Types		All Problems	All Types		
				0	1		1	9		

Service Status Details For Host 'vint-cal-rb'							Status Information	
Host	Service	Status	Last Check	Duration	Attempt			
vint-cal-rb	Cisco CPU Load	OK	02-13-2006 17:29:12	126d 20h 3m 17s	1/4		CPU: 0.12% OK	
	Cisco Memory Usage	OK	02-13-2006 17:30:22	126d 20h 3m 17s	1/4		MEM: 38% Processor: 9% I/O: 11% OK	
	Interface: Fast Ethernet 0/0	OK	02-13-2006 17:30:20	0d 0h 13m 50s	1/4		OK - [FastEthernet0/0] In: 0.01%, Out: 0.0%	
	Interface: Serial 0/0/0	OK	02-13-2006 17:29:10	9d 7h 30m 26s	1/4		OK - [Serial0/0/0] In: 3.92%, Out: 3.45%	
	Interface Status	OK	02-13-2006 17:32:56	0d 0h 6m 14s	1/4		OK - Down: 1 Command: 121 Up: 9	
NTP		WARNING	02-13-2006 17:29:39	6d 23h 47m 13s	4/4		NTP WARNING: Offset: -114.104078 sec > +/- 60 sec, Star: 0.180 msec	
PING		OK	02-13-2006 17:32:07	0d 11h 17m 44s	1/4		PING OK - Packet loss = 0%, RTA = 83.78 ms	
Telnet		OK	02-13-2006 17:29:19	126d 19h 59m 22s	1/4		TCP OK - 0.003 second response time on port 23	
Uptime		OK	02-13-2006 17:29:11	126d 19h 59m 37s	1/4		Uptime OK - Threshold: (1874740714) 182 days, 61h:47:14	

PCS Continuously Monitors WAN Performance

Exhibit C-1, subparagraph 3 c;

c. The offeror should state the minimum billing time increment that shall apply.

- ☐ The minimum billing time increment will be whole minutes rounded up to the next whole minute.

Exhibit C-1, subparagraph 4

4. The offeror should state any and all local, state and federal fees/taxes, etc., proposed for Option 1, and state the maximum amounts proposed to charge to the called party. The offeror should site the authority, to include the paragraph of the authority used to charge any such taxes, fees, and surcharges.

- ☐ PCS has provided it's proposed rates for Option 1 in Exhibit A, Subparagraph b. We propose a firm, fixed, all inclusive, postalized rate of \$0.09 per minute. This rate includes all taxes, fees, and surcharges.

PCS is required by various Federal, State, and Local laws to collect certain regulatory fees/surcharges, set up fees, and taxes. These charges include the following:

LT-Telecommunication Business License Tax
CT- City Tax
CN-County Tax
SA-State Tax

State Universal Service fund- USF
FET-Federal Excise Tax
Federal Universal Service Fund – USF
Missouri Regulatory Assessment Invoice -Mo RAI

Please note:

1. The Federal USF is only applied when the calls are placed out of state.
2. The LT, CT and CN are different based on the facility from which the call is made.
3. The SA, FET and State USF are the same for all calls, regardless of the location from which the call is made.

The following chart shows several examples of how PCS would pay these fees.

Example of Call Cost Calculations for Tax Purposes	Call To Area	Base Rate for PCS	Total Tax %	Total Tax	PCS Gross Charge Per Minute
Ozark Correctional Ctr (OCC)	In State	\$ 0.08188	9.91094172%	\$ 0.00812	\$ 0.090
	Out of State	\$ 0.07493	20.11094172%	\$ 0.01507	\$ 0.090
Moberly Correctional Ctr (MCC)	In State	\$ 0.07526	19.57794172%	\$ 0.01474	\$ 0.090
	Out of State	\$ 0.06935	29.77794172%	\$ 0.02065	\$ 0.090
Tipton Correctional Center (TCC)	In State	\$ 0.08176	10.07794172%	\$ 0.00824	\$ 0.090
	Out of State	\$ 0.07483	20.27794172%	\$ 0.01517	\$ 0.090

All of the assessed charges are **built-in** to PCS' maximum rate of \$0.09 per minute. A complete analysis of these current taxes and fees for all 20 correctional facilities is presented in Table A at the end of this document.

The follow information identifies and clarifies the authority used by PCS to collect the required taxes fees and surcharges.

Sales Tax (SA), County Tax (CN) and City Tax (CT)

The Authority to collect taxes is designated to the Missouri Department of Revenue by the legislature of the State of Missouri and most tax laws applied to these taxes are found in Chapters 71 and 92, RSMo:

"The Missouri Department of Revenue serves as the central collection agency for all state revenues. The department's primary duties include collecting taxes, titling and registering motor vehicles, and issuing driver licenses."

The following excerpt is obtained directly from the website of the State of Missouri Department of Revenues (<http://www.dor.mo.gov/tax/business/sales/#stris>)



*"Sales tax is imposed on retail sales of tangible personal property and certain services. All sales of tangible personal property and taxable services are generally presumed taxable unless specifically exempted by law. Persons making retail sales collect the sales tax from the purchaser and remit the tax to the Department of Revenue. **The state sales tax rate is 4.225%. Cities, counties and certain districts may also impose local sales taxes as well, so the amount of tax sellers collect from the purchaser depends on the combined state and local rate at the location of the seller.** The state and local sales taxes are remitted together to the Department of Revenue. Once the seller remits sales tax to the department, the department then distributes the local sales taxes remitted by the sellers to the cities, counties and districts. "*

Additionally, Missouri Revised Statutes, Chapter 34, State Purchasing and Printing, Section 34.040.6 states:

"The commissioner of administration and other agencies to which the state purchasing law applies shall not contract for goods or services with a vendor if the vendor or an affiliate of the vendor makes sales at retail of tangible personal property or for the purpose of storage, use, or consumption in this state but fails to collect and properly pay the tax as provided in chapter 144, RSMo. For purposes of this section, "affiliate of the vendor" shall mean any person or entity that is controlled by or is under common control with the vendor, whether through stock ownership or otherwise."

Also, Section 92.086.13 RSMo states:

"13. Any telecommunications company is authorized to pass through to its retail customers all or part of the business license tax."

The County (CN) and City (CT) taxes are detailed for each correctional facility in Table A at the end of this document.

Telecommunication Business License Tax (LT)

The following excerpt was also obtained directly from the website of the State of Missouri Department of Revenues (<http://www.dor.mo.gov/tax/business/telecom>)

<p>Municipal Telecommunications Business License Tax</p> <p>Section 92.066, RSMo requires the Department of Revenue (department) to publish a list of municipalities that have, prior to August 28, 2005, enacted ordinances imposing a business license tax on telecommunications companies. This list includes:</p> <ol style="list-style-type: none">1. The name of the municipality imposing the tax;2. The name of the tax as denoted by the municipality;3. The citation of the municipal code provisions imposing the tax; and4. The percentage of gross receipts (if applicable). <p>The department has been communicating with municipalities to obtain the required information. See the published list of municipalities imposing a business license tax on telecommunications companies, which has been updated to include information received as of February 16, 2006.</p> <p>• List of Municipalities with a Telecommunications Business License Tax</p>

The actual taxes associated with each municipality with a Telecommunications Business Tax is detailed for each MODOC facility in Table A at the end of this document and can also be found at the following State of Missouri Department of Revenue website.

<http://www.dor.mo.gov/tax/business/telecom/licensetaxlist.htm>

State of Missouri USF:

Effective March 31, 2002, the Missouri Public Service Commission approved the establishment of a Missouri Universal Service Fund (MoUSF) to help low-income and disable Missourians receive discounts for basic local telephone service. The Commission established as start date of May 1, 2005 with a carrier surcharge of .18% of the net jurisdictional revenues.

MO USF Assessment Determination and Remittance Form - 0.18% of net jurisdictional revenue (Carriers with net jurisdictional revenue of less than \$24,000 are not required to file this report. Carriers with monthly net jurisdictional revenue of more than \$50,000 must submit this report on a monthly basis (Report D). *All telecommunications companies certificated to provide telecommunications services in Missouri except: (a) pay telephone providers; (b) shared tenant services (STS) providers; and (c) companies with annual net jurisdictional revenue below a de minimis level of twenty-four thousand dollars (\$24,000), must remit payment to the Missouri Universal Service Fund.*

Further information on the State of Missouri Universal Service fund can be found at:

[www.psc.mo.gov/press/consumer_issues/Missouri Universal Service Fund.pdf](http://www.psc.mo.gov/press/consumer_issues/Missouri_Universal_Service_Fund.pdf)

Federal Excise Tax:

The IRS is empowered by congress to collect The Federal Excise Tax. Their website (<http://www.irs.gov/publications/p510/ar02.html#d0e795>) includes the following:



Internal Revenue Service IRS.gov

DEPARTMENT OF THE TREASURY

Communications Tax

A 3% tax is imposed on amounts paid for all the following communications services.

- Local telephone service.
- Toll telephone service.
- Teletypewriter exchange service.

Local telephone service. This includes access to a local telephone system and the privilege of telephonic quality communication with most people who are part of the system. Local telephone service also includes any facility or services provided in connection with this service. The tax applies to lease payments for certain customer premises equipment (CPE) even though the lessor does not also provide access to a local telecommunications system.

Private communication service. Private communication service is not local telephone service. Private communication service includes accessory-type services provided in connection with a Centrex, PBX, or other similar system for dual use accessory equipment. However, the charge for the service must be stated separately from the charge for the basic system, and the accessory must function, in whole or in part, in connection with intercommunication among the subscriber's stations.

Toll telephone service. This includes a telephonic quality communication for which a toll is charged that varies with the distance and elapsed transmission time of each communication. The toll must be paid within the United States. It also includes (a) a telephonic quality communication for which a toll is charged that varies only with elapsed transmission time and (b) a long distance service that entitles the subscriber to make unlimited calls (sometimes limited as to the maximum number of hours) within a certain area for a periodic charge.

Teletypewriter exchange service. This includes access from a teletypewriter or other data station to a teletypewriter exchange system and the privilege of intercommunication by that station with most persons having teletypewriter or other data stations in the same exchange system.

Figuring the tax. The tax is based on the sum of all charges for local or toll telephone service included in the bill. However, if the bill groups individual items for billing and tax purposes, the tax is based on the sum of the individual items within that group. The tax on the remaining items not included in any group is based on the charge for each item separately. Do not include in the tax base state or local sales or use taxes that are separately stated on the taxpayer's bill.

If the tax on toll telephone service is paid by inserting coins in **coin-operated telephones**, figure the tax to the nearest multiple of 5 cents. When the tax is midway between 5-cent

multiples, the next higher multiple applies. **Prepaid telephone cards.** A prepaid telephone card is any card or any other similar arrangement that allows its holder to get local or toll telephone service and pay for those services in advance. The tax is imposed when the card is transferred by a telecommunications carrier to any person who is not a telecommunications carrier. The face amount of the card is the amount paid for communications services. If the face amount is not a dollar amount, see section 49.4251-4 of the regulations.

Federal Universal Service Fund (USF)

The following excerpt was obtained directly from the Federal Communications Commission website and can be found at the following Internet address:

http://www.fcc.gov/wcb/universal_service/quarter.html

The screenshot shows the FCC's Universal Service website. The main heading is "Contribution Factors & Quarterly Filings". Below this, it states: "The proposed contribution factor for the first quarter 2006 is 0.102 or 10.2%". It then explains the "Contribution Factor" and "Quarterly Administrative Filings". A sidebar on the left contains links to various sections like "Universal Service Home", "Schools & Libraries", "High Cost Support", etc. The top navigation bar includes links for "FCC Home", "Search", "Updates", "Filing", "Initiatives", "For Consumers", and "Find People".

Missouri Regulatory Assessment Invoice – (MO RAI)

Each company's assessment is based on the percentage of the company's gross intrastate operating revenue to total industry revenue times Missouri total assessment. Current rate is 0.17294172% - Payments may be made in quarterly installments: 25% of total per quarter. The first payment is due July 15. Additional payments are due: Oct 15, Jan 15, and April 15.

Exhibit C-1, subparagraph 5 a

a. The offeror should describe the method by which the offeror will transfer the call recording and other information to the state of Missouri at the termination of the contract. The offeror should describe the method and format for transferring the information, and whether the information is in an open architecture format.

- ☐ All call recordings and data will remain the property of the State of Missouri. PCS stores these recordings and CDR on RAID 5 servers. At the termination of the contract, PCS will provide a minimum of two workstations along with all of the

RAID 5 servers. This will ensure continuous access to the data and the ability to find, playback, or copy offender conversations to CD. Along with this access, the State of Missouri will be granted the required VAC software licenses for a minimum of five years following the termination of our services.

Information is maintained in an open architecture and does not require any additional software to play back. Data about the calls and offender personal information can be transferred to commonly used software applications via EMI, ASCII, CSV file or any other standard database format requested. Export options for call recordings include WAV format, MP3 or any standard recording format requested by the State.

Missouri Department of Corrections Facility Tax Table Schedule

Table A

Facility	City	LT- License Tax*	CT- City Tax*	CN- County Tax*	SA- State Tax**	State USF	Missouri Regulatory Assessment Invoice (Mo RA)	FET- Federal Excise Tax***	Federal USF	Total Taxes	
										In State	Out of State
Algoa Corr. Ctr	Jefferson City	7.00%	2.00%	1.0000%	4.225%	0.18%	0.17294172%	3.00%	10.20%	17.57794%	27.7779%
Boonville Corr. Ctr	Boonville	5.00%	1.50%	1.7500%	4.225%	0.18%	0.17294172%	3.00%	10.20%	15.82794%	26.0279%
Chillicothe Corr. Ctr	Chillicothe	0.00%	0.00%	0.7500%	4.225%	0.18%	0.17294172%	3.00%	10.20%	8.32794%	18.5279%
Crossroads Corr. Ctr	Cameron	5.00%	1.50%	1.0000%	4.225%	0.18%	0.17294172%	3.00%	10.20%	15.07794%	25.2779%
Eastern Reception, Diag. and Corr. Ctr	Bonne Terre	5.00%	2.00%	1.7500%	4.225%	0.18%	0.17294172%	3.00%	10.20%	16.32794%	26.5279%
Farmington Corr. Ctr	Farmington	5.00%	1.50%	1.7500%	4.225%	0.18%	0.17294172%	3.00%	10.20%	15.82794%	26.0279%
Fulton Reception and Diag. Ctr	Fulton	0.00%	0.00%	1.0000%	4.225%	0.18%	0.17294172%	3.00%	10.20%	8.57794%	18.7779%
Jefferson City Corr. Ctr	Jefferson City	7.00%	2.00%	1.0000%	4.225%	0.18%	0.17294172%	3.00%	10.20%	17.57794%	27.7779%
Maryville Treatment Ctr	Maryville	0.00%	1.75%	1.5000%	4.225%	0.18%	0.17294172%	3.00%	10.20%	10.82794%	21.0279%
Missouri Eastern Corr. Ctr	Pacific	8.00%	1.50%	1.2500%	4.225%	0.18%	0.17294172%	3.00%	10.20%	18.32794%	28.5279%
Moberly Corr. Ctr	Moberly	8.00%	2.50%	1.5000%	4.225%	0.18%	0.17294172%	3.00%	10.20%	19.57794%	29.7779%
Northeast Corr. Ctr	Bowling Green	0.00%	0.00%	2.0000%	4.225%	0.18%	0.17294172%	3.00%	10.20%	9.57794%	19.7779%
Ozark Corr. Ctr	Fordland	0.00%	1.00%	1.3330%	4.225%	0.18%	0.17294172%	3.00%	10.20%	9.91094%	20.1109%
Potosi Corr. Ctr	Mineral Point	0.00%	0.00%	2.5000%	4.225%	0.18%	0.17294172%	3.00%	10.20%	10.07794%	20.2779%
South Central Corr. Ctr	Licking	0.00%	0.00%	0.5000%	4.225%	0.18%	0.17294172%	3.00%	10.20%	8.07794%	18.2779%
Southeast Corr. Ctr	Charleston	5.00%	1.50%	1.7500%	4.225%	0.18%	0.17294172%	3.00%	10.20%	15.82794%	26.0279%
Tipton Corr. Ctr	Tipton	0.00%	1.00%	1.5000%	4.225%	0.18%	0.17294172%	3.00%	10.20%	10.07794%	20.2779%
Western Missouri Corr. Ctr	Cameron	5.00%	1.50%	1.0000%	4.225%	0.18%	0.17294172%	3.00%	10.20%	15.07794%	25.2779%
Western Reception, Diag. & Corr. Ctr	St. Joseph	7.00%	2.15%	1.1000%	4.225%	0.18%	0.17294172%	3.00%	10.20%	17.82794%	28.0279%
Women's Estrn Rec., Diag. & Corr. Ctr	Vandalia	0.00%	1.50%	1.8750%	4.225%	0.18%	0.17294172%	3.00%	10.20%	10.95294%	21.1529%

Example of Call Cost Calculations for Tax Purposes:	Call To Area	Base Rate for PCS	Total Tax %	Total Tax	PCS Gross Charge to Inmate
From Ozark Correctional Ctr (OCC)	In State	\$ 0.08188	9.91094172%	\$ 0.00812	\$ 0.090
	Out of State	\$ 0.07493	20.11094172%	\$ 0.01507	\$ 0.090
From Moberly Correctional Ctr (MCC)	In State	\$ 0.07526	19.57794172%	\$ 0.01474	\$ 0.090
	Out of State	\$ 0.06935	29.77794172%	\$ 0.02065	\$ 0.090
Tipton Correctional Center (TCC)	In State	\$ 0.08176	10.07794172%	\$ 0.00824	\$ 0.090
	Out of State	\$ 0.07483	20.27794172%	\$ 0.01517	\$ 0.090



STATE OF MISSOURI
OFFICE OF ADMINISTRATION
DIVISION OF PURCHASING AND MATERIALS MANAGEMENT (DPMM)
REQUEST FOR PROPOSAL (RFP)

AMENDMENT NO.: 007
RFP NO.: B2Z05070
TITLE: OFFENDER TELEPHONE SERVICES
ISSUE DATE: September 13, 2005

REQ NO.: NR 300 2150000041
BUYER: TED WILSON
PHONE NO.: (573) 751-1692
E-MAIL: ted.wilson@oa.mo.gov

RETURN PROPOSAL NO LATER THAN: SEPTEMBER 23, 2005 AT 2:00 PM CENTRAL TIME

MAILING INSTRUCTIONS: Print or type RFP Number and Return Due Date on the lower left hand corner of the envelope or package. Delivered sealed proposals must be in DPMM office (301 W High Street, Room 630) by the return date and time.

RETURN PROPOSAL AND AMENDMENT(S) TO:

(U.S. Mail)
DPMM
PO BOX 809
JEFFERSON CITY MO 65102-0809

(Courier Service)
DPMM
301 WEST HIGH STREET, ROOM 630
JEFFERSON CITY MO 65101

CONTRACT PERIOD: DATE OF AWARD THROUGH FIVE YEARS

DELIVER SUPPLIES/SERVICES FOB DESTINATION TO THE FOLLOWING ADDRESS:

VARIOUS CORRECTIONAL INSTITUTIONS
THROUGHOUT THE STATE OF MISSOURI

The offeror hereby declares understanding, agreement and certification of compliance to provide the items and/or services, at the prices quoted, in accordance with all terms and conditions, requirements, and specifications of the original RFP as modified by this and any previously issued RFP amendments. The offeror should, as a matter of clarity and assurance, also sign and return all previously issued RFP amendment(s) and the original RFP document. The offeror agrees that the language of the original RFP as modified by this and any previously issued RFP amendments shall govern in the event of a conflict with his/her proposal. The offeror further agrees that upon receipt of an authorized purchase order from the Division of Purchasing and Materials Management or when a Notice of Award is signed and issued by an authorized official of the State of Missouri, a binding contract shall exist between the offeror and the State of Missouri.

SIGNATURE REQUIRED

LEGAL NAME OF ENTITY/INDIVIDUAL		
Public Communications Services, Inc.		
MAILING ADDRESS		
11859 Wilshire Blvd., Suite 600		
CITY, STATE, ZIP CODE		
Los Angeles, California 90025		
CONTACT PERSON	EMAIL ADDRESS	
Tommie Joe	tommie.joe@teampcs.com	
PHONE NUMBER	FAX NUMBER	
310-231-1000, Ext. 3037	310-473-4714	
TAXPAYER ID NUMBER (TIN)	TAXPAYER ID (TIN) TYPE (CHECK ONE)	VENDOR NUMBER (IF KNOWN)
95-4615444	<input checked="" type="checkbox"/> FEIN <input type="checkbox"/> SSN	95461544400
VENDOR TYPE (CHECK ONE)		
<input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Individual <input type="checkbox"/> State/Local Government <input type="checkbox"/> Partnership <input type="checkbox"/> Sole Proprietor <input type="checkbox"/> Other		
AUTHORIZED SIGNATURE		DATE
		September 16, 2005
PRINTED NAME		TITLE
Tommie Joe		Chief Operating Officer



December 13, 2005

John Stobbart
Division of Purchasing & Materials Management
State of Missouri
Office of Administration
301 West High Street, Room 630
Jefferson City, MO 65101

Dear Mr. Stobbart:

Thank you for the opportunity to clarify our response to RFP B2Z05070: Offender Telephone Services.

Public Communications Services, Inc. (PCS) confirms the validity of its proposal for an additional 90 days from December 9, 2005. Our clarifications appear below: PCS' reply is placed under each item.

Once again, thank you for your time and consideration. If you have any questions or concerns, please feel free to contact me either by phone at (800) 310-231-1000 ext. 3015 or email at joe.pekarovic@teampcs.com.

Sincerely,

A handwritten signature in black ink, appearing to read "Joseph Pekarovic", written over a horizontal line.

Joseph Pekarovic
Vice President of Inmate Sales



Points for clarification:

3.3.1.a Please clarify if PCS or the facility will do the work? Will the facility have permissions to block or deny for the entire system, or just that site?

This specification involves the blocking of numbers from offender dialing. The PCS Site Administrator will be responsible for maintaining the list of numbers to be blocked from inmate calling and the list of numbers to be accessible to all inmates. In addition, the Site Administrator can provide agency staff with the list of blocked numbers upon request.

While the Site Administrator is available to do the work, authorized agency staff will have permissions to block or deny numbers for the entire system. The access level assigned to the individual user will determine whether they are able to enter the entire OTS or just the OTS for a single facility. MODOC will determine what access level to grant to each staff member.

3.3.1.i Will the system have the ability to deny calls if the offender does not record a name?

Yes. When an offender makes a call, he/she is obligated to use his/her PIN number. The PIN automatically retrieves the offender's prerecorded name for use in the call announcement. Calling privileges can be denied to offenders that do not record a name at PIN setup.

3.3.1.s Will the proposed system provide the capability of flagging the call and not terminating the call?

Yes. The PCS system can be set to flag the three-way call attempts and not terminate the call. It may also be set to initiate a warning. Regardless of the setting, three way call detection events are always flagged in the call detail record and can be viewed in a report designed specifically to track three way call attempts.

3.3.2.e How will this be automated, and what time frame? What if MODOC wants to approve the list? How are numbers deleted from the list?

This specification involves the providing of automated Allow Lists associated with each PIN. The "self-learn" feature of the OTS provides for automated Allow Lists. This feature will be available immediately upon OTS activation.



Using the automated "self-learn" feature, offenders can add new numbers to their Allow Lists by simply dialing the telephone number. The new numbers will be automatically added to the Allow List until the maximum of numbers allowed is reached.

MODOC will have the opportunity to approve all numbers added to the Allow List before the offender can call that number. New numbers will be flagged, and will not be made active and available for offender calling until MODOC has approved them. This approval can be done either electronically or with a form provided by the Site Administrator.

Offenders may remove numbers from their Allow List by accessing the OTS with their PIN and following the voice prompts. One of the options provided is to delete numbers from the Allow List.

PCS will be pleased to work with MODOC to set up the automated Allow List feature in the way that best suits the needs of the State.

3.4.2.c Interface to be developed. How and what time frame?

MODOC's canteen has been designed and is currently managed by Huber & Associates. PCS has entered into a teaming agreement with Huber & Associates to create an interface between the canteen system and the offender telephone system for the purposes of debit implementation. PCS can guarantee that it will be in place and able to be utilized immediately upon cutover to the PCS offender telephone system.

PCS has discussed with Huber & Associates the requirement of this seamless interface. PCS and Huber have carefully analyzed the existing offender banking and canteen processes and have designed complementary and enhanced processes to accommodate debit calling. This will include daily file transfers that download offender debit calling purchases into the offender's telephone account for immediate use.

Please see the associated documents for the Offender Telephone Process, as discussed and developed by Huber & Associates, VAC, and PCS.

Offender Phone System Data Flow Overview The State of Missouri DOC

Below are the data flow items that will be used to ensure a seamless implementation of debit calling services for offenders using the PCS OTS at the State of Missouri DOC. Each item has been reviewed by PCS, Huber and VAC to ensure that the system will be implemented upon system turn up. The first group of items boxed below are already in place and standard procedure at the State of Missouri DOC.

Process

Responsibility

Tool

Inmate Intake	MODOC	OPII
Inmate PIN	MODOC	OPII or Canteen POS System
Compile & Transfer Inmate Information For Phone Usage	MODOC	OPII Nightly Job
Transfer Data for Processing	MODOC	OPII Nightly Job
Process Offender Data	Huber	Huber Custom PIN Software
Load Data To Phones	PCS OTS	VAC Software

Offender makes Phone calls	PCS OTS	PCS OTS or VAC Equipment
Money Deducted from Offender's Phone Account	PCS OTS	VAC Software

Offender buys Prepaid Phone Time	MODOC	Canteen POS System
Transfer Offender Prepaid Phone Time to VAC	Huber	Huber Custom Software
Load Offender Prepaid Phone Time to Offender's Debit Phone Account	PCS OTS	VAC Software
Offender Checks Phone Debit Account Balance	PCS OTS	VAC Software
Pay PCS for Prepaid Phone Time	MODOC	Inmate Banking Clear Account Check Writing

Matt Blunt
Governor



State of Missouri
OFFICE OF ADMINISTRATION

Post Office Box 809
Jefferson City, Missouri 65102

(573) 751-2387 Fax: (573) 526-9815
TTD: (800) 735-2966 Voice: (800) 735-2466
www.oa.mo.gov/purch/purch.htm

James Miluski
Director
Division of Purchasing and
Materials Management

Michael N. Keathley
Commissioner

December 9, 2005

Mr. Joseph Pekarovic
Vice President of Inmate Sales
Public Communications Services Inc.
11859 Wilshire Blvd., Suite 600
Los Angeles, CA 90025

VIA e-mail joe.pekarovic@teampcs.com

Dear Mr. Pekarovic:

The State of Missouri desires to clarify your proposal submitted in response to RFP B2Z05070. Please respond to the following points.

- 3.3.1 a. Please clarify if PCS or the facility will do the work? Will the facility have permissions to block or deny for the entire system, or just that site?
- 3.3.1 i. Will the system have the ability to deny calls if the offender does not record a name?
- 3.3.1 s. Will the proposed system provide the capability of flagging the call and not terminating the call?
- 3.3.2 e. How will this be automated, and what timeframe? What if MODOC wants to approve the list? How are numbers deleted from the list?
- 3.4.2 c. Interface to be developed. How and what time frame?

PCS is requested to confirm the validity of its proposal for an additional 90 days from the date of this letter.

PCS is requested to respond to the above stated clarifications in writing to John Stobbart at the Division of Purchasing & Materials Management no later than the close of business on December 15, 2005. If you have any questions, do not hesitate to contact me at (573) 751-3796, or by e-mail at john.stobbart@oa.mo.gov. Your assistance in clarifying your proposal will be appreciated.

Sincerely,

John Stobbart
Buyer

Wilson, Ted

From: Joe Pekarovic [joe.pekarovic@teampcs.com]
Sent: Friday, October 21, 2005 2:03 PM
To: Wilson, Ted
Subject: FW: RFP No. :B2Z05070. Clarification

Mr. Ted Wilson
Buyer
State of Missouri
Office of Administration
Division of Purchasing and Materials Management (DPMM)

Dear Mr. Wilson

Please consider this as formal clarification that PCS neither takes exception to, nor is a contract execution contingent on any response other than Read and Understood for either of the two following sections as responded to by PCS for RFP No. : B2Z05070.

1. (Section 2.12.1)-Property of State (Page 2-5)
2. (Section 10. Invoicing and Payment) -on Page 4 in Terms and Conditions-Request for Proposal.

Should you have any questions please feel free to contact me at any time.

Sincerely,

Joseph Pekarovic
Vice President of Sales
Public Communications Services
11859 Wilshire Blvd, Suite 600
Los Angeles, CA 90025
Office:310-231-1000 ext 3015
Fax: 310-954-2119
E-Mail: joseph.pekarovic@teampcs.com

10/21/2005

TITLE: OFFENDER TELEPHONE SERVICES

CONTRACT PERIOD: DATE OF AWARD THROUGH FIVE YEARS

PROSPECTIVE OFFERORS ARE HEREBY NOTIFIED OF THE FOLLOWING CHANGES:

Offerors are hereby notified of the following revision:

-- Exhibit E, MBE/WBE Participation, has been revised.