

State of North Carolina
Office of Information Technology Services
Statewide IT Procurement Office

Michael F. Easley, Governor

George Bakolia, State Chief Information
Officer

June 30, 2004

Mr. Don Eades
AT&T
6143 Braidwood Lane
Acworth, GA 30101

Dear Mr. Eades:

RE: ITS-000938A – Public/Inmate Payphone System

Statewide IT Procurement wishes to inform you that the above referenced bid is being awarded to AT&T. This award will be in accordance with your response to Request for Proposal ITS-000938A and subsequent BAFO's dated 1/9/04, 1/29/04, 2/20/04, 2/27/04 and 5/27/04.

The initial term of this contract will be for a five (5) year period. This agreement shall not be amended or extended without prior written approval from Statewide IT Procurement.

If you have questions you may contact me at (919) 981-2681.

Sincerely,

A handwritten signature in cursive script that reads "Sherri Garte".

Sherri Garte, C.P.M., CPPB
Statewide IT Procurement

cc: Patricia Bowers, CIO Statewide IT Procurement
Diane Hawes, Purchasing Office DOC
Don Fowler, Network Specialist, ITS
Linda Waterman, ITS Purchasing
Patricia Deal, Telecommunications Manager, DOC

STATE OF NORTH CAROLINA Office of Information Technology Services	REQUEST FOR BEST AND FINAL OFFER (BAFO) ITS-000938A-4
	Offers will be received until: May 27, 2004
	Contract Type: Open Market
Refer <u>ALL</u> Inquiries to: Billy Blackmon Telephone No. (919) 850-2909	Issue Date: May 25, 2004 Commodity: Public/Inmate Payphone Services
E-Mail: billy.blackmon@ncmail.net	Using Agency Name: Office of Information Technology Services
(See page 2 for mailing instructions.)	Agency Requisition No. N/A
http://www.its.state.nc.us/	

NOTICE TO VENDOR Offers, subject to the conditions made a part hereof, will be received at this office, 3512 Bush Street, Raleigh NC, until 2:00 p.m. Eastern Standard Time on the day of opening and then opened, for furnishing and delivering the goods and services as described herein. Refer to page 2 for proper mailing instructions.

Bids submitted via facsimile (fax) machine in response to this Best and Final Offer (BAFO) will not be accepted. Bids are subject to rejection unless submitted on this form.

EXECUTION

In compliance with this Request for Best and Final Offers (BAFO), and subject to all the conditions herein, the undersigned offers and agrees to furnish and deliver any or all goods and services which are offered, at the prices agreed upon and within the time specified herein. Pursuant to GS § 147-33.100 and under penalty of perjury, the undersigned Vendor certifies that this offer has not been arrived at collusively or otherwise in violation of Federal or North Carolina law and this offer is made without prior understanding, agreement, or connection with any firm, corporation, or person submitting an offer for the same commodity, and is in all respects fair and without collusion or fraud.

Failure to execute/sign offer prior to submittal shall render quote invalid. Late offers are not acceptable.

VENDOR: AT&T		FEDERAL ID OR SOCIAL SECURITY NO. 13-3948543	
STREET ADDRESS: 6143 BRAIDWOOD LANE		P.O. BOX:	ZIP: 30101
CITY & STATE & ZIP: ACWORTH, GA 30101		TELEPHONE NUMBER: 6783559524	TOLL FREE TEL. NO: 6783559529
TYPE OR PRINT NAME & TITLE OF PERSON SIGNING: DON W EADES SALES MANAGER		FAX NUMBER: 6783559529	
AUTHORIZED SIGNATURE: <i>Don W. Eades</i>	DATE:	E-MAIL: dweades@att.com	

Offer valid for 45 days from date of opening unless otherwise stated here: ___ days

ACCEPTANCE OF BEST AND FINAL OFFER

If the State accepts any or all parts of this offer, an authorized representative of ITS shall affix her/his signature to the Vendor's response to this Request for BAFO. The acceptance shall include the response to this BAFO, any provisions and requirements of the original RFP which have not been superseded by this BAFO and the IT Procurement Office General Terms and Conditions for Goods and Services. These documents shall then constitute the written agreement between the parties. A copy of this acceptance will be forwarded to the successful Vendor(s).

FOR ITS USE ONLY	
Offer accepted and contract awarded this <u>30</u> day of <u>June</u> , 2004, as indicated on attached certification,	
by <u><i>Sharon Fields</i></u>	(Authorized representative of ITS).

Best and Final Offer - Fifth Round - VENDOR: - AT & T

MAILING INSTRUCTIONS: Mail one fully executed original and one copy of the response. Address package and insert ITS control number as shown below. It is the responsibility of the vendor to have the BAFO in this office by the specified time and date of opening.

<u>DELIVERED BY US POSTAL SERVICE</u>	<u>DELIVERED BY ANY OTHER MEANS</u>
BAFO NO. ITS-000938A-4 Statewide IT Procurement Office Attn: Billy Blackmon, Contract Manager P.O. Box 17209 Raleigh, NC 27609	BAFO NO. ITS-000938A-4 Statewide IT Procurement Office Attn: Billy Blackmon, Contract Manager 3512 Bush St. Raleigh, NC 27609

SOLICITATION REQUEST FOR BEST AND FINAL OFFER (BAFO) - FIFTH ROUND:

This request is to acquire a best and final offer from vendor for Public/Inmate Payphone Services. Your offer should integrate the previous response to the RFP and any changes listed below. Any individual vendor can receive a different number of requests for BAFOs than other bidders.

This Best and Final Offer (Fifth Round) shall incorporate the vendor's previous responses to the RFP, all answers submitted to previous requests for clarification, including Best and Final Offers previously submitted by vendor, and all these shall become part of any resulting contract.

Please Note: This bid is still in the evaluation period. During this period and prior to award, possession of the BAFO, original bid response and accompanying information is limited to personnel of the IT Procurement Office, and to agencies responsible for participating in the evaluation. Bidders who attempt to gain this privileged information, or to influence the evaluation process (i.e. assist in evaluation) will be in violation of purchasing rules and their offer will not be further evaluated or considered.

BEST AND FINAL OFFER - Please respond to the requests below:

- I. For the initial 5-year term of the proposed contract, the State requests that AT&T charge inmate payphone rates/surcharges no higher than those included in AT&T's proposal OR the rates/surcharges currently in effect in the State's payphone contract with the current vendor, whichever is lower. (Current rates are attached as Exhibits 1A through 1D.)

AGREED: YES X NO _____

- II. Confirm that AT&T will offer dial tone service/T1 at the following facilities,
- DART DWI, 700 Stevens Mill Road, Goldsboro, NC
 - Facilities Services, 840 West Morgan Street, Raleigh, NC

under AT&T's "Option B" price proposal (which includes furnishing dial tone/T1 service at "all facilities in Option A and Option B" as stated in AT&T's Best and Final Offer dated February 20, 2004, in addition to the facilities identified in AT&T's Best and Final Offer dated 2/27/04.)

CONFIRMED: YES X NO _____

EXHIBIT 1A

CURRENT INMATE COLLECT RATES AND APPLICABLE SURCHARGES

Local Carriers: Alltel/Verizon

LOCAL STATION TO STATION SURCHARGE \$ 0.70

RATE MILEAGE	DAY		EVENING		NIGHT/WEEKEND	
	EACH CALL		EACH CALL		EACH CALL	
0-9999	0.2500		0.2500		0.2500	

INTRALATA STATION TO STATION 1) SURCHARGE \$ 1.25

RATE MILEAGE	DAY (At Full Rate)		LUNCH/EVENING (At 25% discount)		NIGHT/WEEKEND (At 50% discount)	
	EACH		EACH		EACH	
	INITIAL PERIOD	ADD'L PERIOD	INITIAL PERIOD	ADD'L PERIOD	INITIAL PERIOD	ADD'L PERIOD
0-10	0.1600	0.1000	0.1200	0.0750	0.0800	0.0500
11-16	0.2000	0.1400	0.1500	0.1050	0.1000	0.0700
17-22	0.2300	0.1600	0.1725	0.1200	0.1150	0.0800
23-30	0.2700	0.1900	0.2025	0.1425	0.1350	0.0950
31-40	0.3700	0.2300	0.2775	0.1725	0.1850	0.1150
41-70	0.4500	0.2800	0.3375	0.2100	0.2250	0.1400
71-124	0.4700	0.3300	0.3525	0.2475	0.2350	0.1650
125-9999	0.5100	0.3500	0.3825	0.2625	0.2550	0.1750

INTERLATA STATION TO STATION SURCHARGE \$ 2.25

RATE MILEAGE	DAY		EVENING		NIGHT/WEEKEND	
	INITIAL PERIOD	ADD'L PERIOD	INITIAL PERIOD	ADD'L PERIOD	INITIAL PERIOD	ADD'L PERIOD
0-10	0.1000	0.1000	0.0800	0.0800	0.0600	0.0600
11-16	0.1200	0.1200	0.1000	0.1000	0.0800	0.0800
17-22	0.1600	0.1600	0.1200	0.1200	0.1000	0.1000
23-30	0.1700	0.1700	0.1300	0.1300	0.1100	0.1100
31-55	0.1700	0.1700	0.1400	0.1400	0.1100	0.1100
56-70	0.1800	0.1800	0.1500	0.1500	0.1200	0.1200
71-124	0.1800	0.1800	0.1500	0.1500	0.1400	0.1400
125-292	0.1900	0.1900	0.1500	0.1500	0.1400	0.1400
293-9999	0.1900	0.1900	0.1700	0.1700	0.1400	0.1400

INTERSTATE STATION TO STATION SURCHARGE \$ 3.95

RATE MILEAGE	DAY		EVENING		NIGHT/WEEKEND	
	INITIAL PERIOD	ADD'L PERIOD	INITIAL PERIOD	ADD'L PERIOD	INITIAL PERIOD	ADD'L PERIOD
0-9999	0.8900	0.8900	0.8900	0.8900	0.8900	0.8900

1) Intralata per minute rates reflect discounts of 25% and 50% for lunch/evening, and night/weekend rates, respectively.

EXHIBIT 1B

CURRENT INMATE COLLECT RATES AND APPLICABLE SURCHARGES

Local Carrier: Sprint

LOCAL STATION TO STATION SURCHARGE \$ 0.65

RATE MILEAGE	DAY		EVENING		NIGHT/WEEKEND	
	EACH CALL		EACH CALL		EACH CALL	
0-9999	0.2000		0.2000		0.2000	

INTRALATA STATION TO STATION SURCHARGE \$ 1.25

RATE MILEAGE	DAY		EVENING		NIGHT/WEEKEND	
	INITIAL PERIOD	EACH ADD'L PERIOD	INITIAL PERIOD	EACH ADD'L PERIOD	INITIAL PERIOD	EACH ADD'L PERIOD
0-10	0.0580	0.0580	0.0580	0.0580	0.0580	0.0580
11-16	0.0800	0.0800	0.0800	0.0800	0.0800	0.0800
17-22	0.0900	0.0900	0.0900	0.0900	0.0900	0.0900
23-30	0.1100	0.1100	0.1100	0.1100	0.1100	0.1100
31-40	0.1100	0.1100	0.1100	0.1100	0.1100	0.1100
41-55	0.1630	0.1630	0.1630	0.1630	0.1630	0.1630
56-70	0.1630	0.1630	0.1630	0.1630	0.1630	0.1630
71-124	0.1950	0.1950	0.1950	0.1950	0.1950	0.1950
125-196	0.1950	0.1950	0.1950	0.1950	0.1950	0.1950
197-9999	0.1950	0.1950	0.1950	0.1950	0.1950	0.1950

INTERLATA STATION TO STATION SURCHARGE \$ 2.25

RATE MILEAGE	DAY		EVENING		NIGHT/WEEKEND	
	INITIAL PERIOD	EACH ADD'L PERIOD	INITIAL PERIOD	EACH ADD'L PERIOD	INITIAL PERIOD	EACH ADD'L PERIOD
0-10	0.1000	0.1000	0.0800	0.0800	0.0600	0.0600
11-16	0.1200	0.1200	0.1000	0.1000	0.0800	0.0800
17-22	0.1600	0.1600	0.1200	0.1200	0.1000	0.1000
23-30	0.1700	0.1700	0.1300	0.1300	0.1100	0.1100
31-55	0.1700	0.1700	0.1400	0.1400	0.1100	0.1100
56-70	0.1800	0.1800	0.1500	0.1500	0.1200	0.1200
71-124	0.1800	0.1800	0.1500	0.1500	0.1400	0.1400
125-292	0.1900	0.1900	0.1500	0.1500	0.1400	0.1400
293-9999	0.1900	0.1900	0.1700	0.1700	0.1400	0.1400

INTERSTATE STATION TO STATION SURCHARGE \$ 3.95

RATE MILEAGE	DAY		EVENING		NIGHT/WEEKEND	
	INITIAL PERIOD	EACH ADD'L PERIOD	INITIAL PERIOD	EACH ADD'L PERIOD	INITIAL PERIOD	EACH ADD'L PERIOD
0-9999	0.8900	0.8900	0.8900	0.8900	0.8900	0.8900

Best and Final Offer - Fifth Round - VENDOR: - AT & T

EXHIBIT 1C

CURRENT INMATE COLLECT RATES AND APPLICABLE SURCHARGES

Local Carriers: Lexington / BellSouth

LOCAL STATION TO STATION SURCHARGE \$ 1.04

RATE MILEAGE	DAY		EVENING		NIGHT/WEEKEND	
	EACH CALL	EACH ADD'L PERIOD	EACH CALL	EACH ADD'L PERIOD	EACH CALL	EACH ADD'L PERIOD
0-9999	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000

INTRALATA STATION TO STATION 1) SURCHARGE \$ 1.45

RATE MILEAGE	DAY (At Full Rate)		LUNCH/EVENING (At 25% discount)		NIGHT/WEEKEND (At 50% discount)	
	INITIAL PERIOD	EACH ADD'L PERIOD	INITIAL PERIOD	EACH ADD'L PERIOD	INITIAL PERIOD	EACH ADD'L PERIOD
0-10	0.1600	0.1000	0.1200	0.0750	0.0800	0.0500
11-16	0.2000	0.1400	0.1500	0.1050	0.1000	0.0700
17-22	0.2300	0.1600	0.1725	0.1200	0.1150	0.0800
23-30	0.2700	0.1900	0.2025	0.1425	0.1350	0.0950
31-40	0.3200	0.2300	0.2400	0.1725	0.1600	0.1150
41-70	0.3200	0.2800	0.2400	0.2100	0.1600	0.1400
71-124	0.3200	0.3200	0.2400	0.2400	0.1600	0.1600
125-9999	0.3200	0.3200	0.2400	0.2400	0.1600	0.1600

INTERLATA STATION TO STATION SURCHARGE \$ 2.25

RATE MILEAGE	DAY		EVENING		NIGHT/WEEKEND	
	INITIAL PERIOD	EACH ADD'L PERIOD	INITIAL PERIOD	EACH ADD'L PERIOD	INITIAL PERIOD	EACH ADD'L PERIOD
0-10	0.1000	0.1000	0.0800	0.0800	0.0600	0.0600
11-16	0.1200	0.1200	0.1000	0.1000	0.0800	0.0800
17-22	0.1600	0.1600	0.1200	0.1200	0.1000	0.1000
23-30	0.1700	0.1700	0.1300	0.1300	0.1100	0.1100
31-55	0.1700	0.1700	0.1400	0.1400	0.1100	0.1100
56-70	0.1800	0.1800	0.1500	0.1500	0.1200	0.1200
71-124	0.1800	0.1800	0.1500	0.1500	0.1400	0.1400
125-292	0.1900	0.1900	0.1500	0.1500	0.1400	0.1400
293-9999	0.1900	0.1900	0.1700	0.1700	0.1400	0.1400

INTERSTATE STATION TO STATION SURCHARGE \$ 3.95

RATE MILEAGE	DAY		EVENING		NIGHT/WEEKEND	
	INITIAL PERIOD	EACH ADD'L PERIOD	INITIAL PERIOD	EACH ADD'L PERIOD	INITIAL PERIOD	EACH ADD'L PERIOD
0-9999	0.8900	0.8900	0.8900	0.8900	0.8900	0.8900

1) Intralata per minute rates reflect discounts of 25% and 50% for lunch/evening, and night/weekend rates, respectively.

Best and Final Offer - Fifth Round - VENDOR: - AT & T

EXHIBIT 1D

CURRENT INMATE COLLECT RATES AND APPLICABLE SURCHARGES

Local Carrier: Concord

LOCAL STATION TO STATION SURCHARGE \$ 0.70

RATE MILEAGE	DAY		EVENING		NIGHT/WEEKEND	
	Each		Each		Each	
	First 5 Minutes	Add'l 5 Minutes	First 5 Minutes	Add'l 5 Minutes	First 5 Minutes	Add'l 5 Minutes
0-9999	0.1940	0.1940	0.1940	0.1940	0.1940	0.1940

INTRALATA STATION TO STATION SURCHARGE \$ 1.25

RATE MILEAGE	DAY		EVENING		NIGHT/WEEKEND	
	EACH		EACH		EACH	
	INITIAL PERIOD	ADD'L PERIOD	INITIAL PERIOD	ADD'L PERIOD	INITIAL PERIOD	ADD'L PERIOD
0-9999	0.2000	0.2000	0.1000	0.1000	0.1000	0.1000

INTERLATA STATION TO STATION SURCHARGE \$ 2.25

RATE MILEAGE	DAY		EVENING		NIGHT/WEEKEND	
	EACH		EACH		EACH	
	INITIAL PERIOD	ADD'L PERIOD	INITIAL PERIOD	ADD'L PERIOD	INITIAL PERIOD	ADD'L PERIOD
0-10	0.1000	0.1000	0.0800	0.0800	0.0600	0.0600
11-16	0.1200	0.1200	0.1000	0.1000	0.0800	0.0800
17-22	0.1600	0.1600	0.1200	0.1200	0.1000	0.1000
23-30	0.1700	0.1700	0.1300	0.1300	0.1100	0.1100
31-55	0.1700	0.1700	0.1400	0.1400	0.1100	0.1100
56-70	0.1800	0.1800	0.1500	0.1500	0.1200	0.1200
71-124	0.1800	0.1800	0.1500	0.1500	0.1400	0.1400
125-292	0.1900	0.1900	0.1500	0.1500	0.1400	0.1400
293-9999	0.1900	0.1900	0.1700	0.1700	0.1400	0.1400

INTERSTATE STATION TO STATION SURCHARGE \$ 3.95

RATE MILEAGE	DAY		EVENING		NIGHT/WEEKEND	
	EACH		EACH		EACH	
	INITIAL PERIOD	ADD'L PERIOD	INITIAL PERIOD	ADD'L PERIOD	INITIAL PERIOD	ADD'L PERIOD
0-9999	0.8900	0.8900	0.8900	0.8900	0.8900	0.8900



Office of Information Technology Services

BID ADDENDUM

FAILURE TO RETURN THIS BID ADDENDUM IN ACCORDANCE WITH INSTRUCTIONS MAY SUBJECT YOUR BID TO REJECTION ON THE AFFECTED ITEM(S)/SERVICES.

**Bid Number: ITS-000938A
Public/Inmate Payphone Services
p.m.**

**Bid Opening Date/Time:
Changed to be June 30, 2003 @ 2:00**

**Addendum Number: 4
Addendum Date: June 18, 2003**

INSTRUCTIONS:

A. Return one properly executed copy of this addendum **prior** to the Bid Opening Date/Time listed above.

B. The RFP is hereby amended as follows:

The deadline for offers/bid opening date has been extended. The new date for bids to be publicly opened is **June 30, 2003 at 2:00 p.m.**

C. Check **ONE** of the following options:

- Bid has **not** been mailed. **Any changes** resulting from this addendum are included in our bid.
- Bid has already been mailed. **No changes** resulted from this addendum.
- Bid has already been mailed. Changes resulting from this addendum are as follows.

Execute Addendum:

Bidder: _____

Authorized Signature: _____

Date: _____

Name and Title (Typed): _____

STATE OF NORTH CAROLINA Office of Information Technology Services	REQUEST FOR BEST AND FINAL OFFER (BAFO) ITS-000938A-3	
	Offers will be received until: March 1, 2004	
Contract Type: Open Market		
Refer <u>ALL</u> Inquiries to: Billy Blackmon Telephone No. (919) 850-2909	Issue Date: February 25, 2004 Commodity: Public/Inmate Payphone Services	
E-Mail: billy.blackmon@ncmail.net	Using Agency Name: Office of Information Technology Services	
(See page 2 for mailing instructions.)	Agency Requisition No. N/A	
http://www.its.state.nc.us/		

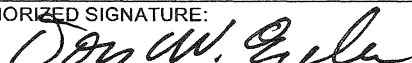
NOTICE TO VENDOR Offers, subject to the conditions made a part hereof, will be received at this office, 3512 Bush Street, Raleigh NC, until 2:00 p.m. Eastern Standard Time on the day of opening and then opened, for furnishing and delivering the goods and services as described herein. Refer to page 2 for proper mailing instructions.

Bids submitted via facsimile (fax) machine in response to this Best and Final Offer (BAFO) will not be accepted. Bids are subject to rejection unless submitted on this form.

EXECUTION

In compliance with this Request for Best and Final Offers (BAFO), and subject to all the conditions herein, the undersigned offers and agrees to furnish and deliver any or all goods and services which are offered, at the prices agreed upon and within the time specified herein. Pursuant to GS § 147-33.100 and under penalty of perjury, the undersigned Vendor certifies that this offer has not been arrived at collusively or otherwise in violation of Federal or North Carolina law and this offer is made without prior understanding, agreement, or connection with any firm, corporation, or person submitting an offer for the same commodity, and is in all respects fair and without collusion or fraud.


Failure to execute/sign offer prior to submittal shall render quote invalid. Late offers are not acceptable.

VENDOR: AT&T		FEDERAL ID OR SOCIAL SECURITY NO. 13-3948543	
STREET ADDRESS: 6143 BRAIDWOOD LANE		P.O. BOX:	ZIP: 30101
CITY & STATE & ZIP: ACWORTH, GA 30101		TELEPHONE NUMBER: 6783559526	TOLL FREE TEL. NO:
TYPE OR PRINT NAME & TITLE OF PERSON SIGNING: DON W. EADES		FAX NUMBER: 6783559529	
AUTHORIZED SIGNATURE: 	DATE: 2-27-04	E-MAIL: dweades@att.com	

Offer valid for 45 days from date of opening unless otherwise stated here: ___ days

ACCEPTANCE OF BEST AND FINAL OFFER

If the State accepts any or all parts of this offer, an authorized representative of ITS shall affix her/his signature to the Vendor's response to this Request for BAFO. The acceptance shall include the response to this BAFO, any provisions and requirements of the original RFP which have not been superseded by this BAFO and the IT Procurement Office General Terms and Conditions for Goods and Services. These documents shall then constitute the written agreement between the parties. A copy of this acceptance will be forwarded to the successful Vendor(s).

FOR ITS USE ONLY	
Offer accepted and contract awarded this <u>30</u> day of <u>June</u> , 2004, as indicated on attached certification,	
by 	(Authorized representative of ITS).

MAILING INSTRUCTIONS: Mail one fully executed original and one copy of the response. Address package and insert ITS control number as shown below. It is the responsibility of the vendor to have the BAFO in this office by the specified time and date of opening.

DELIVERED BY US POSTAL SERVICE	DELIVERED BY ANY OTHER MEANS
BAFO NO. ITS-000938A-3 Statewide IT Procurement Office Attn: Billy Blackmon, Contract Manager P.O. Box 17209 Raleigh, NC 27609	BAFO NO. ITS-000938A-3 Statewide IT Procurement Office Attn: Billy Blackmon, Contract Manager 3512 Bush St. Raleigh, NC 27609

SOLICITATION REQUEST FOR BEST AND FINAL OFFER (BAFO) - FOURTH ROUND:

This request is to acquire a best and final offer from vendor for Public/Inmate Payphone Services. Your offer should integrate the previous response to the RFP and any changes listed below. Any individual vendor can receive a different number of requests for BAFOs than other bidders.

The State encourages the vendor to supply more competitive prices. Vendor should submit its most competitive prices on page 4 of this Request for BAFO.

This Best and Final Offer (Fourth Round) shall incorporate the vendor's previous responses to the RFP, all answers submitted to previous requests for clarification, including Best and Final Offers previously submitted by vendor, and all these shall become part of any resulting contract.

Please Note: This bid is still in the evaluation period. During this period and prior to award, possession of the BAFO, original bid response and accompanying information is limited to personnel of the IT Procurement Office, and to agencies responsible for participating in the evaluation. Bidders who attempt to gain this privileged information, or to influence the evaluation process (i.e. assist in evaluation) will be in violation of purchasing rules and their offer will not be further evaluated or considered.

BEST AND FINAL OFFER - Please respond to the questions below:

Concerning AT&T's BAFO proposal received February 23, 2004:

1. The State has a concern about AT&T's proposal to have a single T1 at a prison facility carry traffic for more than 23 phones. **In locations where there are more than 23 phones, how will AT&T assure that all phones will be able to operate simultaneously using only a single T1?**

2. Please furnish clarification on AT&T's BAFO proposal to provide dialtone service via T1 at various facilities: There are 20 facilities/locations which are either not listed at all in the AT&T BAFO (identified with * below), or else are listed in the BAFO but not identified as included in Option A or Option B. These facilities are listed below, along with the number of payphones at each facility. **Please confirm that AT&T is not offering to pay for dialtone or T1 at any of these locations; or if AT&T does so intend, please identify for which ones AT&T will furnish T1 or dialtone.** (Note: facilities identified as minimum custody facilities are separate from the main correctional facility of the same name. For example, there are two facilities - Marion Correctional and Marion Minimum. The "Minimum Custody" facilities were not included in AT&T's BAFO.)

Facility / # of Payphones

* Marion Minimum Custody - 3
Bladen - 6
Black Mountain - 4
Cleveland - 5
Craggy - 6
* DART DWI - 9
Eastern - 5
* Facility Services, Raleigh - 2
* Foothills Minimum Custody - 10
Gates - 4
Haywood - 6
Lincoln - 6
* Morrison Youth - 30
* Mountain View - 24
* Pasquotank Minimum Custody - 8
* Sandhills Youth - 13
* Southern Minimum Custody - 8
Umstead - 4
Union - 3
Wilmington Residential - 3

3. There are 6 new 1000-bed prison facilities which have opened or will be opening during the next several years. **Will AT&T furnish the dialtone service for these facilities?** They are:

Facilities Added

Alexander Corr. Inst.
633 Old Landfill Road
Taylorsville, NC 28681
Inmate phone count: 21

Lanesboro Corr. Inst.
Rt. 1 Box 160 DE
Camden Church Road
Polkton, NC 28170
Inmate phone count: 32

Scotland Corr. Inst.
22383 McGirts Bridge Road
Laurinburg, NC 28353
Inmate phone count: 33

New Facilities Coming

Maury Corr. Inst.
Maury, NC
Greene County
Approx. inmate phone count: 32-36
Operation 2006

Bertie Corr. Inst.
Windsor, NC
Bertie County
Approx. inmate phone count: 32-26
Operation 2006

Columbus County
City/site unknown at this time
Approx. inmate phone count: 32-26
Operation 2007

4. **If AT & T wishes to offer a more favorable price proposal, please submit as part of this Best and Final Offer.**

1. The State has a concern about AT&T's proposal to have a single T1 at a prison Facility carry traffic for more than 23 phones. In locations where there are more Than 23 phones, how will AT&T assure that all phones will be able to operate simultaneously using only a single T1?

AT& Response: In AT&T's experience rarely are all the phones at a facility busy at the same time, however with today's technology a T1 can provide dial tone for a "minimum" of 24 phones. In our current State DOC facilities we have found a concentration of 60% will still achieve a P.01 grade of service. AT&T will ensure the correct amount of "dial tone" is available to all the inmates' total access to make calls.

2. Please furnish clarification on AT&T's BAFO proposal to provide dial tone service via T1 at various facilities: There are 20 facilities/locations which are either not listed at all in the AT&T BAFO (identified with * below), or else are listed in the BAFO but not identified as included in Option A or Option B. These facilities are listed below, along with the number of payphones at each facility. **Please confirm that AT&T is not offering to pay for dial tone or T1 at any of these locations; or if AT&T does so intend, please identify for which ones AT&T will furnish T1 or dial tone.** (Note: facilities identified as minimum custody facilities are separate from the main correctional facility of the same name. For example, there are two facilities - Marion Correctional and Marion Minimum. The "Minimum Custody" facilities were not included in AT&T's BAFO.)

Facility / # of Payphones

* Marion Minimum Custody - 3	
Bladen - 6	
Black Mountain - 4	
Cleveland - 5	
Craggy - 6	
* DART DWI - 9	
Eastern - 5	
* Facility Services, Raleigh - 2	
* Foothills Minimum Custody - 10	Option 2
Gates - 4	
Haywood - 6	
Lincoln - 6	
* Morrison Youth - 30	
* Mountain View - 2	
* Pasquotank Minimum Custody - 8\	Option 2
* Sandhills Youth - 13	
* Southern Minimum Custody - 8	Option 2
Umstead - 4	
Union - 3	
Wilmington Residential - 3	

AT&T Response: AT&T looked at providing service through our own switches in North Carolina. Some of the locations cannot be serviced by our facilities. We also made the assumption that any facility with 6 or fewer phones could be serviced more economically with single analog lines. Therefore the facilities in Option 1 and 2 are those we can reach with our switches, 7 or more phones, that we had good addresses for. With the additional information provided here, we can add the above-notated sites to "Option 2". For any site noted in Option 1 or 2 and there is a "Campus" environment (dial tone originates for all from one D-Mark) AT&T can feed multiple facilities with T1s.

3. There are 6 new 1000-bed prison facilities which have opened or will be opening during the next several years. **Will AT&T furnish the dial tone service for these facilities?** They are:

Facilities Added

Option 2

Alexander Corr. Inst.
633 Old Landfill Road
Taylorsville, NC 28681
Inmate phone count: 21

Lanesboro Corr. Inst.
Rt. 1 Box 160 DE
Camden Church Road
Polkton, NC 28170
Inmate phone count: 32

Scotland Corr. Inst.
22383 McGirts Bridge Road
Laurinburg, NC 28353
Inmate phone count: 33

Option 2

New Facilities Coming

Option 2

Maury Corr. Inst.
Maury, NC
Greene County
Approx. inmate phone count: 32-36
Operation 2006

Bertie Corr. Inst.
Windsor, NC
Bertie County
Approx. inmate phone count: 32-26
Operation 2006

Option 2

Columbus County
City/site unknown at this time
Approx. inmate phone count: 32-26
Operation 2007

Option 2

AT&T Response: AT&T will provide dial tone under Option 2 to all but the Polkton Facility.

4. If AT & T wishes to offer a more favorable price proposal, please submit as part of this Best and Final Offer.

AT&T Response: AT&T Submits previous price proposals for this item.

STATE OF NORTH CAROLINA	REQUEST FOR BEST AND FINAL OFFER (BAFO) ITS-000938A-4
Office of Information Technology Services	Offers will be received until: May 27, 2004
	Contract Type: Open Market
Refer <u>ALL</u> Inquiries to: Billy Blackmon	Issue Date: May 25, 2004
Telephone No. (919) 850-2909	Commodity: Public/Inmate Payphone Services
E-Mail: billy.blackmon@ncmail.net	Using Agency Name: Office of Information Technology Services
(See page 2 for mailing instructions.)	Agency Requisition No. N/A
http://www.its.state.nc.us/	

NOTICE TO VENDOR Offers, subject to the conditions made a part hereof, will be received at this office, 3512 Bush Street, Raleigh NC, until 2:00 p.m. Eastern Standard Time on the day of opening and then opened, for furnishing and delivering the goods and services as described herein. Refer to page 2 for proper mailing instructions.

Bids submitted via facsimile (fax) machine in response to this Best and Final Offer (BAFO) will not be accepted. Bids are subject to rejection unless submitted on this form.

EXECUTION

In compliance with this Request for Best and Final Offers (BAFO), and subject to all the conditions herein, the undersigned offers and agrees to furnish and deliver any or all goods and services which are offered, at the prices agreed upon and within the time specified herein. Pursuant to GS § 147-33.100 and under penalty of perjury, the undersigned Vendor certifies that this offer has not been arrived at collusively or otherwise in violation of Federal or North Carolina law and this offer is made without prior understanding, agreement, or connection with any firm, corporation, or person submitting an offer for the same commodity, and is in all respects fair and without collusion or fraud.

Failure to execute/sign offer prior to submittal shall render quote invalid. Late offers are not acceptable.

VENDOR: AT&T		FEDERAL ID OR SOCIAL SECURITY NO. 13-394 8543	
STREET ADDRESS: 6143 BRAIDWOOD LANE		P.O. BOX:	ZIP: 30101
CITY & STATE & ZIP: ACWORTH, GA 30101		TELEPHONE NUMBER: 678 355 9526	TOLL FREE TEL. NO: 678 355 9529
TYPE OR PRINT NAME & TITLE OF PERSON SIGNING: DON W EADES SALES MANAGER		FAX NUMBER: 678 355 9529	
AUTHORIZED SIGNATURE: <i>Don W. Eades</i>	DATE:	E-MAIL: dweades@att.com	

Offer valid for 45 days from date of opening unless otherwise stated here: ___ days

ACCEPTANCE OF BEST AND FINAL OFFER

If the State accepts any or all parts of this offer, an authorized representative of ITS shall affix her/his signature to the Vendor's response to this Request for BAFO. The acceptance shall include the response to this BAFO, any provisions and requirements of the original RFP which have not been superseded by this BAFO and the IT Procurement Office General Terms and Conditions for Goods and Services. These documents shall then constitute the written agreement between the parties. A copy of this acceptance will be forwarded to the successful Vendor(s).

FOR ITS USE ONLY
Offer accepted and contract awarded this <u>30</u> day of <u>June</u> , 2004, as indicated on attached certification, by <u><i>Sharon Fields</i></u> (Authorized representative of ITS).

MAILING INSTRUCTIONS: Mail one fully executed original and one copy of the response. Address package and insert ITS control number as shown below. It is the responsibility of the vendor to have the BAFO in this office by the specified time and date of opening.

<u>DELIVERED BY US POSTAL SERVICE</u>	<u>DELIVERED BY ANY OTHER MEANS</u>
BAFO NO. ITS-000938A-4 Statewide IT Procurement Office Attn: Billy Blackmon, Contract Manager P.O. Box 17209 Raleigh, NC 27609	BAFO NO. ITS-000938A-4 Statewide IT Procurement Office Attn: Billy Blackmon, Contract Manager 3512 Bush St. Raleigh, NC 27609

SOLICITATION REQUEST FOR BEST AND FINAL OFFER (BAFO) - FIFTH ROUND:

This request is to acquire a best and final offer from vendor for Public/Inmate Payphone Services. Your offer should integrate the previous response to the RFP and any changes listed below. Any individual vendor can receive a different number of requests for BAFOs than other bidders.

This Best and Final Offer (Fifth Round) shall incorporate the vendor's previous responses to the RFP, all answers submitted to previous requests for clarification, including Best and Final Offers previously submitted by vendor, and all these shall become part of any resulting contract.

Please Note: This bid is still in the evaluation period. During this period and prior to award, possession of the BAFO, original bid response and accompanying information is limited to personnel of the IT Procurement Office, and to agencies responsible for participating in the evaluation. Bidders who attempt to gain this privileged information, or to influence the evaluation process (i.e. assist in evaluation) will be in violation of purchasing rules and their offer will not be further evaluated or considered.

BEST AND FINAL OFFER - Please respond to the requests below:

- I. For the initial 5-year term of the proposed contract, the State requests that AT&T charge inmate payphone rates/surcharges no higher than those included in AT&T's proposal OR the rates/surcharges currently in effect in the State's payphone contract with the current vendor, whichever is lower. (Current rates are attached as Exhibits 1A through 1D.)

AGREED: YES X NO _____

- II. Confirm that AT&T will offer dial tone service/T1 at the following facilities,

- DART DWI, 700 Stevens Mill Road, Goldsboro, NC
- Facilities Services, 840 West Morgan Street, Raleigh, NC

under AT&T's "Option B" price proposal (which includes furnishing dial tone/T1 service at "all facilities in Option A and Option B" as stated in AT&T's Best and Final Offer dated February 20, 2004, in addition to the facilities identified in AT&T's Best and Final Offer dated 2/27/04.)

CONFIRMED: YES X NO _____

EXHIBIT 1A

CURRENT INMATE COLLECT RATES AND APPLICABLE SURCHARGES

Local Carriers: Alltel/Verizon

LOCAL STATION TO STATION SURCHARGE \$ 0.70

RATE MILEAGE	DAY		EVENING		NIGHT/WEEKEND	
	EACH CALL		EACH CALL		EACH CALL	
0-9999	0.2500		0.2500		0.2500	

INTRALATA STATION TO STATION 1) SURCHARGE \$ 1.25

RATE MILEAGE	DAY (At Full Rate)		LUNCH/EVENING (At 25% discount)		NIGHT/WEEKEND (At 50% discount)	
	EACH		EACH		EACH	
	INITIAL PERIOD	ADD'L PERIOD	INITIAL PERIOD	ADD'L PERIOD	INITIAL PERIOD	ADD'L PERIOD
0-10	0.1600	0.1000	0.1200	0.0750	0.0800	0.0500
11-16	0.2000	0.1400	0.1500	0.1050	0.1000	0.0700
17-22	0.2300	0.1600	0.1725	0.1200	0.1150	0.0800
23-30	0.2700	0.1900	0.2025	0.1425	0.1350	0.0950
31-40	0.3700	0.2300	0.2775	0.1725	0.1850	0.1150
41-70	0.4500	0.2800	0.3375	0.2100	0.2250	0.1400
71-124	0.4700	0.3300	0.3525	0.2475	0.2350	0.1650
125-9999	0.5100	0.3500	0.3825	0.2625	0.2550	0.1750

INTERLATA STATION TO STATION SURCHARGE \$ 2.25

RATE MILEAGE	DAY		EVENING		NIGHT/WEEKEND	
	INITIAL PERIOD	ADD'L PERIOD	INITIAL PERIOD	ADD'L PERIOD	INITIAL PERIOD	ADD'L PERIOD
0-10	0.1000	0.1000	0.0800	0.0800	0.0600	0.0600
11-16	0.1200	0.1200	0.1000	0.1000	0.0800	0.0800
17-22	0.1600	0.1600	0.1200	0.1200	0.1000	0.1000
23-30	0.1700	0.1700	0.1300	0.1300	0.1100	0.1100
31-55	0.1700	0.1700	0.1400	0.1400	0.1100	0.1100
56-70	0.1800	0.1800	0.1500	0.1500	0.1200	0.1200
71-124	0.1800	0.1800	0.1500	0.1500	0.1400	0.1400
125-292	0.1900	0.1900	0.1500	0.1500	0.1400	0.1400
293-9999	0.1900	0.1900	0.1700	0.1700	0.1400	0.1400

INTERSTATE STATION TO STATION SURCHARGE \$ 3.95

RATE MILEAGE	DAY		EVENING		NIGHT/WEEKEND	
	INITIAL PERIOD	ADD'L PERIOD	INITIAL PERIOD	ADD'L PERIOD	INITIAL PERIOD	ADD'L PERIOD
0-9999	0.8900	0.8900	0.8900	0.8900	0.8900	0.8900

1) Intralata per minute rates reflect discounts of 25% and 50% for lunch/evening, and night/weekend rates, respectively.

EXHIBIT 1B

CURRENT INMATE COLLECT RATES AND APPLICABLE SURCHARGES

Local Carrier: Sprint

LOCAL STATION TO STATION SURCHARGE \$ 0.65

RATE MILEAGE	DAY		EVENING		NIGHT/WEEKEND	
	EACH CALL		EACH CALL		EACH CALL	
0-9999	0.2000		0.2000		0.2000	

INTRALATA STATION TO STATION SURCHARGE \$ 1.25

RATE MILEAGE	DAY		EVENING		NIGHT/WEEKEND	
	INITIAL PERIOD	EACH ADD'L PERIOD	INITIAL PERIOD	EACH ADD'L PERIOD	INITIAL PERIOD	EACH ADD'L PERIOD
0-10	0.0580	0.0580	0.0580	0.0580	0.0580	0.0580
11-16	0.0800	0.0800	0.0800	0.0800	0.0800	0.0800
17-22	0.0900	0.0900	0.0900	0.0900	0.0900	0.0900
23-30	0.1100	0.1100	0.1100	0.1100	0.1100	0.1100
31-40	0.1100	0.1100	0.1100	0.1100	0.1100	0.1100
41-55	0.1630	0.1630	0.1630	0.1630	0.1630	0.1630
56-70	0.1630	0.1630	0.1630	0.1630	0.1630	0.1630
71-124	0.1950	0.1950	0.1950	0.1950	0.1950	0.1950
125-196	0.1950	0.1950	0.1950	0.1950	0.1950	0.1950
197-9999	0.1950	0.1950	0.1950	0.1950	0.1950	0.1950

INTERLATA STATION TO STATION SURCHARGE \$ 2.25

RATE MILEAGE	DAY		EVENING		NIGHT/WEEKEND	
	INITIAL PERIOD	EACH ADD'L PERIOD	INITIAL PERIOD	EACH ADD'L PERIOD	INITIAL PERIOD	EACH ADD'L PERIOD
0-10	0.1000	0.1000	0.0800	0.0800	0.0600	0.0600
11-16	0.1200	0.1200	0.1000	0.1000	0.0800	0.0800
17-22	0.1600	0.1600	0.1200	0.1200	0.1000	0.1000
23-30	0.1700	0.1700	0.1300	0.1300	0.1100	0.1100
31-55	0.1700	0.1700	0.1400	0.1400	0.1100	0.1100
56-70	0.1800	0.1800	0.1500	0.1500	0.1200	0.1200
71-124	0.1800	0.1800	0.1500	0.1500	0.1400	0.1400
125-292	0.1900	0.1900	0.1500	0.1500	0.1400	0.1400
293-9999	0.1900	0.1900	0.1700	0.1700	0.1400	0.1400

INTERSTATE STATION TO STATION SURCHARGE \$ 3.95

RATE MILEAGE	DAY		EVENING		NIGHT/WEEKEND	
	INITIAL PERIOD	EACH ADD'L PERIOD	INITIAL PERIOD	EACH ADD'L PERIOD	INITIAL PERIOD	EACH ADD'L PERIOD
0-9999	0.8900	0.8900	0.8900	0.8900	0.8900	0.8900

EXHIBIT 1C

CURRENT INMATE COLLECT RATES AND APPLICABLE SURCHARGES

Local Carriers: Lexington / BellSouth

LOCAL STATION TO STATION SURCHARGE \$ 1.04

RATE MILEAGE	DAY		EVENING		NIGHT/WEEKEND	
	EACH CALL	EACH ADD'L PERIOD	EACH CALL	EACH ADD'L PERIOD	EACH CALL	EACH ADD'L PERIOD
0-9999	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000

INTRALATA STATION TO STATION 1) SURCHARGE \$ 1.45

RATE MILEAGE	DAY (At Full Rate)		LUNCH/EVENING (At 25% discount)		NIGHT/WEEKEND (At 50% discount)	
	INITIAL PERIOD	EACH ADD'L PERIOD	INITIAL PERIOD	EACH ADD'L PERIOD	INITIAL PERIOD	EACH ADD'L PERIOD
0-10	0.1600	0.1000	0.1200	0.0750	0.0800	0.0500
11-16	0.2000	0.1400	0.1500	0.1050	0.1000	0.0700
17-22	0.2300	0.1600	0.1725	0.1200	0.1150	0.0800
23-30	0.2700	0.1900	0.2025	0.1425	0.1350	0.0950
31-40	0.3200	0.2300	0.2400	0.1725	0.1600	0.1150
41-70	0.3200	0.2800	0.2400	0.2100	0.1600	0.1400
71-124	0.3200	0.3200	0.2400	0.2400	0.1600	0.1600
125-9999	0.3200	0.3200	0.2400	0.2400	0.1600	0.1600

INTERLATA STATION TO STATION SURCHARGE \$ 2.25

RATE MILEAGE	DAY		EVENING		NIGHT/WEEKEND	
	INITIAL PERIOD	EACH ADD'L PERIOD	INITIAL PERIOD	EACH ADD'L PERIOD	INITIAL PERIOD	EACH ADD'L PERIOD
0-10	0.1000	0.1000	0.0800	0.0800	0.0600	0.0600
11-16	0.1200	0.1200	0.1000	0.1000	0.0800	0.0800
17-22	0.1600	0.1600	0.1200	0.1200	0.1000	0.1000
23-30	0.1700	0.1700	0.1300	0.1300	0.1100	0.1100
31-55	0.1700	0.1700	0.1400	0.1400	0.1100	0.1100
56-70	0.1800	0.1800	0.1500	0.1500	0.1200	0.1200
71-124	0.1800	0.1800	0.1500	0.1500	0.1400	0.1400
125-292	0.1900	0.1900	0.1500	0.1500	0.1400	0.1400
293-9999	0.1900	0.1900	0.1700	0.1700	0.1400	0.1400

INTERSTATE STATION TO STATION SURCHARGE \$ 3.95

RATE MILEAGE	DAY		EVENING		NIGHT/WEEKEND	
	INITIAL PERIOD	EACH ADD'L PERIOD	INITIAL PERIOD	EACH ADD'L PERIOD	INITIAL PERIOD	EACH ADD'L PERIOD
0-9999	0.8900	0.8900	0.8900	0.8900	0.8900	0.8900

1) Intralata per minute rates reflect discounts of 25% and 50% for lunch/evening, and night/weekend rates, respectively.

EXHIBIT 1D

CURRENT INMATE COLLECT RATES AND APPLICABLE SURCHARGES

Local Carrier: Concord

LOCAL STATION TO STATION SURCHARGE \$ 0.70

RATE MILEAGE	DAY		EVENING		NIGHT/WEEKEND	
	Each		Each		Each	
	First 5 Minutes	Add'l 5 Minutes	First 5 Minutes	Add'l 5 Minutes	First 5 Minutes	Add'l 5 Minutes
0-9999	0.1940	0.1940	0.1940	0.1940	0.1940	0.1940

INTRALATA STATION TO STATION SURCHARGE \$ 1.25

RATE MILEAGE	DAY		EVENING		NIGHT/WEEKEND	
	EACH		EACH		EACH	
	INITIAL PERIOD	ADD'L PERIOD	INITIAL PERIOD	ADD'L PERIOD	INITIAL PERIOD	ADD'L PERIOD
0-9999	0.2000	0.2000	0.1000	0.1000	0.1000	0.1000

INTERLATA STATION TO STATION SURCHARGE \$ 2.25

RATE MILEAGE	DAY		EVENING		NIGHT/WEEKEND	
	EACH		EACH		EACH	
	INITIAL PERIOD	ADD'L PERIOD	INITIAL PERIOD	ADD'L PERIOD	INITIAL PERIOD	ADD'L PERIOD
0-10	0.1000	0.1000	0.0800	0.0800	0.0600	0.0600
11-16	0.1200	0.1200	0.1000	0.1000	0.0800	0.0800
17-22	0.1600	0.1600	0.1200	0.1200	0.1000	0.1000
23-30	0.1700	0.1700	0.1300	0.1300	0.1100	0.1100
31-55	0.1700	0.1700	0.1400	0.1400	0.1100	0.1100
56-70	0.1800	0.1800	0.1500	0.1500	0.1200	0.1200
71-124	0.1800	0.1800	0.1500	0.1500	0.1400	0.1400
125-292	0.1900	0.1900	0.1500	0.1500	0.1400	0.1400
293-9999	0.1900	0.1900	0.1700	0.1700	0.1400	0.1400

INTERSTATE STATION TO STATION SURCHARGE \$ 3.95

RATE MILEAGE	DAY		EVENING		NIGHT/WEEKEND	
	EACH		EACH		EACH	
	INITIAL PERIOD	ADD'L PERIOD	INITIAL PERIOD	ADD'L PERIOD	INITIAL PERIOD	ADD'L PERIOD
0-9999	0.8900	0.8900	0.8900	0.8900	0.8900	0.8900

- listing the time and date of the planned test calls, the payphone ANI and location, the type of call, and the routing. Test calls must be made from various payphones, using various routing, at various times, and various types of calls including operator-assisted, credit card, dial-around, and other types. The test call procedure must verify a complete loop, with all interim steps, from calls placed to commission paid, and a monthly Test Call Report must be submitted to ITS which verifies that the proper rate was charged, the correct revenue recorded by the proper Vendor(s), the receipt by the Vendor of the correct revenue, and correct payment of commission to the State.
- b. Trouble Report Center. The Vendor must provide a centralized trouble report center that is staffed 24 hours a day, 7 days a week and accessible through a toll-free number. A toll-free number for repairs and assistance must be listed on the payphones.
 - c. Repair Time. The Vendor must maintain adequate repair staff located throughout the state in order to minimize repair response time. Upon receiving a report of a trouble condition, the Vendor shall correct the problem within the time parameters in its accepted proposal, but no later than 24 hours for serious problems causing service outage. The Vendor shall notify the site contact person upon arrival, and provide a verbal or automated report of trouble clearance promptly afterwards to the ITS and the site contact person, and a copy of the trouble ticket when requested. If the problem cannot be corrected within the specified time parameters, the Vendor must provide notice to the site contact person of the action that will be undertaken to correct the problem, with a projected correction time. The Vendor bears the responsibility to ensure the service problem is promptly resolved even if a LEC is involved, and must notify the State of delays and of problem resolution. Customer service is very important and includes keeping the customer informed at all times.
 - d. Repair Log/Analysis of Problems. A repair log must be maintained by the Vendor, and a weekly trouble report must be furnished to ITS. The Vendor shall analyze repair history of each phone to identify repetitive failures, and make recommendations to ITS concerning sites experiencing high or repeated outages. Any removal of phones from a site must have prior ITS approval.
14. Network Failure. In the event of a service affecting network failure, the Vendor shall immediately provide notification to the affected end user – ITS or/and DOC.
 15. Disaster Recovery and Escalation Procedure. Major service-affecting problems that are not resolved within four (4) hours, or one (1) hour in the case of ISC failures, will constitute a prolonged outage and shall be escalated by the Vendor. The Vendor shall adhere to the escalation procedure in its accepted proposal, and shall keep the State advised of any changes in personnel/contact information for those people in the escalation chain. The Vendor's escalation procedure shall include a single point of contact and a project manager with toll-free numbers and cell phone and/or pager numbers provided for 24x7x365 access. The plan shall delineate clear lines of authority and responsibility. Transportation, adequate equipment and spare parts and other resources must be available. Spare equipment, portable generators, a trailer with attached payphones or other similar disaster recovery resources may be required to provide services under less than ideal conditions. Vendor shall provide assistance to State Emergency Management when requested due to disaster conditions.
 16. Training. The Vendor will be required to provide sufficient training to adequately orient certain State agency employees on the proper use of the system as identified in the RFP. All training will be accomplished at a location in Raleigh to be identified at a later date. The Vendor must provide all selected agencies with information regarding the types of equipment and service available under the contract. Training must also encompass methods by which these agency contacts can assess their environments and develop a plan for placement of coin/coinless telephones that maximizes usage, services, commissions, and special agency needs.
 17. Public Payphone Reports. Reports for public payphones shall be provided by the Vendor to the State ITS Contract Administrator at the following address:

North Carolina Office of Information Technology Services

detailed breakdown of each element of this figure, with data sources. Vendor must give a proposal for reducing the impact on revenue caused by public payphones which will not produce an average revenue meeting the "direct cost" amount.

The public payphones must be evaluated as a single group, ranking the highest revenue payphone to the lowest to determine the average monthly revenue of the group excluding the above 175 payphones and any payphones for which a retention fee is paid. After the initial year and every six months thereafter the average public payphone revenue must be determined for that period. If the average of the group, not of an individual payphone, is below the 'direct cost' (as stated in the Vendor's proposal) of providing the service, the State may consider some selected lower revenue payphones for relocation, removal or charging the site a monthly fee for retention of the payphone.

The monthly retention fee is to be the difference between the average monthly revenue of all the payphones remaining on the site over the previous six months and the "direct cost" of providing the service. The Vendor shall bill each agency directly on a monthly basis for the retention fees approved for phones at their sites. Retention fees are to be included in the monthly revenue report submitted to State ITS, in a separate column.

Locations where a retention fee is charged are to be re-evaluated every six months. The "direct cost" figure shall be as stated in the Vendor's accepted proposal. During the course of the contract, ITS must approve any proposed changes to the "direct cost" figure to be used. Before any action is undertaken, the Vendor must submit to ITS a list of payphones recommended for removal or retention fee, with justification. The recommended removals must be carefully selected keeping in mind the need for public access and security. ITS shall have final approval authority for such requests. The Vendor must also consult with the site contact about any proposed removals and show justification, then discuss with the site contact options such as relocating payphones to higher traffic or more visible locations, or 'thinning' payphones, such as removing some from a bank of payphones, removal from alternate ends of a hallway or alternate floors, or payment of a monthly fee for retention of any low revenue payphones required. For safety and security reasons, no location should have all payphones removed.

12. Coin Collection. The Vendor shall furnish services to collect coins and record the revenue in a timely manner to prevent full coin boxes, and in accordance with the Vendor's proposal. **Vendor must describe in its proposal the collection intervals for payphones including sent paid and non-sent paid revenues.**

The Vendor shall update its revenue database in a timely manner, for commission purposes. Additions, deletions or changes must be included in the database within 15 days of occurrence. The Vendor must assure accurate accounting of originated revenues generated and commissions paid.

The Vendor must resolve customer complaints and provide customer refunds within 15 days of complaint, and in accordance with Vendor's accepted proposal.

13. Maintenance. The Vendor shall furnish all maintenance on public payphones in accordance with Vendor's accepted proposal. At a minimum, each site must be visited once a month for preventative maintenance, or within 24 hours of receiving a "full coin box" alarm. Equipment must be kept in working order, and enclosure/surrounding area must be kept clean, and proper signage and current phone directory must be maintained. The Vendor must respond to serious problems, which cause equipment outage within 24 hours. The Vendor shall adhere to its proposed inspection/maintenance/cleaning schedule. **Vendor must include in its proposal: proposed location, number and qualifications of personnel available for collecting and repairing/servicing equipment; procedures for requesting repairs; planned response time for various types/severity of problems; generation and tracking plan for trouble tickets; and, regular maintenance/cleaning/collection schedule. Vendor must provide samples of daily polling log sheets, work orders, repair logs, test call reports and weekly trouble reports.**

- a. Test Calls. The Vendor shall test every payphone at least once yearly to verify operation and operator services and to provide an audit trail for the system. Test calls must be scheduled monthly from approximately 10% of the payphones. A monthly test call schedule must be provided to ITS in advance

STATE OF NORTH CAROLINA Office of Information Technology Services	REQUEST FOR BEST AND FINAL OFFER (BAFO) ITS-000938A-2
	Offers will be received until: February 23, 2004 Contract Type: Open Market
Refer <u>ALL</u> Inquiries to: Billy Blackmon Telephone No. (919) 850-2909	Issue Date: February 6, 2004 Commodity: Public/Inmate Payphone Services
E-Mail: billy.blackmon@ncmail.net	Using Agency Name: Office of Information Technology Services
(See page 2 for mailing instructions.)	Agency Requisition No.
http://www.its.state.nc.us/	


NOTICE TO VENDOR Offers, subject to the conditions made a part hereof, will be received at this office, 3512 Bush Street, Raleigh NC, until 2:00 p.m. Eastern Standard Time on the day of opening and then opened, for furnishing and delivering the goods and services as described herein. Refer to page 2 for proper mailing instructions.

Bids submitted via facsimile (fax) machine in response to this Best and Final Offer (BAFO) will not be accepted. Bids are subject to rejection unless submitted on this form.

EXECUTION

In compliance with this Request for Best and Final Offers (BAFO), and subject to all the conditions herein, the undersigned offers and agrees to furnish and deliver any or all goods and services which are offered, at the prices agreed upon and within the time specified herein. Pursuant to GS § 147-33.100 and under penalty of perjury, the undersigned Vendor certifies that this offer has not been arrived at collusively or otherwise in violation of Federal or North Carolina law and this offer is made without prior understanding, agreement, or connection with any firm, corporation, or person submitting an offer for the same commodity, and is in all respects fair and without collusion or fraud.

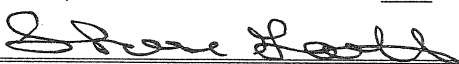
Failure to execute/sign offer prior to submittal shall render quote invalid. Late offers are not acceptable.

VENDOR: AT&T		FEDERAL ID OR SOCIAL SECURITY NO. 13-3948543	
STREET ADDRESS: 6643 BRAIDWOOD LAKE		P.O. BOX:	ZIP: 30101
CITY & STATE & ZIP: ACWORTH, GA		TELEPHONE NUMBER: 6783559526	TOLL FREE TEL. NO:
TYPE OR PRINT NAME & TITLE OF PERSON SIGNING: DON W. EADES		FAX NUMBER: 678 3559529	
AUTHORIZED SIGNATURE: 	DATE: 2-20-04	E-MAIL: dweades@att.com	

Offer valid for 45 days from date of opening unless otherwise stated here: ___ days

ACCEPTANCE OF BEST AND FINAL OFFER

If the State accepts any or all parts of this offer, an authorized representative of ITS shall affix her/his signature to the Vendor's response to this Request for BAFO. The acceptance shall include the response to this BAFO, any provisions and requirements of the original RFP which have not been superseded by this BAFO and the IT Procurement Office General Terms and Conditions for Goods and Services. These documents shall then constitute the written agreement between the parties. A copy of this acceptance will be forwarded to the successful Vendor(s).

<p>FOR ITS USE ONLY</p> <p>Offer accepted and contract awarded this <u>30</u> day of <u>June</u>, 2004, as indicated on attached certification,</p> <p>by <u></u> (Authorized representative of ITS).</p>

MAILING INSTRUCTIONS: Mail one fully executed original and one copy of the response. Address package and insert ITS control number as shown below. It is the responsibility of the vendor to have the BAFO in this office by the specified time and date of opening.

<u>DELIVERED BY US POSTAL SERVICE</u>	<u>DELIVERED BY ANY OTHER MEANS</u>
BAFO NO. ITS-000938A-2 Statewide IT Procurement Office Attn: Billy Blackmon, Contract Manager P.O. Box 17209 Raleigh, NC 27609	BAFO NO. ITS-000938A-2 Statewide IT Procurement Office Attn: Billy Blackmon, Contract Manager 3512 Bush St. Raleigh, NC 27609

SOLICITATION REQUEST FOR BEST AND FINAL OFFER (BAFO) - Third ROUND:

This request is to acquire a best and final offer from vendor for Public/Inmate Payphone Services. Your offer should integrate the previous response to the RFP and any changes listed below. Any individual vendor can receive a different number of requests for BAFOs than other bidders.

The State encourages the vendor to supply more competitive prices. Vendor should submit its most competitive prices on page 3 of this Request for BAFO.

This Best and Final Offer (Third Round) shall incorporate the vendor's previous responses to the RFP, including Best and Final Offers previously submitted by vendor.

Please Note: This bid is still in the evaluation period. During this period and prior to award, possession of the BAFO, original bid response and accompanying information is limited to personnel of the IT Procurement Office, and to agencies responsible for participating in the evaluation. Bidders who attempt to gain this privileged information, or to influence the evaluation process (i.e. assist in evaluation) will be in violation of purchasing rules and their offer will not be further evaluated or considered.

Best and Final Offer - Third Round – VENDOR - AT&T

BEST AND FINAL OFFER – Please respond to the requests below:

1. AT&T's Best and Final Offer received on January 29, 2004 states that AT&T will furnish local dial-tone for inmate payphones in approximately 80% of the prison facilities. Please furnish a complete list of facilities for which AT&T will furnish the local dial tone at no charge to the State under the proposed contract. (Note: A list of all prison facilities and their locations is contained in the original RFP)

AT&T Response: Please find the attached document that shows where AT&T can provide local dial. AT&T offers two options:

Option A:

A 56% commission rate and AT&T will provide T1 band width at the Facilities marked under Option A. AT&T will also offer to discount, off the States existing price, T1s to the facilities in Option B should the State wish to purchase the dial tone from AT&T

Option B

A 55% commission rate and AT&T will provide T1s to all the facilities in Option A and Option B

2. If AT&T wishes to offer a more favorable price proposal, please submit as part of this Best and Final Offer.

AT&T Response: AT&T submits prior commission rates in the previous Best and Final Offers as our response to item #2.

LOCATION	Stations	Option A	Option B
ANSON NCDOC Anson Correctional (704)694 28135 Anson Correctional Center Robert Harden, Superintendent Route 1, Box 160-C Polkton, NC 28135 (704) 694-7500 Courier 03-83-03	11		1
NCDOC Brown Creek Correctional (704)694 28135 Brown Creek Correctional Institution Rick Jackson, Superintendent Box 310 Polkton, NC 28135 (704) 694-2622 Courier 03-82-02	32		1
AVERY/ MITCHELL NCDOC Avery-Mitchell Correctional (828)765 28657 Avery/Mitchell Correctional Institution Willard Jobe, Administrator PO Box 608 600 Amity Park Road Spruce Pine, NC 28657 (828) 765-0229 Courier 12-70-08	11		1
BLADEN NCDOC Bladen Correctional (910)862 28337 Bladen Correctional Center Benny Brigman, Superintendent Route 2, Box 720 Elizabethtown, NC 28337 (910) 862-3107 Courier 04-26-39	6		
BUNCOMBE NCDOC Black Mountain Correctional (828)664 28711 Black Mountain Correctional Center for Women Victoria Justice, Superintendent Box 609 Black Mountain, NC 28711 (828) 664-2002 Courier 12-84-09	5		
NCDOC Buncombe Correctional (828)645 28814 Buncombe Correctional Center Cliff Johnson, Superintendent Box 18089 Asheville, NC 28814	14		1

(828) 645-7630
Courier 12-63-02

NCDOC Craggy Correctional (828)645 28814
Craggy Correctional Center 6
Doug Mitchell, Superintendent
Box 8909
Asheville, NC 28814
(828) 645-5315
Courier 12-63-03

BURKE

NCDOC Foothills Correctional (828)438 28655
Foothills Correctional Institution 20 1
Ricky Anderson, Superintendent
5150 Western Avenue
Morganton, NC 28655
(828) 438-5585
Courier 15-02-09

NCDOC Western Youth (828)438 28680
Western Youth Institution 20 1
Steve Boyles, Superintendent
Drawer 1439
Morganton, NC 28680-1439
(828) 438-6037
Courier 15-02-06

CABARRUS

NCDOC Cabarrus Correctional (704)436 28124 11 1
Cabarrus Correctional Center
Fred Wrangham, Superintendent
Box 158 130 Dutch Road
Mt. Pleasant, NC 28124
(704) 436-6519
Courier 05-06-01

CALDWELL

NCDOC Caldwell Correctional (828)726 28638 14 1
Caldwell Correctional Center
David Johnson, Superintendent
Box 397 Hudson, NC 28638
(828) 726-2509
Courier 15-26-29

CARTERET

NCDOC Carteret Correctional (252)223 28579
Carteret Correctional Center 10 1
Duncan Daughtry, Superintendent
Box 220
Newport, NC 28579
(252) 223-5100

Courier 11-15-01

CASWELL

NCDOC Caswell Correctional (336)694 27379

13

1

Caswell Correctional Center
Raymond Smith, Superintendent
Box 217

Yanceyville, NC 27379

(336) 694-4531

Courier 02-53-23

NCDOC Dan River Work Farm (336)694 27379

30

1

Dan River Prison Work Farm
George Solomon, Superintendent
Box 820 Yanceyville, NC 27379

(336) 694-1583

Courier 02-53-24

CATAWBA

NCDOC Catawba Correctional (828)466 28658

13

1

Catawba Correctional Center
Jerry Moore, Superintendent
1347 Prison Camp Road

Newton, NC 28658

(828) 466-5521

Courier 09-60-01

CLEVELAND

NCDOC Cleveland Correctional (704)480 28150

5

Cleveland Correctional Center
Eddie Ross, Superintendent

260 Kemper Road

Shelby, NC 28150

(704) 480-5428

Courier 06-53-01

COLUMBUS

NCDOC Columbus Correctional (910)642 28424

22

1

Columbus Correctional Institution
Nora Hunt, Superintendent

Box 8 Brunswick, NC 28424

(910) 642-3285

Courier 04-21-17

CRAVEN

NCDOC Craven Correctional (252)244 28586

22

1

Craven Correctional Institution
David Chester, Superintendent

Box 839 Vanceboro, NC 28586

(252) 244-3337

Courier 16-70-01

DAVIDSON

NCDOC Davidson Correctional (336)249 27292

Davidson Correctional Center

12

1

Wallace Shields, Superintendent

1400 Thomason Street

Lexington, NC 27292

(336) 249-7528

Courier 13-52-29

NCDOC North Piedmont Correctional (336)242 27292

North Piedmont Correctional Center for Women

8

1

Brenda Jarra, Superintendent

Box 1227 Lexington, NC 27292

(336) 242-1259

Courier 13-52-30

DUPLIN

NCDOC Durham Correctional (919)477 27705

Duplin Correctional Center

10

1

Box 737 Kenansville, NC 28349

(910) 296-0315

Courier 11-20-04

DURHAM

NCDOC Durham Correctional (919)477 27705

Durham Correctional Center

12

1

David Cates, Superintendent

3900 Guess Road

Durham, NC 27705

(919) 477-2314

Courier 17-30-01

EDGECOMBE

NCDOC Fountain Correctional (252)442 27802

Fountain Correctional Center for Women

14

1

Jimmy Horton, Superintendent

Box 1435

Rocky Mount, NC 27802

(252) 442-9712

Courier 07-61-11

FORSYTH

NCDOC Forsyth Correctional (336)896 27105

Forsyth Correctional Center

12

1

307 Craft Drive Winston-Salem, NC 27105

(336) 896-7041

Courier 13-11-01

FRANKLIN

NCDOC Franklin Correctional (919)496 27508

Franklin Correctional Center

14

1

Selma Townes, Superintendent

Box 155 Bunn, NC 27508
(919) 496-6119
Courier 07-92-01

GASTON

NCDOC Gaston Correctional (704)922 28034 13 1
Gaston Correctional Center
Jim Cauble, Superintendent
1025 Cherryville Highway
Dallas, NC 28034
(704) 922-3861
Courier 06-33-06

GATES

NCDOC Gates Correctional (252)357 27938 4
Gates Correctional Center
Robert Jones, Superintendent
Box 385
Gatesville, NC 27938
(252) 357-0778
Courier 10-22-10

GRANVILLE

NCDOC Polk Youth Correctional (919)575 27509 34 1
Polk Youth Institution
George Currie, Administrator
Box 2500
Butner, NC 27509
(919) 575-3070
Courier 17-11-14

NCDOC Umstead Correctional (919)575 27509 4
Umstead Correctional Center
John Bryant, Superintendent
Box 106
Butner, NC 27509
(919) 575-3174
Courier 17-11-06

GREENE

NCDOC Eastern Correctional (252)747 28554 5
Eastern Correctional Institution
Bob Smith, Superintendent
Box 215
Maury, NC 28554
(252) 747-8101
Courier 01-82-11

NCDOC Greene Correctional (252)747 28554 21 1
Greene Correctional Institution
Russell Ginn, Superintendent
2699 Highway 903
PO Box 39

Maury, NC 28554
(252) 747-3676
Courier 01-82-14

GUILFORD

NCDOC Guilford Correctional (336)375 27301 7 1
Guilford Correctional Center
James Lacewell, Superintendent
4250 Camp Burton Road
McLeansville, NC 27301
(336) 375-5024
Courier 02-10-02

HALIFAX

NCDOC Caledonia Correctional (252)826 27887 9 1
Caledonia Correctional Institution
Randy Lee, Superintendent
Box 137
Tillery, NC 27887
(252) 826-5621
Courier 07-45-01

NCDOC Tillery Correctional (252)826 27887 8 1
Tillery Correctional Center
Tommie King, Superintendent
Box 222
Tillery, NC 27887
(252) 826-4165
Courier 07-54-04

HARNETT

NCDOC Harnett Correctional (910)893 27546 25 1
Harnett Correctional Institution
Sherwood McCabe, Administrator
Box 1569
Lillington, NC 27546
(910) 893-2751
Courier 14-70-02

HAYWOOD

NCDOC Haywood Correctional (828)452 28738 6
Haywood Correctional Center
Matthew Jones, Superintendent
Box 218
Hazelwood, NC 28738
(828) 452-5141
Courier 08-10-05

HOKE

NCDOC Hoke Correctional (910)944 28376 22 1
Hoke Correctional Institution
Terry Bullock, Superintendent

PO Box 700 Raeford, NC 28376-0700 (910) 944-7612 Courier 14-17-02 NCDOC McCain Correctional Hosp. (910)944 28376 McCain Correctional Hospital David Hubbard, Superintendent 855 Old Highway 211 Raeford, NC 28376 (910) 944-2351 Courier 14-17-03	13	1
HYDE NCDOC Hyde Correctional (252)926 27885 Hyde Correctional Center Derrick Wadsworth, Superintendent Box 278, 620 Prison Road Swan Quarter, NC 27885 (252) 926-1810 Courier 16-40-12	16	1
JOHNSTON NCDOC Johnston Correctional (919)934 27577 Johnston Correctional Institution Tom Carroll, Superintendent 2465 U.S. 70 Smithfield, NC 27577 (919) 934-8386 Courier 01-66-37	16	1
LEE NCDOC Sanford Correctional (919)776 27330 Sanford Correctional Center Wayne Talbert, Superintendent Box 2490 Sanford, NC 27330 (919) 776-4325 Courier 14-45-24	10	1
LINCOLN NCDOC Lincoln Correctional (704)735 28092 Lincoln Correctional Center John Crow, Superintendent 464 Prison Camp Road Lincolnton, NC 28092 (704) 735-0485 Courier 09-02-08	6	
MCDOWELL NCDOC Marion Correctional (828)659 28752 Marion Correctional Institution	15	1

Sid Harkleroad, Administrator
Box 2405
Marion, NC 28752
(828) 659-7810
Courier 12-91-07

MECKLENBURG

NCDOC Charlotte Correctional (704)357 28208 16 1
Charlotte Correctional Center
Richard L. Neely, Superintendent
4100 Meadow Oak Drive
Charlotte, NC 28208
(704) 357-6030
Courier 05-17-80

MONTGOMERY

NCDOC Southern Correctional (910)572 27371 9 1
Southern Correctional Institution
Gary Miller, Administrator
Box 786
Troy, NC 27371
(910) 572-3784
Courier 03-95-01

NASH

NCDOC Nash Correctional (252)459 27856 16 1
Nash Correctional Institution
Bonnie Boyette, Superintendent
Box 600
Nashville, NC 27856
(252) 459-4455
Courier 07-73-01

NEW HANOVER

NCDOC New Hanover Correctional (910)251 28402 12 1
New Hanover Correctional Center
Ennis Oates, Superintendent
Box 240
Wilmington, NC 28402
(910) 251-2666
Courier 04-11-04

NCDOC Wilmington Residential Women (910)251 21 3
Wilmington Residential Facility for Women
Laura Overstreet, Superintendent
Box 5354
Wilmington, NC 28403-4155
(910) 251-2671
Courier 04-45-02

NORTHAMPTON

NCDOC Odom Correctional (252)534 27845 7 1

Odom Correctional Institution
Lawrence Solomon, Superintendent
485 Odom Road
Jackson, NC 27845
(252) 534-5611
Courier 10-02-16

ORANGE

NCDOC Orange Correctional (919)732 27278 8 1
Orange Correctional Center
Michael Thumm, Superintendent
2110 Clarence Walters Road Inmate mail:
Hillsborough, NC 27278 PO Box 1149
(919) 732-9301 Hillsborough NC 28278
Courier 17-52-01

PAMLICO

NCDOC Pamlico Correctional (252)745 28515 24 1
Pamlico Correctional Institution
Robert Hines, Superintendent
601 North Third Street
Bayboro, NC 28515
(252) 745-3074
Courier 16-52-01

PASQUOTANK

NCDOC Pasquotank Correctional (252)331 27906 20 1
Pasquotank Correctional Institution
Ernest Sutton, Superintendent
527 Commerce Drive
Caller Box 5005
Elizabeth City, NC 27906-5005
(252) 331-4881
Courier 10-31-05

PENDER

NCDOC Pender Correctional (910)259 28425 24 1
Pender Correctional Institution
Michael Bell, Superintendent
Box 1058
Burgaw, NC 28425
(910) 259-8735
Courier 04-68-07

RANDOLPH

NCDOC Randolph Correctional (336)625 27204 7 1
Randolph Correctional Center
Clinton Holt, Superintendent
PO Box 4128
Asheboro, NC 27204
(336) 625-2578

Courier 13-61-05

ROBESON

NCDOC Lumberton Correctional (910)618 28359 15 1
Lumberton Correctional Institution
George Kenworthy, Superintendent
PO Box 1649
Lumberton, NC 28359-1649
(910) 618-5574
Courier 14-90-21

NCDOC Robeson Correctional (910)618 28359 16 1
Robeson Correctional Center
Sandra Thomas, Superintendent
PO Box 1979
Lumberton, NC 28358
(910) 618-5535
Courier 14-92-07

ROWAN

NCDOC Piedmont Correctional (704)639 28144 18 1
Piedmont Correctional Institution
Todd Pinion, Superintendent
977 Camp Road
Salisbury, NC 28144
(704) 639-9136
Courier 05-35-01

NCDOC Rowan Correctional (704)639 28144 16 1
Rowan Correctional Center
Ted Thomas, Superintendent
PO Box 1207
Salisbury, NC 28144
(704) 639-7552
Courier 05-35-02

RUTHERFORD

NCDOC Rutherford Correctional (828)286 28160 11 1
Rutherford Correctional Center
Johnny Mac Poteat, Superintendent
PO Box 127
Spindale, NC 28160
(828) 286-4121
Courier 06-64-17

SAMPSON

NCDOC Sampson Correctional (910)592 28328 14 1
Sampson Correctional Institution
Lafayette Hall, Superintendent
PO Box 1109
700 Northwest Blvd., Hwy 421 N.
Clinton, NC 28328

(919) 733-4248 Courier 53-71-00 NCDOC Wake Correctional (919)733 27610 Wake Correctional Center Eileen Cochrane, Superintendent 1000 Rock Quarry Road Raleigh, NC 27610 (919) 733-7988 Courier 53-71-00	28	1
WARREN NCDOC Warren Correctional (252)456 27553 Warren Correctional Institution J Haynes, Superintendent PO Box 399 Collins Road Manson, NC 27553 (252) 456-3400 Courier 07-35-01	16	1
WAYNE NCDOC Neuse Correctional (919)731 27530 Neuse Correctional Institution John Crawford, Superintendent 710 Stevens Mill Road Goldsboro, NC 27530 (919) 731-2023 Courier 01-11-13	36	1
NCDOC Wayne Correctional (919)731 27530 Wayne Correctional Center Carla O'Konek-Smith, Superintendent 700 Stevens Mill Road Goldsboro, NC 27530 (919) 734-5911 Courier 01-11-09	13	1
WILKES NCDOC Wilkes Correctional (336)667 28659 Wilkes Correctional Center Eddie Shore, Superintendent 404 Statesville Road North Wilkesboro, NC 28659 (336) 667-4533 Courier 15-13-36	9	1
Total T1s Option A	18	
Total T1s Option B		42

STATE OF NORTH CAROLINA	REQUEST FOR BEST AND FINAL OFFER (BAFO) ITS-000938A-1
Office of Information Technology Services	Offers will be received until: January 29, 2004
	Contract Type: Open Market
Refer <u>ALL</u> Inquiries to: Billy Blackmon	Issue Date: January 22, 2004
Telephone No. (919) 850-2909	Commodity: Public/Inmate Payphone Services
E-Mail: billy.blackmon@ncmail.net	Using Agency Name: Office of Information Technology Services
(See page 2 for mailing instructions.)	Agency Requisition No.
http://www.its.state.nc.us/	

NOTICE TO VENDOR Offers, subject to the conditions made a part hereof, will be received at this office, 3512 Bush Street, Raleigh NC, until 2:00 p.m. Eastern Standard Time on the day of opening and then opened, for furnishing and delivering the goods and services as described herein. Refer to page 2 for proper mailing instructions.

Bids submitted via facsimile (fax) machine in response to this Best and Final Offer (BAFO) will not be accepted. Bids are subject to rejection unless submitted on this form.

EXECUTION

In compliance with this Request for Best and Final Offers (BAFO), and subject to all the conditions herein, the undersigned offers and agrees to furnish and deliver any or all goods and services which are offered, at the prices agreed upon and within the time specified herein. Pursuant to GS § 147-33.100 and under penalty of perjury, the undersigned Vendor certifies that this offer has not been arrived at collusively or otherwise in violation of Federal or North Carolina law and this offer is made without prior understanding, agreement, or connection with any firm, corporation, or person submitting an offer for the same commodity, and is in all respects fair and without collusion or fraud.

Failure to execute/sign offer prior to submittal shall render quote invalid. Late offers are not acceptable.

VENDOR: AT&T		FEDERAL ID OR SOCIAL SECURITY NO. 13-3948543	
STREET ADDRESS: 6143 BRADWOOD CARE		P.O. BOX:	ZIP:
CITY & STATE & ZIP: ACWORTH GA 30101		TELEPHONE NUMBER: 6783559526	TOLL FREE TEL NO: 6783559526
TYPE OR PRINT NAME & TITLE OF PERSON SIGNING: DON EADES		FAX NUMBER: 6783559529	
AUTHORIZED SIGNATURE: <i>Don Eades</i>	DATE: 1-29-04	E-MAIL: dweades@att.com	

Offer valid for 45 days from date of opening unless otherwise stated here: ___ days

ACCEPTANCE OF BEST AND FINAL OFFER

If the State accepts any or all parts of this offer, an authorized representative of ITS shall affix her/his signature to the Vendor's response to this Request for BAFO. The acceptance shall include the response to this BAFO, any provisions and requirements of the original RFP which have not been superseded by this BAFO and the IT Procurement Office General Terms and Conditions for Goods and Services. These documents shall then constitute the written agreement between the parties. A copy of this acceptance will be forwarded to the successful Vendor(s).

FOR ITS USE ONLY
Offer accepted and contract awarded this <u>30</u> day of <u>June</u> , 2004, as indicated on attached certification,
by <u><i>[Signature]</i></u> (Authorized representative of ITS).

MAILING INSTRUCTIONS: Mail one fully executed original and one copy of the response. Address package and insert ITS control number as shown below. It is the responsibility of the vendor to have the BAFO in this office by the specified time and date of opening.

DELIVERED BY US POSTAL SERVICE	DELIVERED BY ANY OTHER MEANS
BAFO NO. ITS-000938A-1 Statewide IT Procurement Office Attn: Billy Blackmon, Contract Manager P.O. Box 17209 Raleigh, NC 27609	BAFO NO. ITS-000938A-1 Statewide IT Procurement Office Attn: Billy Blackmon, Contract Manager 3512 Bush St. Raleigh, NC 27609

SOLICITATION REQUEST FOR BEST AND FINAL OFFER (BAFO) - SECOND ROUND:

This request is to acquire a best and final offer from vendor for Public/Inmate Payphone Services. Your offer should integrate the previous response to the RFP and any changes listed below. Any individual vendor can receive a different number of requests for BAFOs than other bidders.

The State encourages the vendor to supply more competitive prices. Vendor should submit its most competitive prices on page 3 of this Request for BAFO.

This Best and Final Offer (Second Round) shall incorporate the vendor's previous responses to the RFP, including Best and Final Offer previously submitted by vendor.

Please Note: This bid is still in the evaluation period. During this period and prior to award, possession of the BAFO, original bid response and accompanying information is limited to personnel of the IT Procurement Office, and to agencies responsible for participating in the evaluation. Bidders who attempt to gain this privileged information, or to influence the evaluation process (i.e. assist in evaluation) will be in violation of purchasing rules and their offer will not be further evaluated or considered.

BEST AND FINAL OFFER - Please respond to the questions below:

1. Will AT&T consider offering an additional price incentive such as paying for local dial tone for inmate payphones?

2. In reference to the inmate payphone revenue monitoring system described in its proposal, would AT&T consider offering a system which combines debit revenue information in the same system as collect-only revenue? If so, when would this combined system be available for implementation?

3. If AT&T wishes to offer a more favorable price proposal, please submit as part of this Best and Final Offer.

BEST AND FINAL OFFER – Please respond to the questions below:

- 1. Will AT&T consider offering an additional price incentive such as paying for local dial tone for inmate payphones?**

AT&T has done a investigation that time allowed and we can offer the State "AT&T" quality dial tone in the following cities: Charlotte, Greensboro, Raleigh, Mecklenburg, Gaston, Guilford, Wake, and Durham. If the State wishes AT&T to pursue local dial tone across the State AT&T will conduct an intensive review of AT&T dial tone. We believe at first look most of the State (80%) can be covered. Where AT&T dial tone can be provisioned, AT&T will provide to the State at no cost

- 2. In reference to the inmate payphone revenue monitoring system described in its proposal, would AT&T consider offering a system which combines debit revenue information in the same system as collect-only revenue? If so, when would this combined system be available for implementation?**

AT&T will comply with the request to provide a system which combines Debit revenue information in the same system as collect-only revenue. Implementation for this feature is six months from contract signing.

- 3. If AT&T wishes to offer a more favorable price proposal, please submit as part of this Best and Final Offer.**

AT&T offers the State a 30% commission rate for public payphones and a 56% commission rate for inmate payphones.

STATE OF NORTH CAROLINA Office of Information Technology Services	REQUEST FOR BEST AND FINAL OFFER (BAFO) ITS-000938A
	Offers will be received until: January 12, 2004
	Contract Type: Open Market
Refer ALL Inquiries to: Billy Blackmon Telephone No. (919) 850-2909	Issue Date: December 23, 2003 Commodity: Public/Inmate Payphone Services
E-Mail: billy.blackmon@ncmail.net	Using Agency Name: Office of Information Technology Services
(See page 2 for mailing instructions.)	Agency Requisition No.
http://www.its.state.nc.us/	

NOTICE TO VENDOR Offers, subject to the conditions made a part hereof, will be received at this office, 3512 Bush Street, Raleigh NC, until 2:00 p.m. Eastern Standard Time on the day of opening and then opened, for furnishing and delivering the goods and services as described herein. Refer to page 2 for proper mailing instructions.

Bids submitted via facsimile (fax) machine in response to this Best and Final Offer (BAFO) will not be accepted. Bids are subject to rejection unless submitted on this form.

EXECUTION

In compliance with this Request for Best and Final Offers (BAFO), and subject to all the conditions herein, the undersigned offers and agrees to furnish and deliver any or all goods and services which are offered, at the prices agreed upon and within the time specified herein. Pursuant to GS § 147-33.100 and under penalty of perjury, the undersigned Vendor certifies that this offer has not been arrived at collusively or otherwise in violation of Federal or North Carolina law and this offer is made without prior understanding, agreement, or connection with any firm, corporation, or person submitting an offer for the same commodity, and is in all respects fair and without collusion or fraud.

Failure to execute/sign offer prior to submittal shall render quote invalid. Late offers are not acceptable.

VENDOR: AT&T	FEDERAL ID OR SOCIAL SECURITY NO. 13-3949543	
STREET ADDRESS: 6143 BRADWOOD LN	P.O. BOX:	ZIP:
CITY & STATE & ZIP: ACWORTH GA 30101	TELEPHONE NUMBER: 678 355 9526	TOLL FREE TEL. NO:
TYPE OR PRINT NAME & TITLE OF PERSON SIGNING: DON EADES SALES MANAGER	FAX NUMBER: 678 355 9529	
AUTHORIZED SIGNATURE: <i>Don Eades</i>	DATE: 1-9-03	E-MAIL: dweades@att.com

Offer valid for 45 days from date of opening unless otherwise stated here: ___ days

ACCEPTANCE OF BEST AND FINAL OFFER

If the State accepts any or all parts of this offer, an authorized representative of ITS shall affix her/his signature to the Vendor's response to this Request for BAFO. The acceptance shall include the response to this BAFO, any provisions and requirements of the original RFP which have not been superseded by this BAFO and the IT Procurement Office General Terms and Conditions for Goods and Services. These documents shall then constitute the written agreement between the parties. A copy of this acceptance will be forwarded to the successful Vendor(s).

FOR ITS USE ONLY
Offer accepted and contract awarded this <u>30</u> day of <u>June</u> , 2004, as indicated on attached certification, by <u>[Signature]</u> (Authorized representative of ITS).

MAILING INSTRUCTIONS: Mail one fully executed original and one copy of the response. Address package and insert ITS control number as shown below. It is the responsibility of the vendor to have the BAFO in this office by the specified time and date of opening.

<u>DELIVERED BY US POSTAL SERVICE</u>	<u>DELIVERED BY ANY OTHER MEANS</u>
<p>BAFO NO. ITS-000938A Statewide IT Procurement Office Attn: Billy Blackmon, Contract Manager P.O. Box 17209 Raleigh, NC 27609</p>	<p>BAFO NO. ITS-000938A Statewide IT Procurement Office Attn: Billy Blackmon, Contract Manager 3512 Bush St. Raleigh, NC 27609</p>

SOLICITATION REQUEST FOR BEST AND FINAL OFFER (BAFO):

This request is to acquire a best and final offer from vendor for Public/Inmate Payphone Services. Your offer should integrate the previous response to the RFP and any changes listed below. Any individual vendor can receive a different number of requests for BAFOs than other bidders.

The State encourages the vendor to supply more competitive prices. Vendor should submit its most competitive prices on page 3 of this Request for BAFO.

This Best and Final Offer shall incorporate the vendor’s previous response to the RFP, and all answers submitted to previous requests for clarification, including those attached to this document and shall become part of any resulting contract.

Please Note: This bid is still in the evaluation period. During this period and prior to award, possession of the BAFO, original bid response and accompanying information is limited to personnel of the IT Procurement Office, and to agencies responsible for participating in the evaluation. Bidders who attempt to gain this privileged information, or to influence the evaluation process (i.e. assist in evaluation) will be in violation of purchasing rules and their offer will not be further evaluated or considered.

**By Reference These Requests For Clarification From ITS And
Answers Submitted By AT & T Are To Be Considered An Integral
Part Of This BAFO**



6143 Braidwood Lane
Acworth, GA 30101
678 355 9625

July 30, 2003

Mr. Billy R. Blackmon
Contract Specialist
Information Technology Services
3512 Bush Street
Raleigh, NC 27609

Subject: RFP# ITS-000938A - Clarification and Negotiation

Dear Mr. Blackmon:

AT&T submits the attached response to the subject "Clarification and Negotiation" memo provided to AT&T on July 22, 2003.

We have responded with what we believe are complete and comprehensive responses to the questions and issues covered in the memo. However, if any additional information or clarification is needed, please do not hesitate to contact me at 678-355-9526 or dweades@att.com, and I will respond as expeditiously as possible.

The AT&T team continues to look forward to working with the State of North Carolina to provide Public/Inmate Payphone Services throughout the State.

Sincerely,

A handwritten signature in cursive script that reads "Don W. Eades".

Don W. Eades



AT&T RESPONSE TO REQUEST FOR PROPOSAL # ITS-000938A
CLARIFICATION AND NEGOTIATIONS

1. Tab 2 - Price Proposal, Page 2-1- **If the State does not choose the advanced commission offer, can AT&T offer an alternative option of comparable value to the State?**

AT&T Response

AT&T is providing an outstanding financial package to the State of North Carolina. In lieu of the proposed advanced commissions, AT&T can provide the State of North Carolina a one-time \$175,000 contract signing bonus.

2. Tab 2 - Price Proposal, Page 2-1- The proposal states "AT&T will make this offer to the state throughout the term of the contract or for as long as internal process allows." **Please clarify what the qualifier "or for as long as internal process allows" means. Would AT&T consider deleting this qualifier?**

AT&T Response

During final negotiations AT&T will delete the qualifier and will reword this sentence to state: "AT&T will make this offer to the State throughout the term of the contract."

3. Tab 3 - Business Specifications, Page 3-2: **Please provide breakdown of type of service provided for each customer referenced in this section.**

AT&T Response

AT&T has provided a breakdown of the types of services provided for each customer referenced on page 3-2 of our proposal in the following table. Types of services are denoted in bold text.

Customer	No. Inmate Locations	Avg. Inmate Population	No. Inmate Stations	No. Public Payphones
Los Angeles County, California Type of Service Provided: Long Distance Services as Prime Contractor for Inmate and Public Payphones	8	19,500	2,200	51
New York State Sheriffs' Association Institute Type of Service Provided: Local, Long Distance, and Inmate Calling Control for Inmate and Public Payphones	50	8,000	1,514	16
State of Washington Department of Correctional Services Type of Service Provided: Local and Long Distance Services for Inmate and Public Payphones	20	14,500	1,160	174
Miami-Dade County Corrections & Rehabilitation Dept. and Miami-Dade County Public Payphones Type of Service Provided: Local, Long Distance and Inmate Calling; Public Payphone Control	7	11,000	982	Over 2,000
State of Oklahoma Department of Correctional Services Type of Service Provided: Local, Long Distance, and Inmate Calling Control for Inmate and Public Payphones	36	22,000	678	793

4. Tab 3 - Business Specifications, Page 3-4: **Please describe your CLEC organization. How long have they been in operation? How many customers do they serve? In what geographical areas do they provide service?**

AT&T Response

AT&T Local Services, the industry's largest competitive local exchange companies (CLEC), was created from our purchase of Teleport Communications Group (TCG) in 1998. TCG offered a wide range of local telecommunications services in the major metropolitan markets of the U.S. TCG provided high-quality, integrated local telecommunications services, over fiber-optic digital networks, to meet the voice, data, and video transmission needs of its customers. For over 15 years, TCG developed, operated, and expanded its local telecommunications network. The dynamic array of services coupled with a proven ability to satisfy the demands of its customers were in large measure the key reasons that AT&T purchased TCG and formed AT&T Local Services.

AT&T Local Services is at the forefront in the industry's efforts to introduce competition to the local telecommunications market. AT&T Local Services has aggressively pursued the goal of making CLEC services economically, technically, and operationally feasible by working for legislative and regulatory reform through negotiations with the incumbent local exchange carriers.

AT&T Local Services is enhancing the local telecommunications infrastructures of communities nationwide by bringing advanced services and responsiveness to customers demanding technological innovations, superior responsiveness, and competitive pricing. AT&T Local Services provides superb network reliability of 99.99% through advanced network architecture, diverse routes, and redundant electronics. AT&T Local Services now operates high-capacity digital networks for 57 cities which are served with a total of 131 digital switches (58 NT DMS and 73 Lucent 5E)---each capable of handling up to 100,000 individual access lines, or in lay terms, telephone numbers.



AT&T is the largest CLEC in the country with aggressive plans to extend our local services footprint in North Carolina and throughout the U.S.

AT&T provides Centrex local service through our Class 5 local service switches, often referred to as *true local service*. The family of products from our Class 5 local service switches is known as our Prime Products.

AT&T currently provides Centrex local service (offered through our Prime Products family) in the Raleigh/Durham/Chapel Hill, Greensboro/Winston-Salem, and Charlotte metropolitan areas.

5. Tab 6 – Proposal Summary, Page 6-4: Proposal states “AT&T team will maintain all public and inmate payphones, and the inmate calling systems, including performing all necessary preventative Maintenance”. **If it is the intent of AT&T to maintain inmate phones located within DOC facilities, please describe how this will be accomplished.**

AT&T Response

AT&T proposes that the State continue to maintain/repair inmate phones located within DOC facilities as they do today.

6. Tab 6 – Proposal Summary, Page 6-6: Proposal states: “The commission will be applied to all charges exclusive of surcharges and taxes.” **What specific surcharges and taxes is AT&T proposing to exclude from commissionable revenues?**

AT&T Response

AT&T will pay commissions on all revenue that is generated from the inmate and public payphones for this contract. We will not pay commissions on taxes or surcharges that appear on the end-users' final "at home bill." Such surcharges and taxes include applicable excise taxes, FCC taxes, 911 fees or surcharges, State or Local taxes etc.

7. Tab 8 – Financial Information, Page 8-4: **Please provide FY 2000 balance sheet. Please state how financial information submitted meets the IFB requirement to be certified and audited.**

AT&T Response

AT&T has provided its FY 2000 Balance Sheet in Attachment 1.

The financial information submitted with the proposal (and in Attachment 1 to this response) are excerpts from AT&T's 2002 and 2000 Annual Reports. These statements are certified and audited by Independent Accountants, PriceWaterHouseCoopers LLP. Copies of the "Report of Independent Accountants" from both the 2002 and 2000 Annual Reports are provided in Attachment.

Additionally, in accordance with certifications required pursuant to Section 302 of The Sarbanes-Oxley Act of 2002, AT&T financials (Form 10K) are certified by both the Chief Executive Officer of AT&T Corp. (David W. Dorman) and the Chief Financial Office (Thomas W. Horton). Copies of the certifications for the year 2002 filing are provided in Attachment 1.

Complete information on AT&T financials, SEC filing, and certifications are readily available on AT&T's website at www.att.com/ir.

8. Tab 9 – Technical Specifications, Page 9-4: **Please provide evidence to substantiate the grade of service, such as statistics/reports.**

AT&T Response

PO 1 grade (Planned Overflow = < .01) for the AT&T network is a telecommunications industry standard based on Bell Laboratories Traffic Engineering research. Our traffic engineering design is based upon determining the total minutes of usage during the busiest hour of usage on the busiest day of the month. We then use the Poisson method which typically overstates the number of trunks required (as opposed to the Erlang method which typically understates the requirement). Busy hour studies are ongoing to ensure that service remains at PO 1 or better, which in this case means less than P.01.

AT&T offers the following statistics to substantiate AT&T network grade of service. These are published statistics on <http://www.att.com/network/facts.html>.

During the first five months of 2003, AT&T achieved the following availability:

Long distance voice – 99.999%

ATM data – 99.999%

Frame Relay data – 99.998%

Internet protocol – 99.991%

9. Tab 9 – Technical Specifications, Page 9-10: **Describe your plan for service restoration in the event that the Raleigh CAM Central Office experienced direct damage or a catastrophic loss.**

AT&T Response

AT&T and Evercom will work closely with the State of North Carolina in the event of an emergency to assess damage caused by fire, flood, riot, or similar events, and will provide creative solutions that meet the State's needs and require a minimal disruption in service.

In the event of a catastrophic loss of system in the Raleigh office, AT&T and Evercom will take the following measures to continue services and to restore services as quickly as possible.

1. **Continue service for inmate calls.** To continue service for inmate calls. all inmate calls will be re-routed to Evercom's Irving location where the off-site backup database is stored until the Raleigh service is restored.

AT&T's Select Routing feature will be provisioned, tested, and implemented to allow inbound 800 calls from DOC Inmate phones to be automatically routed to the Irving location in the event the Raleigh CAM Central Office is not available. Since all routing is done in the AT&T network, the loss of the CAM Central Office would not affect the alternate routing capabilities. Additionally, changing the routing of calls from the Raleigh location to the Irving location can be completed in five minutes or less.

2. **Access the situation/damage.** AT&T and Evercom technicians will work with the State to provide a clear understanding of the situation/damage and begin working on possible repair solutions. If required, additional representatives will be sent to the site for further assessment. The representative(s) then will report back to the Support Center, giving specifics on the extent of damaged equipment.
3. **Replace and repair.** New equipment will be ordered and built to replace damaged equipment as required. The equipment will then be tested, and an installation team will be assembled and sent to the Raleigh location for the installation process.



4. **Service restoration and switchback.** Once the Raleigh CAM office is functional and online, inmate calls from the NCDOC smart phones will be switched back to the Raleigh CAM location.

Most non catastrophic outages can be resolved by local technicians maintaining minimal impact of down time. All technicians maintain spare parts and components for repair in the inventory aboard their company vehicles. All parts and components used from a technician's inventory for service or installations are documented per location. Each part is tracked in the trouble reporting software that is linked to the inventory and accounting processes. Each week, the inventory manager produces reports, by technician, reflecting each broken/used inventory item. Technicians ship all broken items to Irving, TX for replacement. In the event a technician's inventory is depleted prior to receiving the replacement shipment, the technician would return to the closest service office to restock the inventory. Alternative solutions are purchase the parts locally or have the parts shipped from the main warehouse via overnight delivery

10. Tab 9 – Technical Specifications, Page 9-19: **Explain the billing increments for each call type. Are these the same for both public and inmate phones?**

AT&T Response

AT&T inmate and public rates are not the same and have different billing increments.

- 1) AT&T rates for Inmate calls use an initial surcharge/first minute, plus additional per minute rate that is billed in 1 minute increments for all inmate call types except local inmate calls, which use an \$0.80 initial minute/surcharge plus a \$0.24 charge for unlimited call time.

		Collect Call
Local	Surcharge 1 st Minute	\$0.80
	Additional Minute	\$0.24 (unlimited talk time)
Intralata	Surcharge 1 st Minute	\$2.25
	Additional Minute	\$0.07 per minute to \$0.14 per minute
Interlata	Surcharge 1 st Minute	\$2.25
	Additional Minute	\$0.10 per minute to \$0.19 per minute
State to State	Surcharge 1 st Minute	\$3.95
	Additional Minute	\$0.89 per minute

- 2) AT&T rates for public payphone call types include, for most calls, an initial minute/surcharge and then bill additional minutes in 1 minute increments except for Direct Dialed. Coin calls have a 3 minute rate increment. Please see Attachment 2 for further public phone call rates

AT&T's response to question 23 contains a rate chart for the public phones that shows the call types and the charges. AT&T included a copy of its inmate rates on page 9-32 of our response.

11. Tab 9 – Technical Specifications, Page 9-25: – **The current contract with Evercom contains the provision that the ownership of call processing equipment will be transferred to DOC at contract end, as follows: Per Amendment No. 1 executed on November 24, 1999, at the end of the Contract period, and at the option of the Department, the Contractor will transfer all ownership of all the inmate call processing equipment, including the switchgear, to the Department of Correction at no cost. Has AT&T considered this fact in their proposal?**

AT&T Response

AT&T understands that the current equipment owned by Evercom will become the property of the State at the end of this contract period. AT&T further understands that any upgrade or enhancement to the current platform will also become property of the State as owners of the platform.

12. Tab 9 – Technical Specifications, Page 9-35: **Will CLEC customers be offered both options as an initial choice, or will you offer direct billing only as a last resort? How do you inform potential customers about AT&T Direct Bill?**

AT&T Response

Nearly all customers are billed through the LEC, and those that cannot be billed are offered prepaid products, which are easy to do with check by phone, credit card by phone, or taking cash to many retail outlets. Approximately 10% can qualify for direct billing based on their Payment Verification Point (PVP). No customer is denied credit if they are billable customers.

Since most users are billable through the LEC, charges and applicable phone numbers for Correctional Billing Services (CBS) will be on the phone bill. Currently, customers may be informed about Direct Bill through inquiry to Correctional Billing Services.

When a customer reaches 75% of his PVP, an outbound message is delivered by phone to the end user. The message is sent 3 times a day for 3 successive days. The end user is also notified anytime his number is blocked for any reason.

13. Tab 9 – Technical Specifications, Page 9-51: **Explain in detail how AT&T will provide Internet Portal(Everconnect) to approved DOC employees. What equipment will the employees need? Who will pay for needed equipment and upgrades during the course of the contract? Explain what network securities are in place to protect confidential records?**

AT&T Response

EverConnect allows personnel to log onto its password-protected site and access information from any computer that has Internet access, allowing administrators to monitor activity while away on business, attending a conference, or in the field on an investigation. EverConnect provides access to call detail, call metrics, service tickets, password administration, and storage of historical search information. AT&T and Evercom will pay for and maintain up-to-date information stored in the portal database. Network security is maintained by Evercom NOC personnel and monitored 24/7 for unauthorized access attempts.

14. Tab 9 – Technical Specifications, Page 9-54: **Does AT&T's proposal include personnel to manually enter PAN information?**

AT&T Response

The Proposal does not include staff for entering PAN information, and additional staff may not be necessary. With AT&T/Evercom's solution, PAN can be an automated entry by using Automated PAN Assignment as described below.

With Automated PAM Assignment, the CAM will be programmed to allow the inmate to place a specified number of calls during his/her initial incarceration period - typically the first one to five days. The State of North Carolina will determine how many numbers will be allowed and once the inmate reaches that threshold the System will not allow any further entries for a specified time period. The following provides an overview of the steps taken to complete the automated PAN process:

- 1) The inmate dials the desired number (916-422-9869)
- 2) The inmate is prompted to dial his PIN (78965463399)
- 3) The CAM system processes the number through validation to determine that it is a "good" number (no blocks, no cell phones, no payphones, etc.)
- 4) Once determined as a "good" number the System associates the number with the PIN and enters it into the PAN list
- 5) Once the inmate reaches a specified threshold the System will not process any further number entries except those numbers already approved on the PAN list.
- 6) Finally, the System will allow future changes and/or additions to the PAN listing as determined by the State of North Carolina. For example, once the initial PAN list is set-up, the State may allow the inmates to modify the list every three months. The CAM will be programmed accordingly to facilitate this process by purging the information at the desired interval.

15. Tab 9 – Technical Specifications, Page 9-57: AT&T is proposing to use existing equipment. **What upgrade or replacement of personal computers, printers, switches etc. is AT&T proposing during the initial 5-year contract period?**

AT&T Response

AT&T will ensure that the replacement of personal computers, printers, and switches will be of a recent model and equipment that is in operating condition. As defined in Addendum 2, Question 12, AT&T has allocated for the replacement of up to 10 workstations and peripherals throughout the initial 5-year contract period at locations identified by the NCDOC at no cost to the NCDOC. These replacements are in addition to the Server upgrades detailed for the Raleigh CAM site.

16. Tab 9 – Technical Specifications, Page 9-59: **Is AT&T proposing that the State provide staff to do number restrictions or is this an option which AT&T will perform if the State desires?**

AT&T Response

No, AT&T is not proposing the State provide staff to do number restriction. AT&T, via Evercom, will continue to provide that service.

17. Tab 9 – Technical Specifications, Page 9-6: **With additional prompts during initial call setup, will the State’s inmate phones require reprogramming because of keypad disable functions currently used? If so, what staff does AT&T propose to use with assistance from DOC in reprogramming the phones?**

AT&T Response

Currently there is a 25 second delay for keypad disable function. The majority of the proposed inmate voice prompts can be played and accept inmate interaction prior to disabling the keypad. If this feature is desired, AT&T and Evercom will evaluate this delay and recommend the appropriate adjustment. The current delay can be and will be modified if necessary at no cost to the NCDOC by AT&T/Evercom.

18. Tab 9 – Technical Specifications, Page 9-61: Proposal states that during call processing there is a prompt “state your name at the beep.” **Is this a requirement or can inmate’s name be electronically inserted?**

AT&T Response

The inmate’s name can be inserted into the announcement in a number of ways. As stated, the system can prompt the inmate to record his name on every call. Also, the State has the option of having the inmate record his name only once, and reusing the same recording for each call associated with the inmate’s PIN. This recording can be completed with a Site Administrator upon enrollment. Finally, the CAM has a feature to convert text to speech.

Name reuse – to remove the message window that inmates will often use to transfer messages, shout obscenities or make verbal threats. This function captures the inmates name on the first call and then associates the name with the PIN to be inserted with each call.

Text to speech conversion – converts the name entered into the PIN system to a computer generated voice to announce the inmate to the called party. The called party will hear the same recorded name every time, and will not hear the voice of the called party upon initial receipt of the call.

19. Tab 9 – Technical Specifications, Page 9-61: Proposal states “to block your number from receiving calls press 6.” **Is this feature required or optional?**

AT&T Response

This is an optional feature and we understand that it is not used in the current setup. All feature sets from the current system will be maintained. Number blocking is a feature that is easily turned on and off.

20. Tab 9 – Technical Specifications, Page 9-62: **In the debit calling process, does the system identify the inmate by name as a collect call does?**

AT&T Response

All debit calls can be mandated for accept only requiring the called party to accept a debit call. In this setup, the inmate’s name will be played to the called party.

21. Tab 9 – Technical Specifications, Page 9-66: **Can the call forwarding options be set up to offer the alternative of detect and notify without disconnection?**

AT&T Response

Yes, the call forwarding options can be set to offer the alternative of detect and notify without disconnection.

22. Tab 9 – Technical Specifications, Page 9-70: DOC inmate accounts are not real time. AT&T will be unable to “scan” or “real time” debit the inmate’s account. **With this in mind, please explain how the debit system will operate. Will the debit platform offered allow international calls as specified? How will an inmate contact you and what process will AT&T use to reimburse inmates that are released for unused amounts in their debit accounts? Explain how an inmate will access his debit account information from an inmate phone. Can the debit system provide a monthly statement on each inmate that shows amount added to his account and calls made against the debit account?**

AT&T Response

Funds will be active in the inmate’s account at the time of data entry by the State into the commissary/jail management system. As is done today, Evercom will retrieve and update the CAM with the data as soon as the file is available from the State. CAM Connect is the application that connects the CAM to the commissary/JMS, allowing real time access to information in the commissary system through an FTP server. This system was developed to meet the increasing needs of Evercom customers to utilize site data through an interface with the CAM platform. The current PIN/inmate name upload currently in use in North Carolina is but a small sample of the technologies employed in this application.

International calling is allowed through the proposed debit system. Inmates are informed of their account balance each time they place a debit call. Commissary funds for debit calls can be reimbursed in the same manner as commissary funds are reimbursed today.

Reports may be run against the CAM system showing call detail records, including debit calls. The PIN Editor application in CAMnt allows reports to be run against PINs. The reports will show that calls placed were debit calls. Debits and credits to the inmate’s PIN will also be shown in reports through the PIN Editor application.

Prepaid Cards are another alternative for the State of North Carolina if a real time link can not be established. This would require the DOC to order the cards from Evercom at the contracted rate and resell them to the inmate at face value as a commissary item, thus receiving a return on investment. The Prepaid Card may be purchased by the inmate in denominations of \$10, \$15, \$20, \$30, or as determined by the State. Evercom has offered these since 1993 and currently has over 495 accounts using these cards. Further, if a balance remains on the card and the inmate is released from Corrections, he may still use the card outside of the facility through a pre-printed toll-free number listed on the back of each card. No refunds are allowed to inmates by AT&T or Evercom for Pre-Paid Cards since this service is sold by the DOC.

PrePaid Cards will allow international calls as specified. Each time an inmate attempts to place a debit call, his account balance is announced. However, the PrePaid Card has a set dollar amount, and cannot be recharged. Similarly, the PrePaid Card is sold to the inmates by the facility, and each card is not tied to a PIN. Therefore, there is no mechanism for reporting against the PrePaid Card. However, please note that call detail reports may still be run through the CAM against the inmate PIN, regardless of the PrePaid Card.

23. Tab 9 – Technical Specifications, Page 9-71: **Please provide debit and collect call rate structure comparisons by set up/surcharge fee plus per minute charge for all call types.** (Example of information format desired: Intralata: Prepaid/Collect \$2.00 + .20 per minute, Debit \$1.50 + .15 per minute)

AT&T Response

AT&T submits the following Collect and Debit rate comparisons.

		Debit Call	Collect Call
Local	Surcharge 1 st Minute	\$0.62	\$0.80
	Additional Minute	\$0.18	\$0.24 (unlimited talk time)
	23% off regular collect rates		
Intralata	Surcharge 1 st Minute	\$1.80	\$2.25
	Additional Minute	\$0.06 to \$0.11	\$0.07 per minute to \$0.14 per minute
	20% off regular collect rates		
Interlata	Surcharge 1 st Minute	\$1.80	\$2.25
	Additional Minute	\$0.08 to \$0.15	\$0.10 per minute to \$0.19 per minute
	20% off regular collect rates		
State to State	Surcharge 1 st Minute	\$3.04	\$3.95
	Additional Minute	\$0.69	\$0.89 per minute
	23% off regular collect rates		

24. Tab 9 – Technical Specifications, Page 9-73: **Provide a sample of the proposed enrollment card.**

AT&T Response

Following is a sample of the proposed enrollment card.

Enrolling in the Phone System and Making Calls

Before you can make calls from this facility, you must **enroll** in the system by registering your voice print. Once you know your booking number, pick up an enrollment phone handset and follow the prompts.

- Enter your booking number when prompted.
- State your full name four times, once each prompt.
- Say "State of North Carolina DOC" four times, once after each prompt.

Important: Say your name and "State of North Carolina" clearly, with the same tone and speed each time. If you don't, your enrollment will be refused.

To **make** a call, pick up a handset and follow the prompts. You will (1) state your name, (2) say "State of North Carolina DOC" and (3) enter the number you want to call. You must say your name and "State of North Carolina DOC" just as you did during the enrollment process, or you might not be able to make the call.

Voice Authentication System (VAS) provided by Evercom Systems-, Inc.

The enrollment card depicted above can be personalized for each State facility. Enrollment cards with PINs are generally used for facilities that do not utilize numeric PIN systems, in order to allow registration in the voice verification system. Since the State currently utilizes PINs, an enrollment card is not necessary, but the enrollment card may be given to inmates as well as posted by the phone.

The inmate will pick up the handset and be prompted to enter his PIN. Once entered, the CAM will verify the phone in use is set to utilize voice verification. Next, the CAM checks to see if the inmate PIN is enrolled in the program. If the inmate is not enrolled in the program, the system will prompt the inmate to repeat a series of words or phrases, including the inmate's name and the facility name. The inmate will be asked to repeat each word or phrase four times. The CAM will use these recordings to create a voice print that will be used as a comparison each time the inmate places a call. If the inmate is already enrolled for voice verification, the system will know by the PIN number, and will proceed by prompting the inmate to repeat words or phrases for voice verification.

The current call process for voice verification is depicted below.

Enrollee Hears	Enrollee Does/Says
For English, press 1. For Spanish, press 2.	(presses) 1 or 2
Enter your booking number now.	(presses) booking number
To enroll your voice print in the system, please follow the instructions carefully. You will be asked to state your name and a keyword four times. Please state your first and last name at the beep.	Jonathan Smith
Please repeat your first and last name at the beep. Please repeat your first and last name at the beep. Please repeat your first and last name at the beep.	Jonathan Smith Jonathan Smith Jonathan Smith
Please say {keyword or phrase} after the beep.	Johnston County
Please repeat {keyword or phrase} after the beep. Please repeat {keyword or phrase} after the beep. Please repeat {keyword or phrase} after the beep.	Johnston County Johnston County Johnston County
Your enrollment was successful. Thank you.	

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25. Tab 9 – Technical Specifications, Page 9-73: **Can specific phones be set up for use by inmates to do their initial voice authentication, thus eliminating the repetition of the enrollment option prompt on the other phones?**

AT&T Response

Yes, AT&T and Evercom can specify phones for enrollment purposes. This would be the desired setup for initial voice authentication.



Attachment 1 – AT&T Financial Information

2000 Balance Sheet
2000 Report of Independent Accountants
2002 Report of Independent Accountants
Financial Certifications

AT&T CORP. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

	At December 31,	
	2000	1999
	Dollars in millions	
ASSETS		
Cash and cash equivalents	\$ 126	\$ 1,024
Receivables, less allowances of \$1,379 and \$1,281	11,144	9,813
Other receivables	1,703	640
Investments	2,102	—
Deferred income taxes	812	1,287
Other current assets	1,200	1,120
TOTAL CURRENT ASSETS	17,087	13,884
Property, plant and equipment, net	51,161	39,618
Franchise costs, net of accumulated amortization of \$1,664 and \$697	48,218	32,693
Licensing costs, net of accumulated amortization of \$1,762 and \$1,491	13,626	8,548
Goodwill, net of accumulated amortization of \$850 and \$363	31,478	7,445
Investment in Liberty Media Group and related receivables, net	34,290	38,460
Other investments and related advances	34,261	19,366
Prepaid pension costs	3,003	2,464
Other assets	9,099	6,928
TOTAL ASSETS	\$242,223	\$169,406
LIABILITIES		
Accounts payable	\$ 6,455	\$ 6,771
Payroll and benefit-related liabilities	2,423	2,651
Debt maturing within one year	31,947	12,633
Liability under put options	2,564	—
Other current liabilities	7,478	6,152
TOTAL CURRENT LIABILITIES	50,867	28,207
Long-term debt	33,092	23,217
Long-term benefit-related liabilities	3,670	3,964
Deferred income taxes	36,713	24,199
Other long-term liabilities and deferred credits	5,090	3,801
TOTAL LIABILITIES	129,432	83,388
Minority Interest	4,883	2,391
Company-Obligated Convertible Quarterly Income Preferred Securities of Subsidiary Trust Holding Solely Subordinated Debt Securities of AT&T	4,710	4,700
SHAREOWNERS' EQUITY		
Common Stock:		
AT&T Common Stock, \$1 par value, authorized 6,000,000,000 shares; issued and outstanding 3,760,151,185 shares (net of 416,887,452 treasury shares) at December 31, 2000, and 3,196,436,757 shares (net of 287,866,419 treasury shares) at December 31, 1999	3,760	3,196
AT&T Wireless Group Common Stock, \$1 par value, authorized 6,000,000,000 shares; issued and outstanding 361,802,200 shares at December 31, 2000	362	—
Liberty Media Group Class A Common Stock, \$1 par value, authorized 4,000,000,000 shares; issued and outstanding 2,363,738,198 shares (net of 59,512,496 treasury shares) at December 31, 2000, and 2,313,557,460 shares at December 31, 1999	2,364	2,314
Liberty Media Group Class B Common Stock, \$1 par value, authorized 400,000,000 shares; issued and outstanding 206,221,288 shares (net of 10,607,776 treasury shares) at December 31, 2000, and 216,842,228 shares at December 31, 1999	206	217
Additional paid-in capital	90,496	59,526
Guaranteed ESOP obligation	—	(17)
Retained earnings	7,408	6,712
Accumulated other comprehensive income	(1,398)	6,979
TOTAL SHAREOWNERS' EQUITY	103,198	78,927
TOTAL LIABILITIES AND SHAREOWNERS' EQUITY	\$242,223	\$169,406

The notes are an integral part of the consolidated financial statements.

REPORT OF INDEPENDENT ACCOUNTANTS

To the Board of Directors and
Shareowners of AT&T Corp.:

In our opinion, based on our audits and the report of other auditors, the accompanying consolidated balance sheets and the related consolidated statements of income, changes in shareowners' equity and of cash flows present fairly, in all material respects, the financial position of AT&T Corp. and its subsidiaries (AT&T) at December 31, 2000 and 1999, and the results of their operations and their cash flows for each of the three years ended December 31, 2000, in conformity with accounting principles generally accepted in the United States. These financial statements are the responsibility of AT&T's management; our responsibility is to express an opinion on these financial statements based on our audits. We did not audit the financial statements of Liberty Media Group, an equity method investee, which was acquired by AT&T on March 9, 1999. AT&T's financial statements include an investment of \$34,290 million and \$38,460 million as of December 31, 2000 and 1999, respectively, and equity method earnings (losses) of \$1,488 million and \$(2,022) million, for the years ended December 31, 2000 and 1999, respectively. Those statements were audited by other auditors whose report thereon has been furnished to us, and our opinion expressed herein, insofar as it relates to the amounts included for Liberty Media Group, as of and for the years ended December 31, 2000 and 1999, is based solely on the report of the other auditors. We conducted our audits of these statements in accordance with auditing standards generally accepted in the United States, which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits and the report of other auditors provide a reasonable basis for the opinion expressed above.



New York, New York
March 16, 2001

REPORT OF INDEPENDENT ACCOUNTANTS

To the Board of Directors and Shareowners of AT&T Corp.:

In our opinion, based on our audits and the report of other auditors, the accompanying consolidated balance sheets and the related consolidated statements of operations, changes in shareowners' equity and of cash flows present fairly, in all material respects, the financial position of AT&T Corp. and its subsidiaries (AT&T) at December 31, 2002 and 2001, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2002 in conformity with accounting principles generally accepted in the United States of America. These financial statements are the responsibility of AT&T's management; our responsibility is to express an opinion on these financial statements based on our audits. We did not audit the financial statements for the year ended December 31, 2000 of Liberty Media Group, an equity method investee, which was acquired by AT&T on March 9, 1999. AT&T's financial statements include equity method earnings of \$1,488 million for the year ended December 31, 2000. Those statements were audited by other auditors whose report thereon has been furnished to us, and our opinion expressed herein, insofar as it relates to the amounts included for Liberty Media Group, for the year ended December 31, 2000, is based solely on the report of the other auditors. We conducted our audits of these statements in accordance with auditing standards generally accepted in the United States of America, which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits and the report of other auditors provide a reasonable basis for our opinion.

As discussed in the notes to the financial statements, AT&T was required to adopt Statement of Financial Accounting Standards No. 142, Goodwill and Other Intangible Assets, effective January 1, 2002.



PRICEWATERHOUSECOOPERS LLP

New York, New York
January 23, 2003, except for Note 20,
as to which the date is February 28, 2003

AT&T CORP.

CERTIFICATIONS PURSUANT TO
SECTION 302 OF
THE SARBANES-OXLEY ACT OF 2002

CERTIFICATION

I, David W. Dorman, certify that

I have reviewed this annual report on Form 10-K of AT&T;

2. Based on my knowledge, this annual report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this annual report;

3. Based on my knowledge, the financial statements, and other financial information included in this annual report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this annual report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:

- a) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this annual report is being prepared;
- b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this annual report (the "Evaluation Date"); and
- c) presented in this annual report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):

- a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and
- b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls and

6. The registrant's other certifying officers and I have indicated in this annual report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: March 28, 2002



Chief Executive Officer

CERTIFICATION OF PERIODIC FINANCIAL REPORTS

I, David W. Dorman, Chief Executive Officer of AT&T Corp., certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) the Annual Report on Form 10-K for the fiscal year ended December 31, 2002 (the "Periodic Report") which this statement accompanies fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78d(d)) and
- (2) information contained in the Periodic Report fairly presents, in all material respects the financial condition and results of operations of AT&T Corp.

Dated: March 28 2003


David W. Dorman

CERTIFICATION

Thomas W. Horton certify that

I have reviewed this annual report on Form 10-K of AT&T;

2. Based on my knowledge, this annual report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this annual report;

3. Based on my knowledge, the financial statements, and other financial information included in this annual report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this annual report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:


- a) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this annual report is being prepared
- b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this annual report (the "Evaluation Date"); and
- c) presented in this annual report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):

- a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and
- b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls and

6. The registrant's other certifying officers and I have indicated in this annual report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date March 28, 2002




Chief Financial Officer

CERTIFICATION OF PERIODIC FINANCIAL REPORTS

I, Thomas W. Horton, Chief Financial Officer of AT&T Corp., certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) the Annual Report on Form 10-K for the fiscal year ended December 31, 2002 (the "Periodic Report") which this statement accompanies fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)) and
- (2) information contained in the Periodic Report fairly presents, in all material respects, the financial condition and results of operations of AT&T Corp.

Dated: March 28, 2003



Thomas W. Horton

Attachment 2 – Public Payphone Rates

AT&T Operator Assistance

RATE TABLE

AT&T SPECIAL HANDLED CALLS USING OPERATOR ASSISTANCE

Effective Date

June 5, 2003

STATE-TO-STATE CALLS

The rates are stated below:

TYPE OF CALL	Usage Rate Per Min		SERVICE CHARGE PER CALL		
			Automated	Operator Assisted Includes Real Time Rated calls	
COLLECT - Excluding Person-to-Person					
Placed via 1-800-CALLATT or 1-800-LLAMA-ATT	\$0.99	C	\$3.99		\$6.50
Operator Assisted Collect Calls and Collect calls placed via other than 1-800-CALLATT or 1-800-LLAMA-ATT	\$0.99		\$5.99		\$7.50

TYPE OF CALL	Usage Rate Per Min		SERVICE CHARGE PER CALL		
			Automated	Operator Assisted Includes Real Time Rated calls	
BILLED-TO-THIRD NUMBER Excluding Person-to-Person	\$0.99		\$6.99		\$9.99

TYPE OF CALL	USAGE RATES		
	PER MIN	EACH 3 MIN Period	
PERSON-TO-PERSON Includes Real Time Rated Calls			
- Paid By Coin	N.A.		\$2.70
- All Other	\$0.99		N.A.

TYPE OF CALL	SERVICE CHARGE PER CALL		
	Billed To An AT&T Calling Card	Paid By Coin	All Other
PERSON-TO-PERSON Includes Real Time Rated Calls	\$12.50	\$9.99	\$12.50

TYPE OF CALL	Usage Rates Per Min	Usage Rates Each 3 Min Period	SERVICE CHARGE PER CALL	
			Paid By Coin	Billed To Main Residential Account
OPERATOR DIALED DIRECT Includes Real Time Rated Calls				
Paid By Coin	N.A.	\$2.70	\$1.95	N.A.
Billed To Main Residential Account	\$0.99	N.A.	N.A.	\$12.50

Public Payphone Surcharge and Operator Transfer Fee may apply based on call circumstances.



It's all within your reach.

Plan Name AT&T Calls Billed to a Calling Card
Effective Date 01/01/2003
Service Guide ID CRD01001DD
Jurisdiction State-to-State
Card Type AT&T Calling Card
Network Access Type Dialing 1-800-CALLATT
Dialing Method Customer Dialed (Automated)

Service Charge Per Call	Per Minute Charge
\$1.50	\$0.990

Notes:

- These rates are subject to and part of the AT&T Service Guide for the offer referenced and may be changed and/or discontinued by AT&T.
- Calls originating from pay phones are subject to a Public Payphone surcharge.

< BACK

BACK TO
SERVICE GUIDE LIST

PRINT

Display Category: Special Handled Calls
Specific Offer: AT&T Operator Assistance

UID: SHC01001DD

Description

Operator assistance is available to callers who want to place state-to-state Operator assisted calls. Operator assistance for certain calls may be provided by a Company Operator or by the Company's automated Operator system. The following types of calls are available for Operator Assistance:

- **COLLECT CALLS** – Operator assistance for state-to-state Collect calls will ask the caller to provide his/her name or other identification, then contact the party at the domestic telephone number specified by the caller, repeat the caller's identification and then ask if the called party will accept charges for the call. If the called party agrees to accept the charges, the call will be established and the associated charges for a Collect call will be billed to the called party's residential telephone number billing account.
- **BILLED-TO-THIRD NUMBER CALLS** – Operator assistance will establish the state-to-state call requested by the caller and arrange for billing of associated charges to a residential domestic telephone number specified by the caller that is other than the calling telephone number or the called telephone number. Requests for Third Number Billing are subject to Operator verification that the party at the telephone number to be billed will accept charges for the call. Other efforts may be undertaken subsequently by the Company, as necessary, to determine responsibility for payment of such calls.
- **PERSON-TO-PERSON CALLS** – At the caller's request, Operator assistance will attempt to place a state-to-state call to a particular party at a domestic telephone number specified by the caller. The party specified by the caller may be a person, station, department, extension or office. If successful, the Operator will establish the Person-to-Person call between the calling and called parties. If the identified party is not available and the caller requests, or agrees, to speak to a party other than the party initially specified, the call will be established and billed at the Person-to-Person call rates.
- **OPERATOR DIALED DIRECT CALLS** – Operator assistance is available to Customers who want an Operator to place their state-to-state call for them. Operator Dialed Direct calls do not include: Collect calls, Billed-to-Third Number calls, Person-to-Person calls or calls billed to a Calling Card.
- **REAL TIME RATED CALLS** – Operator assistance is available to provide the time (duration) and charges associated with an Operator assisted state-to-state call. A Company Operator must establish the call for which time and charges are requested. The caller must provide the calling and called telephone numbers to the Operator and request the Operator to provide the time and charges associated with such call upon completion of the call.

**Effective date(s) on rate table(s) referenced in "Rates and Charges" may be different.*

AT&T Service Guides are subject to and part of the AT&T Consumer Services Agreement and may

Terms and Conditions

“You” and “Your” mean callers, current or potential customers who use Operator Assistance service. You must be classified as a residential customer by your Local Telephone Company.

AT&T means AT&T Corp. and any AT&T affiliates authorized to provide you with AT&T services.

1. To participate in this service, you must:

- Access Operator assistance to have your call established by dialing the appropriate Operator code (e.g., 0, 00, 1010288+0) or by dialing an AT&T designated access number (e.g., 1-800-CALLATT). You may need to specifically request an AT&T Operator or respond to appropriate prompts, depending on the Operator access code or AT&T designated access number initially dialed.

2. This service includes the following types of calls:

- Operator assistance state-to-state calls that are:
 - billed to a main residential telephone account,
 - made from a public or semi-public payphone,
 - Person-to-Person calls or Real Time Rated calls billed to a calling card.
- All other types of calls are rated at basic rates unless you are enrolled in another AT&T plan that covers these other types of calls.

3. AT&T will bill for Operator Assistance calls based on the following:

- Usage rates and a per call Service Charge apply to each Operator Assistance call.
- Usage rates and Service Charges apply 24 hours a day, seven days a week.
- For Operator Assistance calls billed to a domestic main residential telephone account or to a calling card, usage rates apply per minute of use or fraction thereof. Duration of each call is recorded in whole minutes, with partial minutes rounded up to the next whole minute (for example, a 45 second call will be billed as a one minute call).
- For Operator Assistance calls made from a public or semi-public payphone and paid for by coins, the duration of each call is recorded for an initial three-minute period, and each additional three-minute period. A fractional period of less than three-minutes is rounded up to equal a whole three-minute period.
- For Operator Assistance calls made from a public or semi-public payphone and paid for by coins, usage rates are applied for each three-minute period or fraction thereof. The price of a call paid for by depositing coins in the public or semi-public payphone is the sum of the usage charges, plus any applicable Service Charge and tax(es), rounded to the nearest multiple of \$.05. Public and semi-public coin telephones that use network coin signaling will not be suitably equipped to accept payment by coins

**Effective date(s) on rate table(s) referenced in "Rates and Charges" may be different.*

AT&T Service Guides are subject to and part of the AT&T Consumer Services Agreement and may

for AT&T long distance calls. Alternative payment methods such as calling card, commercial credit card, billed-to-third number, collect and AT&T prepaid card may be used for AT&T calls made from such telephones.

- For Customer Dialed Direct calls placed from a public or semi-public payphone and paid for by coins, see Customer Dialed Direct - Payphone Call Service Guide SHC01003DD.
- Operator Assistance calls that are transferred to the AT&T network by a Local Telephone Company operator are subject to the Operator Transfer Service Fee. (See Operator Transfer Service Fee, Service Guide MCT01006MC)
- Operator Assistance calls that are billed to a domestic residential telephone number billing account that is not presubscribed to AT&T as the Long Distance Carrier are subject to Non-Subscriber Charges. (See Non-Subscriber Charges Service Guide MCT01007MC)
- **COLLECT CALLS**
 - Collect calls are billed to the called domestic residential telephone number billing account.
 - Special discounted rates apply to Collect calls that are made via an AT&T designated access number (e.g., 1-800-CALLATT or 1-800-LLAMA-ATT) and utilize the Company's automated Operator system. Such Collect calls are also exempt from the Non-Subscriber Charges specified in Service Guide MCT01007MC. Person-to-Person, Operator assisted and Real Time Rated calls made on a Collect call basis are not eligible for the special discounted rates.
 - Person-to-Person calls made on a Collect call basis are billed at the applicable Person-to-Person rates and charges.
 - Operator assisted Collect calls may be Real Time Rated. Collect calls made via the Company's automated Operator system are not eligible for real time rating.
 - Collect calls can not be billed to telephone numbers located in Guam or the Commonwealth of the Northern Marianas Islands (CNMI).
 - Collect calls can not be billed to public and semi-public payphone telephone numbers.
- **BILLED-TO-THIRD NUMBER CALLS**
 - Billed-to-Third Number calls are billed to the domestic residential telephone number specified by the caller, and may be verified by the Operator for acceptance of charges by the third party.
 - Person-to-Person calls made on a Billed-to-Third Number basis are billed at the applicable Person-to-Person rates and charges.

**Effective date(s) on rate table(s) referenced in "Rates and Charges" may be different.*

AT&T Service Guides are subject to and part of the AT&T Consumer Services Agreement and may

- Operator assisted Billed-to-Third Number calls may be Real Time Rated. Billed-to-Third Number calls made via the Company's automated Operator system are not eligible for real time rating.
- Billed-to-Third Number calls can not be billed to telephone numbers located in Guam or the Commonwealth of the Northern Marianas Islands (CNMI).
- Billed-to-Third Number calls can not be billed to public and semi-public payphone telephone numbers.
- **PERSON-TO-PERSON CALLS**
 - Person-to-Person calls may be:
 - billed to the domestic residential telephone account from which the call is made.
 - paid for by depositing coins into a public or semi-public payphone.
 - billed to an AT&T Calling Card, Local Telephone Company Calling Card or Commercial Credit/Charge Card recognized by AT&T.
 - billed on a Collect call basis. (applicable Person-to-Person rates apply)
 - billed to a third number. (applicable Person-to-Person rates apply)
 - Person-to-Person calls that are Real Time Rated are billed at the applicable Person-to-Person rates and charges.
 - Person-to-Person rates apply to calls where the Operator makes arrangements for messenger service at the request of the calling party.
- **OPERATOR DIALED DIRECT CALLS**
 - Operator Dialed Direct calls must be made from, and billed to, the caller's domestic main residential telephone account or paid for by depositing coins into a public or semi-public payphone when the call is made.
 - Operator Dialed Direct rates and charges apply if, at your request, an Operator establishes a call to a telephone number that you are experiencing difficulty in reaching.
 - Operator Dialed Direct rates and charges apply if, at your request, an Operator re-establishes a call that is involuntarily interrupted.
 - Direct Dialed Station charges apply instead of the Operator Dialed Direct charges if the Operator places a call for a disabled person who, because of his/her disability, cannot dial the call.
 - Direct Dialed Station charges apply instead of the Operator Dialed Direct charges if the Operator places a call because Automatic Number Identification is not available for Customer-dialed completion.

**Effective date(s) on rate table(s) referenced in "Rates and Charges" may be different.*

AT&T Service Guides are subject to and part of the AT&T Consumer Services Agreement and may

■ **REAL TIME RATED CALLS**

- Real Time Rated calls may be:
 - billed to the domestic residential telephone account from which the call is made.
 - paid for by depositing coins into a public or semi-public payphone.
 - billed on a Collect call basis.
 - billed to a third number.
 - Real Time Rated calls may also be billed to an AT&T Calling Card, Local Telephone Company Calling Card or a Commercial Credit/Charge Card recognized by AT&T.
 - Real Time Rated Operator Dialed Direct calls must be billed to the domestic residential telephone account from which the call is made or paid for by depositing coins into a public or semi-public payphone.
- **Billing Availability**
- Billing for Operator Assistance calls is generally available in all locations.

Rates and Charges

The rates are stated below.

- Usage charges and service charges for Operator Assistance state-to-state calls are specified in Rate Table - AT&T Special Handled Calls Using Operator Assistance.
- AT&T Universal Connectivity Charge applies.
- Public Payphone Surcharge may apply to calls placed from a public or semi-public payphone.
- Other charges listed under Miscellaneous Charges and Taxes may apply.
- In-state rates vary and may be higher. Additional information is available for those few states where AT&T will be providing in-state long distance services under the AT&T Consumer Services Agreement.

**Effective date(s) on rate table(s) referenced in "Rates and Charges" may be different.*

AT&T Service Guides are subject to and part of the AT&T Consumer Services Agreement and may

1. The State clarifies that should there be any inconsistency between the terms found in Section I., paragraph 20, page 12 of the RFP and the terms in Section VI., paragraph 4, page 41, then the terms in Section VI., paragraph 4, page 41 are controlling. Do you accept this clarification?

AT&T Response: Yes

2. Section VI., paragraph 4, page 41 -- Should the subcontractor of the selected Vendor not perform the required services and, further, becomes unable to perform those services, what will Vendor do to carry out its sole responsibility for the performance of the subcontractor?

AT&T Response: AT&T will insure that the vendor performs in both scenarios of non-performance and unable to perform. If the State and AT&T deem it necessary to replace a subcontractor, then AT&T will work with the State to find a suitable replacement of the subcontractor that is unable to perform with a contractor that can meet the requirements of the RFP for this contract. AT&T would be responsible for the change and transition of subcontractors should this situation occur.

It will be AT&T's responsibility to ensure that any subcontractor performs to the standards as set forth in the RFP.

**REQUEST FOR PROPOSAL #ITS-000938A
CLARIFICATION AND NEGOTIATIONS**

AT&T

- 1. Please provide references with telephone numbers including number of sites and number of both inmate and public payphones, where the prime contractor and sub-contractor have provided payphone service together for both inmates and public.**

Cimarron Correctional Facility, OK	800	Tim O'Dell	918-225-3336
	80	Cimarron Correctional Facility	
		3700 South Kings Hwy	
		Cushing, OK 74023	
Clay County, FL	520	Capt. Johnny Smith	904-529-5912
	62	901 N. Orange Ave.	904-284-0710
		Green Cove Springs, FL 32043	
Duval County, FL	3000	Officer Ken Price	904-630-5843
	138-P 278-I	1010 E. Adams St. Rm. 9	
		Jacksonville, Fl. 32202	
Kenosha County, WI	800	Larry J. Apker, Captain	262-605-5450
	80	1000 55th St.	262-605-5407
		Kenosha, WI 53140	
Monroe County, NY	1280	Ann Kennedy	585-428-5237
	197	130 Plymouth Ave. South	585-428-4089
		Rochester, NY 14614	
Orange County, FL	2500	Capt. Dennis Warren	407-836-8306
		Rich Steiner	407-836-2411
	531 - P 300 - I	3723 Vision Blvd.	
		Orlando, FL 32801	
Shelby County Govt., TN.	3000	Robert Smith	901-545-3333
	622	201 Poplar Ave	901-545-3313
		8th Floor, Room 861	
		Memphis, Tenn. 38103	

- 2. Please identify who handles public payphone customer service, where the center is located, its hours of operation and toll free number.**

Customer Service for all Evercom public payphones is handled by Evercom Systems. AT&T will continue this same process for the State public payphones.

The Customer Service Center is located at:

2401 Brentwood Road
Suite 101
Raleigh, NC 27604

This center is staffed 24 hours per day, 7 day per week. In the event that personnel are not available to work an assigned shift, an automated attendant system stores all incoming messages.

The toll free number for contract customers to use is 888-854-7523.

The toll free refund/repair number, for end user customers, is 888-854-8899. This number is posted at the phone. In any state where the PUC has exempted payphones from routing 2-1-1 speed dial to community service info, we also provide 211 as a speed dial to refund/repair. North Carolina is such a

**State and routing for calls dialed as 2-1-1 is currently to refund/repair.
This behavior can be changed, at the request of the ITS, within 48 hours.**



6143 Braidwood Lane
Acworth, GA 30101
678 355 9625

September 5, 2003

Mr. Billy R. Blackmon
Contract Specialist
Information Technology Services
3512 Bush Street
Raleigh, NC 27609

Subject: RFP# ITS-000938A - Clarification and Negotiation

Dear Mr. Blackmon:

AT&T submits the attached response to the subject "RFP No. ITS-000938A Additional Questions" e-mail provided to AT&T on August 21, 2003.

We have responded with what we believe are complete and comprehensive responses to the questions and issues covered in the memo. However, if any additional information or clarification is needed, please do not hesitate to contact me at 678-355-9526 or dweades@att.com, and I will respond as expeditiously as possible.

The AT&T team continues to look forward to working with the State of North Carolina to provide Public/Inmate Payphone Services throughout the State.

Sincerely,

A handwritten signature in cursive script that reads "Don W. Eades".

Don W. Eades

1. Tab 6, "Benefits of the AT&T Solution": **Under current contract with Evercom all inmate phone parts are ordered through Evercom. Will this procedure stay the same? Will AT&T consider providing inmate phone repair parts as needed at no cost to the state?**

AT&T Response

Yes, the parts will continue to be ordered through Evercom. AT&T proposes to provide inmate phone repair parts to the State at no cost. This is a value of \$30,000 annually or around \$150,000 for the life of the contract.

2. Tab 9, Technical Specifications, Page 9-4, Redundancy/Disaster Recovery: **Please explain how much inmate traffic your Irving location currently handles. What percent, if not 100%, of NCDOC's traffic is the Irving location configured to handle? What prompts and features would be different? Would DOC have access to all call records as we do now? How long would it take to rebuild and replace damaged equipment in the Raleigh office if it was a total loss? Would the change to the Irving location require a programming change of the DOC inmate phones?**

AT&T Response

The Irving location currently receives an average of 700,000 validation requests daily from over 2000 correctional facilities and processes voice traffic for approximately 80 correctional facilities with a total of 1600 inmate telephone locations. The Network architecture is built around an OC48 fiber ring providing a maximum capacity of 32,256 T-1 channels, of which less than half are in use today. The availability of T-1 channels will accommodate 100% of NCDOC's traffic as long as the local central offices are not impacted by an affecting disaster.

The CAM equipment could be replaced within a 48-hour timeframe in the event the disaster did not damage the integrity of the Raleigh office. A spare CAM system will be maintained for spare parts in the event the loss only includes a single system. The Irving location is the manufacturing facility and houses enough spare parts to duplicate all components of the Raleigh CAM system.

AT&T's Select Routing feature will be provisioned, tested, and implemented to allow inbound 800 211-4188 calls from DOC Inmate phones to be automatically routed to the Irving location in the event the Raleigh CAM Central Office is not available. Since all routing is done in the AT&T network, the loss of the CAM Central Office would not affect the alternate routing capabilities. Additionally, changing the routing of calls from the Raleigh location to the Irving location can be completed in five minutes or less and will require no programming change to the DOC inmate phones.

3. Tab 9, Technical Specifications, Page 9-24, Implementation Plan: **Please provide implementation timeline for inmate features and services currently not in use or provided with the current CAM system (debit calling, Three-way, Inmate incentive program, Approved calling lists.) Will all these features be fully operational on the date of our conversion to the new contract?**

AT&T Response

Contingent upon the date of contract conversion, the requested features will be fully operational. Implementation of the features will be no later than:

- Debit Calling – March 1, 2004
- Three-way Calling – April 1, 2004
- Approved Calling Lists – May 3, 2004

4. Tab 9, Technical Specifications, Page 9-47: **Since the existing inmate call processing equipment including the switchgear will be owned by the State, please clarify whether AT&T is proposing to be responsible for the cost and performance of maintenance, repair, upgrade and/or replacement for this equipment/switchgear, or is AT&T proposing that to be the State's responsibility?**

AT&T Response

AT&T proposes to maintain all inmate call processing equipment to include maintenance, repair upgrade and replacement.

5. Tab 9, Technical Specifications, Page 9-53, Automated PAN Assignment: **How will debit calls be processed using a PAN list? How would a PAN list allow a debit call to a line blocked for high toll but restrict it if a collect call was attempted to same number? What happens when PAN lists are purged? Can an individual inmate's automated list be manually changed when required under special circumstances? How?**

AT&T Response

Debit calls will be processed contingent upon the number's existence in the inmate's PAN list. If a debit call is placed to a number, the call will go through due to the fact that the call is paid for through inmate funds set up in the CAM. Upon answering the phone, the end user will hear a message stating he/she has a prepaid debit call from <inmate's name>, an inmate at <facility name>. The end user will have to enter a designated digit as positive acceptance for the call.

When a call is processed from the CAM system, the ten-digit phone number is processed through a validation system to determine if the end user has a collect call restriction, or if there are any other blocks on the line. If a collect call is placed to a number with a high toll restriction, the validation system will not allow the call to go through.

When a PAN list is purged, new numbers are automatically populated into the list while the inmate attempts to place additional calls until the maximum capacity of numbers are reached.

A number can be added or removed manually any time from an inmate's PAN list by utilizing the PIN Editor program offered with the CAM user utilities.

6. Tab 9, Technical Specifications, Page 9-57, "AT&T is proposing to retain the current inmate telephones and calling system.": **The current workstation being utilized in the DOC central office has been in place since installation of the CAM system. What are AT&T's plans for replacement and/or upgrading of this equipment during the contract?**

AT&T Response

AT&T has allocated for the replacement of up to 10 workstations and peripherals throughout the initial 5-year contract period at locations identified by the NCDOC at no cost to the NCDOC. The workstation in the DOC central office will be replaced by 05/06/04 or earlier.

7. Tab 9, Technical Specifications, Page 9-66, Call Forwarding: **Are there standard reports available to list call forwarded calls that have been detected? Is AT&T currently providing call forwarding detection and blocking to correctional facilities? Which facilities and for how long? Does AT&T have any statistics on the reliability of this feature?**

AT&T Response

Yes, Standard reports for call forwarding calls, which are similar to 3-way call reports, are available.

AT&T has call forwarding detection in place for Clay County, Florida via Evercom. AT&T is detecting call forwarded calls, but not terminating calls at this time.

Evercom's Remote Call Forwarding product can detect and block the following types of call forwarding calls with greater than 95% accuracy:

- Variable Call Forwarding
- Call Forwarding on Busy
- Selective Call Forwarding
- Permanently Remote Call Forwarded

8. Tab 9, Technical Specifications, Page 9-66, Blocking Due to Uncollectibles: **Please explain calling thresholds for customers with service in RBOC and LEC areas. How are their monthly credit limits determined? Provide specific information on how a customer's threshold would be determined based on factors provided (calling patterns, etc.) What changes in the factors would initiate a change in the customer's threshold?**

AT&T Response

Thresholds for customers receiving collect calls from correctional facilities that are billed by Correctional Billing Services (CBS) are based on a number of factors. CBS will determine thresholds by working with the customer's local phone company to determine how long the customer has been in service and if the customer has a good payment history. CBS will also extend thresholds based on the customer's history with CBS.

A customer's account can be reviewed and thresholds may be extended for every three months of a good payment history with CBS. Also, increases in thresholds are reviewed with the customer so as not to allow an excessive amount of charges without consent of the customer. Thresholds are not related to the amount of time an inmate is in a correctional facility. As information, the average threshold for NC is approximately \$500, and the national average threshold is approximately \$200.

9. Tab 9, Technical Specifications, Page 9-67, System Backup: **System backup for the DOP workstation requires a 2-hour battery backup. Will AT&T meet this requirement, and if so, how will this be done? How will backup requirements for the Raleigh office be met?**

AT&T Response

AT&T will maintain the current backup system, which includes an 18 KV UPS battery backup supporting more than two hours of backup power in addition to a natural gas generator. The combination of these two components will prevent electrical service interruption and will supply standalone power for several days if necessary.

10. Tab 9, Technical Specifications, Page 9-69, Debit Calling: **DOC does not desire pre-paid cards within our prison facilities. A debit option is required. As specified in the RFP, DOC will provide an electronic file of how much the vendor should set up in its debit system for each inmate for that date. Explain how this information will be input into your debit platform. What procedures will AT&T use to provide reimbursements to inmates being released who have unused funds in their debit accounts? Does AT&T understand the monthly invoicing requirements for debit call amounts?**

AT&T Response

The electronic file provided by the DOC will be imported directly into the CAM system. AT&T will provide a prepaid calling card with the inmate's unused debit balance as reimbursement of funds to released inmates.

AT&T understands the monthly invoicing requirements for debit call amounts. AT&T understands that the DOC will collect monies from inmates and cut a check to AT&T. AT&T will continue the process of commissions and reporting as is done today.

11. Tab 9, Technical Specifications, Page 9-73, Voiceprint Identification: **If an inmate has a condition such as a bad cold that affects his/her voice how will the Voiceprint feature handle this issue? Is there a manual override for calls blocked due to no Voiceprint match?**

AT&T Response

If an inmate has a condition that affects his/her voice and the utilization of the Voiceprint feature, the DOC has three options. First, the DOC may choose to allow the inmate to re-enroll to establish a new voiceprint. Second, the DOC may choose to allow the inmate to place calls despite the verification failure, and not alert the inmate that he/she failed. Third, the DOC may choose to temporarily set the verification to a passing score.

12. Tab 9, Technical Specifications, Page 9-75, Investigative Record Tracking System: **Please explain how the Investigative Tracking system RFP requirements will be met.**

AT&T Response

The CAM system has an interactive investigative system in place that will allow the DOC to create investigations, tie notes to investigations, and run a series of reports against investigations. AT&T understands the DOC requests added features and will perform necessary programming to meet the DOC's wishes. As discussed, AT&T will enhance the CAM to perform the following functions:

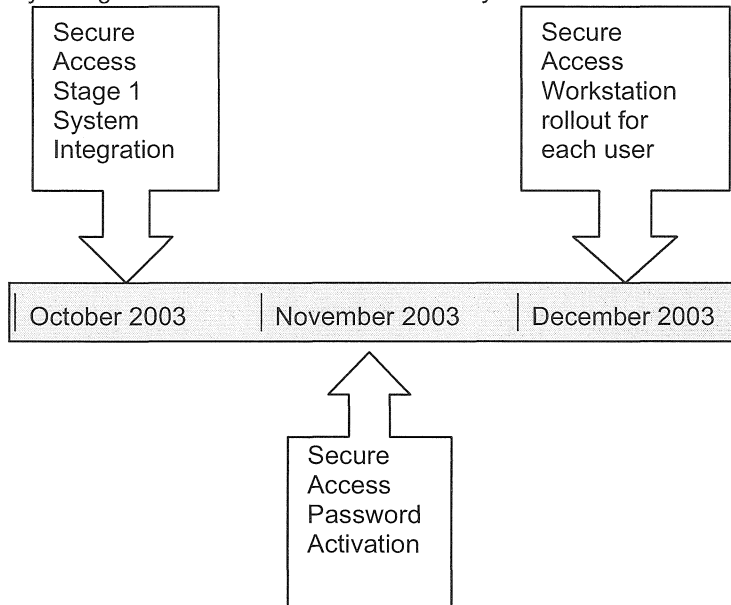
1. Associate CDRs back to Investigative Records.
2. Allow use of Microsoft Word to create transcripts of calls and associate back to Investigative Records.
3. Allow use of Microsoft Excel to create reports and associate back to Investigative Records.
4. Allow search by PIN and destination number.
5. Timestamp investigations and give ability to create reports to show how much time is spent on an investigation, by facility, or by case type.

AT&T - CLARIFICATIONS REQUESTED - 9/25/03

The following clarifications are sought concerning the proposed Inmate Payphone system:

1. **Secure Access, Page 63 of CAM User Manual** – Will AT&T continue development of this application to allow logs to be kept and/or reports to be run that will show actions by users while in system? Please provide a timeline of when this feature would be operational systemwide in the NCDOC?

AT&T's platform provider, Evercom, will continue to make enhancements on this product. This product is currently being installed and should be online by December 2003.



2. **Watched Number Alert, Page 25 of CAM User Manual** - Will AT&T continue development of this application to allow remote work stations to gain access via the web so access will not be limited to the main workstation in the NCDOC Raleigh office? Please provide a timeline of when this feature would be operational systemwide in the NCDOC?

AT&T's platform provider, Evercom, will continue to make enhancements on this product. This product is General release status. This feature is accessed through a Web browser interface and available for remote workstations that have rights to the CAM secure network.

3. **Call Forwarding Detection** – Please provide a timeline of when this feature would be operational systemwide in the NCDOC?

AT&T Response: AT&T will cut the new system over, wait for a break in period of 30 days and begin the Call Forwarding Detection..

4. **Voice Print Identification** – Please provide a timeline of when this feature would be operational systemwide in the NCDOC?

AT&T Response: This product is currently in Beta release, and will be available during cutover.

5. **Investigative Record Tracking System** – Will AT&T continue development of this application to allow conversion of CDR reports to Excel or transcripts to MSWord for e-mailing to be associated back to the investigative file; to provide a method to run management reports based on stored investigative data; and to develop a history file of user actions on an investigation? Please provide a timeline of when these features would be operational systemwide in the NCDOC?

AT&T Response: This product is currently available requiring Microsoft office software and license for each workstation converting information.

6. **Revenue Monitoring System** – Will AT&T continue development of this application to allow debit, collect, and prepaid call activity to be viewed on one system and in near real time? Please provide a timeline of when this feature would be operational systemwide in the NCDOC?

AT&T Response: This product will be available for Beta on January 1, 2004.

7. **Debit and Prepaid Calls** – Is AT&T willing to pay a higher commission rate for debit and/or prepaid calls since the cost of collections will be significantly lower?

AT&T Response: AT&T has discounted its debit rates approximately 20% less than collect, we will also offer the State a 5% increase in commissions on Debit calls.

8. **Smart Connect** – Please confirm that the Smart Connect System will allow a customer to set up one account that would allow the inmate to call them at several numbers.

AT&T Response: The Smart Connect System will allow a customer to set up one account that will allow the inmate to call several numbers. This product is currently available now.

9. **Storage of Inmate Call Recordings:** Would AT&T be willing to offer a different call recording storage method: i.e., to provide a year of inmate call recording live on system, thus not requiring backup to tape for retrieval by DOC? (If so, redundant data would still be required to prevent data loss in case of catastrophe, and the system must be able to prevent deletion of calls required for evidentiary purposes even if those calls are older than 12 months. AT&T would need to indicate in its response how it would meet those requirements.)

AT&T Response: AT&T will provide the State with additional hard drives to the “RAID 5” array. Which will quadruple the file space. This will allow for a years worth of call records to be stored an available on the hard drive. AT&T will back up the call recordings to Tape drive once a week, and store in a fire proof container.

10. **References:** Could AT&T provide reference sheets for contracts where they are partnering with Evercom?

AT&T Response: Please find the references attached.

BEST AND FINAL OFFER - Please respond to the questions below:

I. CHANGING SUBCONTRACTORS: Paragraph 4 of the State's General Terms and Conditions for Goods provides, in pertinent part, that the selected Vendor may change subcontractors, only with prior written consent of the contracting authority of the state. The public payphone portion of this RFP may be performed by subcontractors. Should the subcontractor need to be changed by the selected Vendor, provide details of the change process that you would employ to accomplish the change of subcontractors while maintaining the required level of service and to continue contract performance as required. Additionally, specify what your company will do to minimize service disruption and prevent any loss of revenue, while maintaining the required services during any subcontractor change. Your response should address the potential transition time and the risk of service disruption and loss of revenue, and your proposal for minimizing and compensating for each. Additionally, specify the agreement you have or will require of your subcontractor concerning the subcontractor's transition responsibilities.

AT&T will keep the same payphones and service provided by Evercom in place if awarded this contract. As a result there will be no downtime, service disruptions, or lost commissions for the public payphones. AT&T will have ownership and control of the public phones as stated in earlier documents.

If AT&T needed to change vendors during the contract term the following steps would be taken to replace the public phones:

- -Develop a project plan with the new vendor and Evercom
- -Coordinate dial-tone changes so there will be no interruption in service
- -Schedule times to change out phones
- -Work on a "drop and remount" premise – no phones will be taken down until we can put one in its place

II. BAFO COST PROPOSAL: The Vendor offers the following commission payable to the State, calculated as a percentage to be multiplied times the revenue generated under the contract.

Commission Payable for Public Payphone Revenue ___ 30 ___%

Commission Payable for Inmate Payphone Revenue ___ 55 ___%

- **AT&T has committed to pay the annual inmate phone parts a \$30,000 annual estimated value or \$150,000 over the life of the contract. AT&T also proposes, over the length of the contract, to replace all inmate telephone handsets and cords with a new handset designed to provide less repairs and increased transmission. (DuraClear handsets from Wintel)**
- **AT&T has committed to over \$400,000 in upgrades and new features to be added to the Evercom Inmate Calling Platform for the State of North Carolina DOC.**
- **AT&T and Evercom's Call Forwarding protection has now been tested and is in general release. Our initial studies have shown that we have stopped the major way fraud is currently being done on most inmate systems. We are also predicting a 5% increase in calls and revenue because of the blocking of illegal call forwarding.**



BID ADDENDUM

FAILURE TO RETURN THIS BID ADDENDUM IN ACCORDANCE WITH INSTRUCTIONS MAY SUBJECT YOUR BID TO REJECTION ON THE AFFECTED ITEM(S)/SERVICES.

Bid Number: ITS-000938A
Public/Inmate Payphone Services

Bid Opening Date/Time:
Remains June 23, 2003 @ 2:00 p.m.

Addendum Number: 3
Addendum Date: June 19, 2003

INSTRUCTIONS:

A. Return one properly executed copy of this addendum **prior** to the Bid Opening Date/Time listed above.

B. **STATE'S REPLY TO QUESTIONS RECEIVED:** The following is a list of questions received, and the answers the State is providing:

1. Question: RFP Page 10, Item #11 - The State encourages the participation of minorities, women and etc. for this opportunity. What evaluation criteria will the State use to assess and grade each bid on the utilization of these various classes during the evaluation process since the evaluation criteria (page 13) does not offer any measurements?

Answer: North Carolina State Procurement Regulations do not specify an evaluation preference based on utilization of Historically Underutilized Businesses.

2. Question: RFP, Public Payphones Requirements, Section #5, Item M (page 21) – Each payphone must have precise usage instruction in both Spanish and English displayed on the telephone housing. Will the State provide a payphone instruction card with both English and Spanish instructions as provided by the current payphone service provider?

Answer: The vendor who is awarded the contract must provide and install these cards as part of the contract requirements.

3. Question: Does the State own and operate or pay a monthly leasing rate for any pay telephones in the State of North Carolina? If so, where are these payphones located?

Answer: Under the current contract, all inmate payphones are owned by the North Carolina Department of Correction, Division of Prisons. Locations are shown in RFP Exhibit D-1. The State does not own and operate any public payphones under the current contract. Under the contract terms, some state agencies pay the vendor a monthly fee to retain payphone service at certain locations where revenue from the payphones is low. Currently these locations are:

- Crowder's Mt. State Park
- Jordan Lake State Park (5 sites)
- NC General Assembly (2 sites)
- Stanley Community College
- Central Piedmont Community College
- North Carolina State University (4 sites)
- Surry Community College (4 sites)
- Wilkes Community College (3 sites)

C. Check ONE of the following options:

- Bid has not been mailed. Any changes resulting from this addendum are included in our bid.
- Bid has already been mailed. No changes resulted from this addendum.
- Bid has already been mailed. Changes resulting from this addendum are as follows.

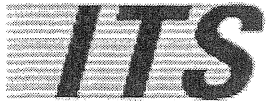
Execute Addendum:

Bidder: _____

Authorized Signature: _____

Date: _____

Name and Title (Typed): _____



BID ADDENDUM

FAILURE TO RETURN THIS BID ADDENDUM IN ACCORDANCE WITH INSTRUCTIONS MAY SUBJECT YOUR BID TO REJECTION ON THE AFFECTED ITEM(S)/SERVICES.

**Bid Number: ITS-000938A
Public/Inmate Payphone Services**

**Bid Opening Date/Time:
Remains June 23, 2003 @ 2:00 p.m.**

**Addendum Number: 2
Addendum Date: June 10, 2003**

INSTRUCTIONS:

A. Return one properly executed copy of this addendum prior to the Bid Opening Date/Time listed above.

B. AMENDMENT OF RFP and STATE'S REPLY TO QUESTIONS RECEIVED:

a. The RFP is hereby amended as follows:

- 1. Exhibit D-2 is replaced with the amended Exhibit D-2-REVISED attached to this Addendum. This amended Exhibit corrects arithmetical errors. Remove RFP pages 55 & 56, and substitute attached "Exhibit D-2-REVISED First Quarter Revenue and Call Totals" (two pages).**
- 2. RFP Page 30, Section II.D.22, paragraph 1, remove "LIDB" from the next-to-last sentence in the paragraph.**
- 3. RFP Page 13, Section I.C.2.c Evaluation Criteria: Remove the text box and substitute the following text box (has changes in "Applicable RFP Section"):**

Evaluation Criteria	Applicable RFP Section	Evaluation Weight (possible points)
Price Offered	Section II, Section III, Exhibit C	75 points
Overall Quality of the Vendor's Response to the Proposal	Section I, Section II	50 points
References and Past Performance on Similar Contracts	Section I, Section II, Section IV, Section V, Exhibit B	15 points
Vendor Business Information	Section II, Section V, Exhibit A	20 points
Added Value Services Offered by Vendor	Section II	15 points

b. The following is a list of questions received, and the answers the State is providing:

1. **Question:** Does the State currently pay for the local dial tone and LD facilities?

Answer: For public payphones, No. For inmate payphones, the State pays for usage charges associated with the phone lines, except that the current vendor pays all usage fees for accessing the vendor's toll-free number.

2. **Question:** RFP Section II.C.5 "Operational Standards", Does this mean that dial tone can't be purchased from MCI or AT&T local? They are considered CLECs. Also, Sprint and Verizon are considered ILECs (Independent Local Exchange Carriers.) Does this mean that dial tone can't be purchased from them as well? If the answer to these questions is No, please explain the reason for not allowing this.

Answer: If vendor proposes to purchase dial tone from other than a major carrier, this shall be subject to prior approval by State ITS, and the vendor shall furnish the information in Exhibits A and B of the RFP/contract, concerning the proposed subcontractor.

3. **Question:** Inmate: Will the State consider vendors installing decentralized call processing and recording systems if the equipment is compact enough to fit, at each location versus one centralized solution?

Answer: See RFP II.E.8. Vendors must describe their plan in their proposal, and it will be evaluated.

4. **Question:** RFP Exhibit D-2, page 56, "1st Quarter Revenue", the total revenue figure for the first quarter appears to be the sum total of only March revenue as compared to second quarter, third and 4th quarter. Please clarify.

Answer: See Amendment #1 in this Addendum #2.

5. **Question:** Re: RFP Section II.E.9, Dial-Tone Line Charges: Does the State pay for the local message unit usage, the instate toll usage, the LD usage, and the 800 usage to the Evercom platform? If not how(sic) currently pays for these items?

Answer: The State pays for usage charges associated with DOP inmate phone lines, except that the current vendor pays all usage fees for accessing the vendor's toll-free number.

6. **Question:** RFP Section II.C.1: The RFP states that the "Vendor shall provide to the inmates and the public the payphone services under this contract without any special surcharges of any kind." Is the State implying that Per Call Compensation cannot be charged on the public payphones?

Answer: Only Federal Communications Commission and North Carolina Public Utilities Commission approved surcharges can be charged. See RFP Section II.C.1.

7. **Question:** RFP Section II.C.17.a: The RFP states that the commission reports should include a line for each public payphone and show the "dial around revenue collected." If a call is dialed around the carrier, then the carrier receives no regular revenue for this call. Is the State referring to the Per Call Compensation fee that would be collected on a dialed around call?

Answer: Yes.

8. **Question:** RFP Section II.D.6: The RFP states that "after hours, called parties must have a means to leave a message for customer service or gain access to their account information via an automated system." For the "Gain access to their account information," is this referring to direct billed customers only?

Answer: No, this refers to all customers billed for calls from inmates.

9. **Question:** RFP Section II.D.22: The RFP states "All required local, state and federal taxes for debit calls will be the responsibility of the vendor." Does this mean the responsibility of the vendor to submit the taxes to the Tax Authorities, or is this stating that the Vendor cannot charge taxes on debit calls

Answer: It means the vendor is responsible for submitting required taxes to the appropriate taxing authorities.

10. **Question:** A 30 (day) extension (is requested.)

Answer: No extension to the RFP deadline for proposal submission is anticipated at this time.

11. **Question:** I would like to confirm my understanding of the inmate telephone operation. Please review the following, and confirm or correct:

(a) "Inmate takes the telephone off-hook. The telephone immediately and automatically (speed dials) an 800 number or local Raleigh number that is answered by the inmate call processor.

Answer: The inmate dials 0 + his/her 10 digit number. The smart phone dials the current vendor's toll-free number. When the switch answers and sends back dialtone, the smart phone forwards 1 + the inmate's 10 digit number to the vendor's switch.

(b) After the connection is made, the inmate is prompted by the inmate call processor to enter information such as language selection, inmate ID-PIN, destination party number, etc.

Answer: The current switch prompts for language and PIN. The smart phone provides called party number.

(c) The telephone station unit times the call and writes a call record upon call completion. But it does not prompt the inmate in any way nor request that the inmate key any numbers prior to being connected to the inmate call processor.

Answer: The smart phone and the switch both provide call timing. The smart phone and the switch also make a call record of the call.

12. **Question:** How many work stations are required? Can you provide the location(s) and address of the workstation(s) monitoring your network operations?

Answer: Currently there are 2 work stations located at Division of Prisons Administration at 840 West Morgan Street, Raleigh, N.C. There are four employees that require access to this information. At this time it has not been decided where additional locations (up to 10 as specified in the RFP) might be.

13. **Question:** How many additional phones will be added based on the three new additional facilities?

Answer: The three new facilities will house 1000 medium/closed custody inmates and have 30-35 inmate phones installed in each. Scotland Correction Institution is scheduled open August of 2003, Lanesboro Correctional Institution is scheduled to open December of 2003 and Alexander Correctional Institution is scheduled to open in April 2004.

14. **Question:** Exhibit D-1 has a few facilities that show closed. Are those facilities expected to re-open or remain closed through the contract term? Also, do you have a projection on the number of inmates that will be housed in the anticipated new locations once completed?

Answer: They are not expected to reopen. The three new facilities will house 1000 medium/closed custody inmates and have 30-30 inmate phones installed in each. Scotland Correction Institution is scheduled open August of 2003, Lanesboro Correctional Institution is scheduled to open December of 2003 and Alexander Correctional Institution is scheduled to open in April 2004.

15. **Question:** Are international calls required at all counties (sic)? If not, which specific countries are required?

Answer: Currently the majority of DOP's non-English speaking inmates speak Spanish. Vendors should provide in their proposal a list of countries to which they can provide international calls, and that information will be evaluated.

16. **Question:** Can you provide the location(s) of your investigation workstations?

Answer: Currently there are 2 work stations located at Division of Prisons Administration at 840 West Morgan Street, Raleigh, N.C. There are four employees that require access to this information. Further locations may be required during the course of the contract, as specified in the RFP.

17. **Question:** Please clarify the PIN download. Does the MIS PIN file completely replace the existing PIN file? It appears that released inmates will be gone from the call system file. This would remove inmate information from matching up with historical call records.

Answer: Yes, a new file is provided each night. DOP is currently able to pull all call detail records for inmates that no longer have active PIN's in the PIN database. This capability is required in the next contract also.

18. **Question:** Please clarify the temporary PIN assignment. Is this created at the site when an inmate first arrives and is then later replaced by the official PIN when it is located in the MIS database? How is the temporary PIN linked to the permanent PIN?

Answer: The temporary PIN assignment is provided in the nightly MIS PIN file and once a permanent number is assigned that information is provided in the nightly MIS PIN file. There is currently no link provided by the vendor.

19. **Question:** RFP Page 30 #19: What is the vendor supposed to verify for requested approved numbers? What does verified LIDB mean? LIDB only indicates is (sic) the number can be called collect?

Answer: Through LIDB, the vendor should verify that the customer has not placed a collect call block on their line and that calls will not be processed to unbillable numbers such as payphones and cell phones.

20. **Question:** RFP Page 30 #22: Can you please clarify why a prepaid call would need LIDB? Prepaid calls don't dip LIDB.

Answer: A debit call would not require checking LIDB. See Amendment #2 contained in this RFP Addendum #2.

21. **Question:** RFP Page 31 #23: Can you be more specific about the number of additional workstation sites?

Answer: At this time it has not been decided where additional locations (up to 10 as specified in the RFP) might be.

22. **Question:** How many payphones were operational at the close of the latest commissioning month?

Answer: At the end of April 2003, there were 1273 public payphones and 1158 inmate payphones.

23. **Question:** How many payphones pay a "retention fee"?

Answer: Twenty one (21) payphones.

24. **Question:** Are "retention fees" included in the 2002 revenue? If so, what was the total "retention fee" revenue for 2002?

Answer: Retention fees were not included as "revenue" in the 2002 revenue figures. However, they will be included as "revenue" under the contract resulting from this RFP.

25. **Question:** Under (RFP) Section 27 Termination II Termination for Convenience: Due to the very large investment and extended term of contract required in this RFP, termination for convenience could leave vendors with unrecoverable capital expense. Would the state consider removing this requirement in favor of a termination for cause clause?

Answer: No, this standard NC State clause cannot be removed.

26. **Question:** Will the state provide vendors any information concerning the 3 new prisons that are projected to be opened during the contract? ADP, time of opening, locations, etc.

Answer: The three new facilities will house 1000 medium/closed custody inmates and have 30-35 inmate phones installed in each. Scotland Correction Institution is scheduled open August of 2003, Lanesboro Correctional Institution is scheduled to open December of 2003 and Alexander Correctional Institution is scheduled to open in April 2004.

27. **Question:** Does the state intend to change the 10 minute limit on calls during the term of the contract? All income projections for vendors are based on potential minutes of use.

Answer: No consideration is being done to change this time limit at this time.

28. **Question:** Under IID Inmate Payphone System/Requirements 3 Maintenance: What would be considered a unique or emergency situation that would require a vendor to provide service to state owned payphones?

Answer: Significant shortage of DOP technicians, and/or a special project requiring physical changes to a large portion of phones, or specialized issues in which the vendor may have expertise.

29. **Question:** Will the proposal due date remain firm or will the date be extended? In order to prepare a comprehensive proposal Sprint requests a 30 day extension.

Answer: See answer to Question#10 above.

30. **Question:** Will all vendors, including the incumbent vendor, be required to install new equipment to process calls?

Answer: RFP specifications should be adhered to. Where specifications call for "new or like new", that will be the requirement.

31. **Question:** Will this RFP document be made available in Word format?

Answer: No, due to the need to protect the integrity of the RFP.

32. **Question:** RFP Page 26 II.D, Administrative Monitoring: Will the State of NC provide a list of all DOP offices and their addresses that will require and (sic) administrative workstation?

Answer: See answer to Question#12 above.

33. **Question:** RFP Page 28 II.D #13: Will the State of NC define the term Major service-affecting problem as related to an inmate system outage?

Answer: Any loss of service that the Division of Prisons determines affects prison operation or loss of revenue.

34. **Question:** RFP Page 31 #23: What is the format of the AIT cartridge? What applications are used? Who is the owner of the tape system, the State or EverCom?

Answer: Evercom owns the tape system. The tapes are 8 mm 25/50 GB 170 meters 557 feet Advanced Intelligent Tapes. Applications are built into the current specialized inmate call processing system owned by Evercom.

35. **Question:** Would the State provide copies of the last three months of Commission Statements?

Answer: Copies will not be provided due to the bulk involved, however the State is furnishing the following information from these Statements:

Total Revenue for Month of:	<u>February 2003</u>	<u>March 2003</u>	<u>April 2003</u>
PUBLIC PAYPHONES	\$ 98,956.00	\$ 80,953.00 **	\$ 116,301.00 **

** unusual variance due to accounting problem in March, corrected in April

INMATE PAYPHONES	\$ 953,144.03	\$ 1,044,268.32	\$ 982,305.29
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C. Check **ONE** of the following options:

- Bid has not been mailed. Any changes resulting from this addendum are included in our bid.
- Bid has already been mailed. No changes resulted from this addendum.
- Bid has already been mailed. Changes resulting from this addendum are as follows.

Execute Addendum:

Bidder: _____

Authorized Signature: _____

Date: _____

Name and Title (Typed): _____

Exhibit D-2 – REVISED
04/23/2003

First Quarter Revenue and Call Totals

FacName	Loc-Jan	Intra-Jan	Inter-Jan	Loc-Feb	Intra-Feb	Inter-Feb	Loc-Mar	Intra-Mar	Inter-Mar	TOTAL	TOTAL									
# calls	Amount	# calls	Amount	# calls	Amount	# calls	Amount	# calls	Amount	# CALLS	REVENUE									
ALBEMARLE CI	413	\$442	5615	\$13,607	5628	\$24,527	313	\$333	5346	\$12,536	5274	\$23,163	176	\$186	6195	\$14,499	6421	\$27,549.07	35,381	\$116,842
ANSON CC	899	\$854	2701	\$7,678	2463	\$10,823	548	\$521	2558	\$7,068	2200	\$9,989	805	\$765	2746	\$7,435	2164	\$9,535.61	17,084	\$54,669
AVERYMITCHELL CC	119	\$124	3787	\$12,390	5911	\$28,619	472	\$491	2717	\$8,885	4941	\$23,700	1050	\$1,092	2690	\$8,988	5437	\$25,648.09	27,124	\$109,938
BLACK MTN CCW	232	\$241	71	\$236	1042	\$4,331	184	\$191	65	\$216	909	\$3,914	369	\$384	49	\$170	983	\$4,189.36	3,904	\$13,873
BLADEN CC	311	\$264	138	\$341	1590	\$6,381	457	\$388	118	\$313	1176	\$4,772	643	\$547	107	\$283	1206	\$5,026.08	5,746	\$18,314
BLUE RIDGE-CLOSED	44	\$46	644	\$1,964	446	\$2,196	154	\$160	414	\$1,240	525	\$2,554	403	\$419	274	\$851	707	\$3,502.35	3,611	\$12,933
BROWN CREEK CI	134	\$127	2033	\$5,746	2264	\$10,316	124	\$118	2295	\$6,457	2111	\$9,776	165	\$157	2554	\$7,125	2536	\$11,730.62	14,216	\$51,553
BUNCOMBE CC	3266	\$3,103	854	\$2,055	673	\$3,784	2730	\$2,594	660	\$1,581	782	\$4,114	3010	\$2,860	947	\$2,344	964	\$4,914.24	13,886	\$27,350
CABARRUS CC	1465	\$1,507	1936	\$4,582	997	\$4,446	1710	\$1,783	1698	\$3,857	996	\$4,115	1960	\$2,043	1762	\$3,983	1052	\$4,168.75	13,576	\$30,484
CALDWELL CC	2126	\$2,211	1814	\$4,687	1184	\$5,525	2142	\$2,228	1207	\$3,239	798	\$3,778	3776	\$3,927	983	\$3,088	1015	\$4,564.59	15,045	\$33,249
CALEDONIA CI	155	\$132	84	\$231	572	\$2,860	132	\$112	64	\$172	488	\$2,366	142	\$121	75	\$199	518	\$2,672.48	2,230	\$8,864
CARTERET CC	3354	\$2,861	980	\$2,639	3017	\$12,828	3671	\$3,120	585	\$1,556	2651	\$11,010	4373	\$3,717	732	\$1,996	2854	\$12,502.95	22,217	\$52,220
CASWELL CC	6525	\$5,546	2023	\$5,480	2047	\$10,211	4541	\$3,860	1682	\$4,534	2028	\$9,514	4635	\$3,940	2227	\$6,062	2264	\$10,349.92	27,972	\$59,497
CATAWBA CC	1198	\$1,246	2268	\$6,074	1040	\$4,809	1768	\$1,839	1162	\$3,083	668	\$3,182	4228	\$4,397	196	\$623	750	\$3,428.89	13,278	\$28,681
CENTRAL PRISON	0	\$0	0	\$0	2	\$8	0	\$0	5	\$25	1	\$0	0	\$0	0	\$0	2	\$12.50	15	\$55
CHARLOTTE CC	4558	\$4,740	1330	\$3,684	645	\$3,663	4164	\$4,331	758	\$2,015	566	\$3,612	6120	\$6,366	213	\$702	636	\$3,579.45	18,990	\$32,692
CLEVELAND CC	880	\$915	232	\$766	968	\$4,490	723	\$752	215	\$721	756	\$3,502	1170	\$1,217	253	\$825	835	\$3,871.10	6,032	\$17,061
COLUMBUS CC	204	\$173	666	\$1,711	3176	\$14,873	242	\$206	691	\$1,826	3096	\$13,577	380	\$323	686	\$1,807	3650	\$16,438.12	12,791	\$50,734
CRAGGY CC	149	\$142	184	\$496	463	\$2,407	100	\$95	189	\$491	440	\$2,314	99	\$94	229	\$625	430	\$2,242.37	2,283	\$8,906
CRAVEN CC	1493	\$1,269	878	\$2,139	2245	\$10,093	1336	\$1,136	623	\$1,511	1867	\$8,420	1426	\$1,212	809	\$1,990	1726	\$7,782.25	12,403	\$35,552
DAN RIVER PWF	6265	\$5,325	2531	\$6,920	4831	\$22,266	5126	\$4,357	1993	\$5,353	4464	\$19,771	4567	\$3,882	2085	\$5,506	4931	\$21,979.00	36,793	\$95,360
DART DWI-FAC	72	\$75	295	\$900	3575	\$14,052	173	\$180	305	\$937	3741	\$14,392	131	\$136	299	\$917	3385	\$13,414.29	11,976	\$45,004
DAVIDSON CC	1713	\$1,782	2604	\$6,684	763	\$3,493	1654	\$1,720	2330	\$5,734	849	\$3,578	1815	\$1,888	2942	\$7,294	817	\$3,703.24	15,487	\$35,876
DEPT. OF CORR	0	\$0	0	\$0	2	\$8	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0	1	\$3.25	3	\$11
DUPLIN CC	1509	\$1,283	385	\$994	3589	\$14,574	1878	\$1,596	546	\$1,437	3031	\$12,708	2035	\$1,730	392	\$1,011	3356	\$14,474.39	16,721	\$49,808
DURHAM CC	6096	\$5,791	48	\$148	2320	\$10,688	4423	\$4,202	31	\$102	2002	\$8,549	4693	\$4,458	63	\$203	2000	\$8,049.56	21,676	\$42,192
EASTERN CI	220	\$187	109	\$280	634	\$3,058	225	\$191	105	\$277	603	\$2,874	249	\$212	115	\$300	715	\$3,388.92	2,975	\$10,767
FOOTHILLS CI	64	\$67	899	\$2,577	2779	\$11,687	90	\$94	776	\$2,154	2167	\$9,230	229	\$238	760	\$2,242	2683	\$11,501.39	10,447	\$39,789
FORSYTH CC	4216	\$4,385	2042	\$5,354	480	\$2,558	4668	\$4,855	1162	\$3,039	508	\$2,962	6822	\$7,095	116	\$316	670	\$3,900.10	20,684	\$34,463
FOUNTAIN CCW	1952	\$1,659	735	\$1,943	7423	\$30,506	1453	\$1,235	603	\$1,599	6762	\$27,570	1766	\$1,601	833	\$2,139	7406	\$30,400.86	28,933	\$98,554
FRANKLIN CC	360	\$306	102	\$277	719	\$3,442	333	\$283	82	\$214	571	\$2,609	343	\$292	78	\$195	639	\$2,955.79	3,227	\$10,573
GASTON CC	8314	\$8,647	318	\$962	348	\$2,690	7581	\$7,884	249	\$789	278	\$2,206	7891	\$8,207	287	\$909	313	\$2,895.28	25,579	\$35,188
GATES CC	2305	\$1,959	403	\$1,086	196	\$1,823	1790	\$1,522	337	\$921	226	\$1,653	1598	\$1,358	392	\$1,045	282	\$2,333.65	7,529	\$13,700
GREENE CC	11079	\$9,417	1767	\$4,603	3737	\$15,869	9918	\$8,430	1710	\$4,581	2824	\$12,588	9916	\$8,429	1896	\$5,221	3865	\$16,666.51	46,712	\$85,804
GUILFORD CC	2463	\$2,562	1034	\$2,538	296	\$1,534	2958	\$3,076	575	\$1,420	253	\$1,293	4529	\$4,710	6	\$15	363	\$1,749.24	12,477	\$18,898
HARNETT CI	395	\$336	109	\$263	1542	\$8,069	291	\$247	79	\$204	1310	\$6,744	273	\$232	71	\$186	1221	\$6,390.02	5,291	\$22,671
HAYWOOD CC	535	\$556	1984	\$5,482	706	\$3,883	896	\$932	1165	\$3,311	630	\$3,397	2121	\$2,206	459	\$1,420	934	\$5,192.74	9,430	\$26,380
HENDERSON-CLOSED	1140	\$1,186	874	\$2,278	501	\$2,872	1028	\$1,069	583	\$1,461	415	\$2,347	1882	\$1,957	162	\$509	436	\$2,713.21	7,021	\$16,393
HOKÉ CC	176	\$167	469	\$1,261	2711	\$11,288	189	\$180	440	\$1,188	2564	\$10,584	344	\$327	455	\$1,190	2788	\$11,687.03	10,136	\$37,872
HYDE CC	662	\$563	3928	\$11,097	4256	\$21,016	473	\$402	3357	\$9,388	3717	\$17,978	704	\$598	3797	\$10,582	4879	\$22,208.04	25,773	\$93,832
JOHNSTON CC	274	\$233	138	\$341	1185	\$5,686	258	\$219	96	\$257	1059	\$4,909	221	\$188	109	\$292	1019	\$4,965.72	4,359	\$17,092
LINCOLN CC	558	\$580	2652	\$7,328	738	\$4,186	1340	\$1,394	1525	\$4,082	571	\$3,255	3651	\$3,797	145	\$443	723	\$4,190.94	11,903	\$29,256
LUMBERTON CI	959	\$997	213	\$616	2940	\$12,705	1041	\$1,083	183	\$547	2687	\$11,300	1088	\$1,132	132	\$406	2874	\$12,216.78	12,117	\$41,003
MARION CI	27	\$26	251	\$733	1307	\$6,204	54	\$51	230	\$657	1190	\$5,709	16	\$15	210	\$562	1341	\$6,383.36	4,626	\$20,341
MARION MINIMUM CI	178	\$169	364	\$989	1528	\$6,489	221	\$210	355	\$1,024	1020	\$4,526	788	\$749	274	\$759	1009	\$5,040.23	5,737	\$19,955
MCCAIN CH	158	\$150	1113	\$3,157	2794	\$12,997	217	\$206	736	\$2,002	3009	\$14,001	432	\$410	1196	\$3,379	3400	\$15,341.60	13,055	\$51,645
MORRISON YI	19	\$18	324	\$902	1486	\$6,513	119	\$113	1037	\$3,089	6712	\$28,151	218	\$207	1042	\$3,020	7141	\$30,051.46	18,098	\$27,065
MOUNTAIN VIEW CF	62	\$64	2538	\$8,170	4666	\$23,622	202	\$210	2762	\$9,031	4348	\$21,526	918	\$955	2451	\$8,091	4670	\$22,136.05	22,617	\$93,805
NASH CI	284	\$241	157	\$437	2333	\$11,076	275	\$234	135	\$368	1731	\$8,205	374	\$318	186	\$503	1912	\$9,159.79	7,387	\$30,542
NCCIW	2474	\$2,573	1242	\$3,479	12595	\$56,544	2585	\$2,688	779	\$2,252	11282	\$50,136	3422	\$3,559	477	\$1,520	12810	\$56,671.16	47,666	\$179,423
NEUSE CI	2274	\$2,365	1340	\$3,976	10600	\$41,822	1940	\$2,018	1440	\$4,593	10277	\$40,765	3331	\$3,464	1614	\$5,129	11020	\$43,021.00	43,836	\$147,154
NEW HANOVER CC	3569	\$3,712	891	\$2,291	2388	\$12,314	4247	\$4,417	521	\$1,331	1890	\$9,751	5351	\$5,565	145	\$440	2402	\$11,668.11	21,404	\$51,489
NORTH PIEDMONT CCW	391	\$407	766	\$2,207	2038	\$8,837	440	\$458	619	\$1,763	1964	\$8,413	471	\$490	703	\$1,911	1980	\$8,516.25	9,372	\$33,002
ODOM CI	87	\$74	94	\$268	526	\$2,762	61	\$52	112	\$317	501	\$2,533	88	\$75	134	\$368	532	\$2,678.28	2,135	\$9,126
ORANGE CC	2329	\$1,980	249	\$713	1545	\$6,411	1949	\$1,657	121	\$353	1506	\$6,380	2020	\$1,717	158	\$446	1551	\$6,286.25	11,428	\$25,942
PAMLICO CF	1217	\$1,034	1436	\$3,919	4394	\$20,709	1321	\$1,123	1384	\$3,809	3615	\$17,417	1248	\$1,061	1371	\$3,814	3373	\$16,851.29	19,359	\$69,738
PASQUOTANK CI	97	\$82	452	\$1,187	1377	\$6,625	69	\$59	388	\$1,016	1180	\$5,728	56	\$48	408	\$1,055	1257	\$5,968.70	5,284	\$21,768
PASQUOTANK MIN	472	\$401	770	\$2,074	2569	\$11,320	822	\$699	695	\$1,852	2249	\$10,284	1088	\$925	905	\$2,454	2502	\$11,015.65	12,072	\$41,026

Exhibit D-2 - REVISED

First Quarter Revenue and Call Totals

04/23/2003

PENDER CI	320	\$333	1792	\$5,049	6510	\$29,282	973	\$1,012	1199	\$3,316	5446	\$24,904	2358	\$2,452	426	\$1,275	5783	\$26,215.65	24,807	\$93,840
PIEDMONT CI	60	\$62	579	\$1,704	889	\$3,313	186	\$193	433	\$1,244	705	\$3,427	317	\$330	218	\$689	691	\$3,233.83	3,878	\$14,196
POLK YI	217	\$206	55	\$154	1144	\$4,707	177	\$168	44	\$126	1040	\$4,350	185	\$176	43	\$128	1130	\$4,728.31	4,035	\$14,743
RALEIGH CCW	1068	\$1,111	438	\$1,182	2088	\$9,347	657	\$683	299	\$800	1470	\$6,468	903	\$939	129	\$382	2054	\$9,047.63	9,106	\$29,960
RANDOLPH CC	2925	\$2,486	238	\$625	854	\$3,973	2388	\$2,030	216	\$564	785	\$3,803	2764	\$2,349	197	\$511	810	\$3,717.79	11,177	\$20,059
ROBESON CC	2068	\$2,151	569	\$1,573	2062	\$8,321	1798	\$1,870	266	\$718	2038	\$8,250	1774	\$1,845	122	\$375	3008	\$11,646.21	13,705	\$36,748
ROWAN CC	1455	\$1,513	2898	\$8,048	1785	\$7,336	2200	\$2,288	1815	\$4,904	1889	\$8,076	3717	\$3,866	744	\$2,289	2117	\$8,989.11	18,520	\$47,308
RUTHERFORD CC	1414	\$1,471	1320	\$3,922	1464	\$6,244	1202	\$1,250	917	\$2,735	1340	\$5,758	2104	\$2,188	787	\$2,375	1538	\$6,882.05	12,086	\$32,625
SAMPSON CI	1990	\$1,692	192	\$489	1731	\$8,035	1971	\$1,675	174	\$440	1657	\$7,793	2133	\$1,813	233	\$567	1767	\$8,024.84	11,848	\$30,528
SANDHILLS YC	148	\$141	387	\$1,077	3782	\$15,419	168	\$160	446	\$1,149	3473	\$13,793	189	\$180	442	\$1,156	3961	\$15,510.82	12,996	\$48,585
SANFORD CC	1821	\$1,730	469	\$1,260	2135	\$9,424	1574	\$1,495	565	\$1,514	2196	\$9,929	1660	\$1,577	753	\$2,003	2475	\$10,585.80	13,648	\$39,517
SOUTHERN CI	79	\$67	360	\$872	1048	\$4,637	66	\$56	312	\$748	835	\$3,801	83	\$71	383	\$930	890	\$4,069.44	4,056	\$15,251
SOUTHERN MINIMUM	802	\$682	914	\$2,463	1512	\$6,116	775	\$659	724	\$1,895	1664	\$6,618	866	\$736	977	\$2,633	2326	\$9,350.87	10,560	\$31,163
TILLERY CC	3583	\$3,046	1099	\$3,014	3124	\$15,323	2981	\$2,534	939	\$2,522	2843	\$14,231	2397	\$2,037	856	\$2,359	3512	\$17,453.93	21,334	\$62,520
TYRRELL PWF	2724	\$2,315	2118	\$5,667	3863	\$16,684	2627	\$2,233	1814	\$4,742	3756	\$16,205	1854	\$1,576	1732	\$4,612	4426	\$19,010.52	24,914	\$73,944
UMSTEAD CC	2105	\$2,000	67	\$197	998	\$3,631	1581	\$1,502	40	\$110	723	\$2,662	1834	\$1,742	55	\$161	687	\$2,614.91	8,090	\$14,620
UNION CC	951	\$903	221	\$594	498	\$2,189	797	\$757	357	\$933	464	\$2,106	774	\$735	448	\$1,162	476	\$2,601.74	4,986	\$11,982
WAKE CC	10054	\$10,456	896	\$2,317	2773	\$12,555	8365	\$8,700	430	\$1,089	3050	\$13,583	9544	\$9,926	171	\$531	3099	\$13,474.33	38,382	\$72,630
WARREN CI	1011	\$859	487	\$1,228	2797	\$12,643	845	\$718	436	\$1,110	2213	\$9,805	1049	\$892	637	\$1,727	2903	\$12,876.53	12,378	\$41,860
WAYNE CC	100	\$104	165	\$513	723	\$3,430	143	\$149	138	\$432	756	\$3,453	219	\$228	154	\$480	794	\$3,493.59	3,192	\$12,281
WESTERN YI	53	\$65	1906	\$6,101	6671	\$27,362	162	\$168	1533	\$4,936	5561	\$22,631	709	\$737	1248	\$4,042	6287	\$25,754.49	24,130	\$81,787
WILKES CC	3700	\$3,145	1238	\$3,400	1984	\$8,641	3370	\$2,865	886	\$2,350	1618	\$7,283	3702	\$3,147	1112	\$2,911	1510	\$6,720.96	19,120	\$40,460
WILMINGTON RFW	31	\$32	13	\$42	351	\$1,916	28	\$29	20	\$68	305	\$1,399	17	\$18	50	\$192	353	\$1,662.01	1,168	\$5,357
	131189	\$123,851	82285	\$226,430	185376	\$829,719	122853	\$116,794	66601	\$182,209	171810	\$763,750	152772	\$147,453	62512	\$172,877	191947	\$848,943.28	1,167,325	\$3,412,025

IFB # ITS-000938A – Public/Inmate Payphone Services
Vendor Questions:

Name Walter Jones Company Name Major Communications
Telephone number 352-735-9269 E-mail Address:wjones2322@aol.com

Question #1:

RFP Page 10, Item #11 - The State encourages the participation of minorities, women and etc. for this opportunity. **What evaluation criteria will the State use to assess and grade each bid on the utilization of these various classes during the evaluation process since the evaluation criteria (page 13) does not offer any measurements?** Billy and Dianne's to answer.

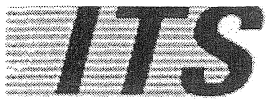
Question #2:

RFP, Public Payphones Requirements, Section #5, Item M (page 21) – Each payphone must have precise usage instruction in both Spanish and English displayed on the telephone housing.

Will the State provide a payphone instruction card with both English and Spanish instructions as provided by the current payphone service provider? Don's to answer.

Question #3:

Does the State own and operate or pay a monthly leasing rate for any pay telephones in the State of North Carolina? If so, where are these payphones located? The Division of Prisons owns and operates all telephones installed in prison facilities. The number of phones and there location has been provided in attachment ???... Don needs to answer for state phones I am not sure what he is referring to with “monthly leasing rate”



BID ADDENDUM

FAILURE TO RETURN THIS BID ADDENDUM IN ACCORDANCE WITH INSTRUCTIONS MAY SUBJECT YOUR BID TO REJECTION ON THE AFFECTED ITEM (S)/SERVICES.

Bid Number: ITS-000938A
Public/Inmate Payphone Services

Bid Opening Date/Time:
Remains June 23, 2003 at 2:00 p.m.

Addendum Number: 1
Addendum Date: May 22, 2003

INSTRUCTIONS:

1. Return one properly executed copy of this addendum **prior** to the Bid Opening Date/Time listed above.

2. **AMENDMENT OF RFP and STATE'S REPLY TO QUESTIONS RECEIVED:**

i. **The RFP is hereby amended as follows:**

1. Section II.B, Part 27 "Transition Assistance" is amended to add a sentence; new paragraph reads as follows (added sentence appears in bold print):

"If this Contract is not renewed at the end of this term, or is canceled prior to its expiration date for any reason, the Vendor shall provide for up to 6 months after the expiration or cancellation of this Contract, all reasonable transition assistance requested by the State, to allow for the expired or canceled portion of the Services to continue without interruption or adverse effect to the State, and to facilitate the orderly transfer of such Services to the State or its designees. **In addition, the Vendor shall continue to provide DOC with access to inmate call records and recordings created under this contract for a period of 12 months after the end of the contract.** Such transition assistance will be deemed by the parties to be governed by the terms and conditions of this Contract including the payment terms (notwithstanding this expiration or cancellation), except for those Contract terms or conditions that do not reasonably apply to such transition assistance."

2. Section II.D, Part 23 "Monitoring and Taping of Calls", paragraph 2, the 7th (seventh) and 8th (eighth) sentences are modified to read as follows:

"In addition, the Vendor is required to backup and store an extra copy of the 12 (twelve) most recent months of inmate recordings, at the Vendor's location and expense. This requirement is to ensure that DOP would have a minimum of twelve months' inmate conversations in case of a catastrophic loss at DOC's Raleigh office."

3. Section II.D, Part 23 "Monitoring and Taping of Calls", add the following sentence to the end of paragraph 2:

"At the end of the contract, the Vendor shall destroy or deliver to DOC any remaining copies of inmate recordings in the Vendor's possession."

4. Sections II.C.15 and II.D.13, change the abbreviation "ISC" to be "IXC (Interexchange Carrier)".

5. Section II.D.11, change the date "May 9, 2003" to be "May 30, 2003."

II. The following is a list of questions received, and the answers the State is providing:

1. **Question:** Can you provide a list of telephone numbers for the "Public Payphones" listed in Exhibit E-1? This list will enable us to determine which LEC is providing the dial tone in that specific area and allow (us) to best coordinate service.

Answer: The following is a list of the LECs involved, and the number of phones for each one.

LEC	Phones
Alltel	11
Atlantic	8
Bell South	780
CT Communications	20
Lexcom	5
Mebtel	4
North State	16
Skyline	5
Sprint	343
Star	1
Surry	6
Verizon	102
Wilkes	3
Yadkin Valley	18

2. **Question:** Section II.C.3, Will the current Public payphone provider have to provide all new equipment?

Answer: The equipment must be new or like new. See Section II.C.6.

3. **Question:** Section II.C.5.d, Telephone Books at each payphone?

Answer: Yes, this is a requirement of the contract.

4. **Question:** Section II.C.6.a, Are payphones currently approved for Americans with the Disabilities ACT (sic)?

Answer: Yes.

5. **Question:** Section II.C.13.c, How many technicians is the current provider using to maintain adequate repair and minimize repair time?

Answer: Each offeror should propose the appropriate number of technicians to fulfill the contract requirements.

6. **Question:** Section II.C.15 and II.D.13, What is ISC failure?

Answer: The correct abbreviation is "IXC" (Interexchange Carrier.) See RFP Amendment #4 in this Addendum.

7. **Question:** Section II.D.3, How many times has the State requested Vendor technicians to support DOC inmate phone repair in the case of an emergency?

Answer: The State has not used the current vendor's technicians for emergency repair. The State did use the assistance of current vendor's technicians on a statewide project to upgrade keypads in inmate phones.

8. Question: Section II.D.7, Does Staffing at the local level mean on site 24X7X365 or contactable by phone after normal business hours?

Answer: On site at local level 24x7x365.

9. Question: Section II.D.8, What is the current revenue on International Calls?

Answer: The Division of Prisons does not currently allow international calls, so there are no revenue figures to provide.

10. Question: Section II.D.23, If you are using a special centralized system why are you requesting smart phones?

Answer: The Division of Prisons (DOP) used to have coin phones in facilities, and "smart" technology was needed to process coin calls. DOP smart phones are currently timing calls and providing specific on/off times for each prison. RFP Section II.D.1 states "If new equipment will be used, all services and functionality specified herein must be provided, and the Vendor will be responsible for all costs including but not limited to the equipment and the installation." As a clarification, the State will consider proposals which meet this requirement by furnishing other than smart phones.

11. Question: Section II.D.23, Please provide information about the AIT system. What kind of interface? Is it network based or hard wire?

Answer: AIT is Advanced Intelligent Tape. This is what inmate recordings are stored on. The recording system uses a standard tape backup device.

12. Question: RFP Page 3, The DOP utilizes three different housing styles in the prisons. The Western, Tyndells and Blue Security. Are they Smart or dumb phones? What is the phone count? How many facilities with this setup?

Answer: All phones within DOP prisons are smart phones and all are using Intellicall Astratel 2 smart boards. Refer to RFP Exhibit D-1 for the number of phones at each prison facility.

13. Question: Are there any coin phones at the facilities for visitors?

Answer: Central Prison is the only prison facility which has visitor telephones; there are two telephones in the lobby for use by visitors. There is also one visitor phone located at the DOC Administrative complex in Apex (indicated in the RFP Exhibits D-1 through D-5 by the abbreviation "Dept. Of Corr.")

14. Question: What is the cost per line in the correctional facilities for dial tone?

Answer: DOP spent \$466,965.61 from January 1 through December 31, 2002 on line charges. The approximate average line charge is \$33.35 per month. Annual costs will decrease with the BellSouth reduction in PSP access line rates effective December 2002.

15. Question: Does the State utilize line concentration in any of the prison facilities?

Answer: No.

16. Question: What is the State's annual expense for repair parts on inmate phones?

Answer: DOP spent approximately \$9,172.89 on inmate phone parts in 2002.

17. Question: Does the state currently allow inmates to place calls utilizing a debt or prepaid system?

Answer: No.

18. Question: Would the state please update the traffic stats to include calls, minutes, and revenue by call type and facility?

Answer: See RFP Exhibits D-1 through D-5. This is the information the State is providing.

19. **Question:** Would the state provide the current rates charged broken down by local, IntraLata, InterLata, Intrastate and international (sic) for public payphones and Inmate phone calls?

Answer: Vendors should obtain this information from the NC Public Utilities Commission and the Federal Communication Commission.

20. **Question:** Please provide the number of phones with data ports that are requested (item 7 on page 22.)

Answer: None at beginning of contract, but vendor must be able to supply such phones when and if requested.

21. **Question:** Please identify the total number and type of enclosures needed for both public and inmate telephones (item 8 on page 22.)

Answer: There are no enclosures needed for the inmate telephones. For public payphones, all will need some type of enclosure. Exact figures are not available. The State's best estimate is that approximately 70% are mounted inside and 30% are outside, probably on a pedestal. Vendor must be able to furnish a variety of enclosures as needed.

22. **Question:** What is the total number of Service Administrators requested to maintain inmate's approved calling lists? (item 19 on page 30.)

Answer: The State currently does not use this feature. Each vendor should provide the number of staff resources appropriate to meet the requirement listed.

23. **Question:** Will the State furnish the vendors with a current inmate calling rate schedule?

Answer: The vendor should obtain this information from the NC Public Utilities Commission and the Federal Communication Commission.

24. **Question:** Does the State have a preferred contractor to handle the public payphone portion of this RFP?

Answer: No.

25. **Question:** Could we receive a breakdown, by facility, of the inmate population that would be effected (sic) by the calling restrictions outlined? Should the term "minimum of two calls per month" actually read "maximum of two calls per month?"

Answer: DOP is currently using these calling restrictions by custody level. The term should read as stated "minimum of two calls per month."

26. **Question:** Section II.B.4, Regarding the ability for municipalities and counties to participate in the contract: will the State provide some idea of the number of payphones this may involve and are there any traffic statistics available regarding these phones?

Answer: Currently there are 66 payphones involved. They are included in the data in RFP Exhibits E-1 and E-2.

27. **Question:** Section II.B.9, As this item refers to intervention by a live operator – is this a mandatory requirement of the inmate platform or the coin operated platform or both? Elsewhere in the RFP there is a requirement that inmates have no access to a live operator.

Answer: Does not apply to inmate phones. This is mandatory for public payphones.

28. **Question:** Section II.B.21, Does this provision cover hardware? In other words, if new, faster computers become available, is the vendor required to replace all computers in the State? Vendors normally provide all software upgrades at no charge, hardware is normally excluded.

Answer: Yes, this provision is intended to cover software upgrades and related hardware necessary to make the upgrades operational.

29. **Question:** Has the State clarified with the current vendor whether or not they are willing to sell the existing public payphones and enclosures should a new vendor be awarded the contract?

Answer: No, each vendor is responsible for making its own business arrangements with whatever supplier it chooses. The State is not a party to any such agreement.

30. **Question:** Section II.C.5, Is it acceptable to purchase dial tone from an approved CLEC?

Answer: No.

31. **Question:** Section II.D.11, This section reflects the deadline for testing compatibility as May 9, 2003, but also references the deadline for questions, which is earlier defined as May 30, 2003. Please clarify when compatibility testing must be completed.

Answer: May 30, 2003. See RFP Amendment #5 in this Addendum.

32. **Question:** Section II.D.12, Does the State already have locations in which to place the generators that would be required to maintain a 2-hour backup?

Answer: Currently the equipment located at the DOP Raleigh office has a vendor-provided portable UPS located onsite in case of power outage. The switch and the network equipment that process all inmate calls are located in the current vendor's offices in Raleigh and Dallas and the current vendor provides the generator and storage area.

33. **Question:** Section II.D.13, Please define an "ISC failure."

Answer: The correct abbreviation is "IXC" (Interexchange Carrier.) See RFP Amendment #4 in this Addendum.

34. **Question:** Section II.D.16, Would the State clarify which method of time limit is currently used as a default? Additionally, please clarify how the hierarchy currently operates. (Example, if an inmate's PIN allows 10 minutes, but the inmate phone allows 7, which takes precedence?)

Answer: Currently all inmate calls are timed for 10 minutes. The DOP smart phones are programmed and synchronized with the current vendor's system. Both have the capability to cut the call off. Whichever one meets call timing maximum first will disconnect the call.

35. **Question:** Section II.D.19, Are new inmates with temporary PINs (as defined in II.D.14) required to have an Approved Calling List? How long does an inmate normally keep a temporary PIN?

Answer: DOP is not currently using approved calling lists at any facility. A temporary PIN is assigned for an average of seven days.

36. **Question:** Section II.D.23, Does the State currently own a stand alone recording system which is connected to the Inmate Telephone System? If a vendor proposed replacing that system with an integrated system going forward, would the vendor have any responsibility for providing equipment and/or maintenance for the previous tape-based recordings?

Answer: The current recording system is integrated with the current vendor's call processing system. A new vendor would have no responsibility for the previous vendor's equipment.

37. **Question:** Section II.E.10, As the State is aware, this is a looming issue in the inmate calling industry with the FCC's current Docket Number 03-14. Would the State consider calling restrictions against an inmate who is found to be knowingly calling a number which has been forwarded?

Answer: This has not been an issue in North Carolina. DOP currently does not foresee considering this type of restriction.

38. **Question:** Section IV.1, Is the State asking the selected vendor to be responsible for asbestos contamination in State owned buildings?

Answer: Yes, where the vendor's work impacts asbestos the vendor will be responsible for following the contract requirements.

39. **Question:** Page 44, paragraph 18, The State defines deliverables as all hardware, software, data, etc. for this project. They further state that all of this is the property of the State of North Carolina. They do allow a vendor to define proprietary materials that remain the property of the vendor. However, embedded software or firmware shall not be a severable deliverable. What is the intent of the State with that sentence? Equipment suppliers normally provide unlimited licensing of software and firmware, but do not pass title of software/firmware code.

Answer: This is a standard State of North Carolina Office of Information Technology Services Contractual Term and Condition. Vendors should seek interpretation from their own legal counsel.

40. **Question:** Page 47, paragraph 28b, The State defines liability of "damages" as: "for any cause whatsoever, and regardless of the form of action, whether in contract or tort, shall be limited to two times the value of the contract." Could the State please clarify what damages may cause assertion of such a claim?

Answer: This is a standard State of North Carolina Office of Information Technology Services Contractual Term and Condition. Vendors should seek interpretation from their own legal counsel.

41. **Question:** Are all 1167 inmate phones Astratel 2 smart phones (or equivalent?) If no, please provide make and model information.

Answer: All phones within DOP prisons are smart phones and all are using Intellicall Astratel 2 smart boards.

42. **Question:** How do the Astratel 2 phones access the current centralized platform (i.e., 800 number access, ring down, OPX, etc.)?

Answer: 1-800 number access.

43. **Question:** Can the Astratel 2 phones be reprogrammed to dial into our centralized platform via 800 number or LD access?

Answer: Yes.

44. **Question:** Inmate: What tariff types will require rate quotes to the called party?

Answer: DOP requires rate quotes on all collect calls.

45. **Question:** Inmate: Is Positive acceptance on Debit required?

Answer: Any call coming from a North Carolina prison should be identified as such, to the called party, and positive acceptance should be required.

46. **Question:** Inmate: Will the temporary PIN be provided to our system in the same .csv file as the permanent PINs?

Answer: Yes.

47. **Question:** Will the inmate call information need to be transferred from the temporary PIN to the permanent PIN?

Answer: As relates to inmate call records, No. As relates to approved calling list, Yes.

48. **Question:** Inmate: What version of Excel is the DOC currently using?

Answer: Excel 2000.

49. **Question:** Inmate: Can you provide a breakdown of call usage between InterLata and InterState on the inmate calls?

Answer: This information is not available.

50. **Question:** Inmate: What are the maximum allowable rates under the NCPUC rate caps?

Answer: Vendors should contact the North Carolina Public Utilities Commission for this information.

51. **Question:** Inmate: Are there additional activity requirements besides what is spelled out that would require a firewall access and radius authentication?

Answer: There are no such additional activities contemplated by the State at this time. Future additional activities which might arise would be coordinated with the DOC Management Information System Group.

52. **Question:** Public: Can we start with the mandatory 175 public payphones and highest ranking plus retention fee public payphones or will the total 1332 be required with a waiting period prior to negotiated removals?

Answer: See RFP page 4, last paragraph.

53. **Question:** Public: Will commission be expected to be paid on retention fee public payphones?

Answer: Yes.

54. **Question:** Will specific public payphone commissions be paid to that specific agency or some other way?

Answer: Commissions will be paid to the specific agencies.

55. **Question:** In the public payphone section – What does "ISC" stand for in the Disaster Recovery and Escalation Procedure section?

Answer: The correct abbreviation is "IXC" (Interexchange Carrier.) See RFP Amendment #4 in this Addendum.

56. **Question:** Can you provide the Exhibit information on a file format (ex., Excel)?

Answer: No, this information will not be provided due to the need to protect the integrity of the RFP format.

57. **Question:** Can the Operation Base be located in Durham?

Answer: The RFP specifies "staff support" to be located in Raleigh. Vendors must describe in the proposal their plan to administer the inmate phone system, including staff support and the operation base, and their proposal will be evaluated.

III. The following is a list of vendors who attended the Mandatory Preproposal Conference on May 21, 2003:

- Inmate Calling Solutions
- Pay Tel Communications
- Verizon
- Davel Communications Inc.
- Sprint Payphone Services
- Major Communications
- MRH & Associates
- ShawnTech Communications
- MCI
- Global Tel & Link
- T-Netix Inc.
- AT&T
- Evercom Systems

3. Check ONE of the following options:

- Bid has **not** been mailed. Any changes resulting from this addendum are included in our bid.
- Bid has already been mailed. No changes resulted from this addendum.
- Bid has already been mailed. Changes resulting from this addendum are as follows:

Execute Addendum:

Bidder: _____

Authorized Signature: _____

Date: _____

Name and Title (Typed): _____