



Vendors name CenturyLink Public Communications, Inc.

INMATE TELEPHONE SERVICE: RATES AND COMMISSIONS

1. Contractor shall provide a commission offer for the rates listed below as Calling Rate (Please ensure international rates are proposed). Contractor must detail all additional charges and fees that will be assessed for collect, pre-paid collect and debit/inmate based pre-paid inmate telephone calls.
2. Contractor shall attach additional charts if Contractor chooses to provide additional commission and calling rate offers. Failure to complete Attachment G-1 and G-2 may cause your proposal to be rejected. Please be sure to include debit and/or pre-paid information in the RFP Response.

CURRENT NDOC CALLING RATES COLLECT / PREPAID DEBIT

Call Type	Surcharge	Per Minute
Local	\$1.00	\$0.13
Intrastate	\$1.00	\$0.13
Interstate **	\$2.50	\$0.49
International	\$3.99	\$0.99

* Taxes are not included in the chart above and vary by location

** The FCC has announced interstate call rate reforms. Please give us your safe harbor rate and your interim rate cap.



CenturyLink Response: Regarding safe harbor and interim cap rates – CenturyLink presents various compliant options in the table below – the FCC has provided for flexibility in the exact mix of per-call surcharge vs. per-call rate in setting these rate amounts. In addition, these amounts also vary by payment type. NDOC is able to choose any of the scenarios below, including others that conform with these costs.

Rate cap compliance summary

Safe harbor rates can not exceed \$0.14 per minute for collect, \$0.12 per minute for prepaid and debit, assuming a 15-minute call. I.e. no more than \$2.10 and \$1.80, respectively, for 15 minutes.

Interim cap rates can not exceed \$0.25 per minute for collect, \$0.21 per minute for prepaid and debit, assuming a 15-minute call. I.e. no more than \$3.75 and \$3.15, respectively, for 15 minutes.



Safe Harbor Compliant Rates (Examples)	Per-Call	Per-Minute	Total for 15 minutes
#1: Per-minute only - COLLECT	\$-	\$0.14	\$2.10
#1: Per-minute only - PREPAID+DEBIT	\$-	\$0.12	\$1.80
#2: Per-call only - COLLECT	\$2.10	\$-	\$2.10
#2: Per-call only - PREPAID+DEBIT	\$1.80	\$-	\$1.80
#3: Mix of charges - COLLECT	\$1.00	\$0.073	\$2.10
#3: Mix of charges - PREPAID+DEBIT	\$1.00	\$0.053	\$1.80


Interim Rate Cap Compliant Rates (Examples)	Per-Call	Per-Minute	Total for 15 minutes
#1: Per-minute only - COLLECT	\$-	\$0.25	\$3.75
#1: Per-minute only - PREPAID+DEBIT	\$-	\$0.21	\$3.15
#2: Per-call only - COLLECT	\$3.75	\$-	\$3.75
#2: Per-call only - PREPAID+DEBIT	\$3.15	\$-	\$3.15
#3: Mix of charges - COLLECT	\$1.00	\$0.183	\$3.75
#3: Mix of charges - PREPAID+DEBIT	\$1.00	\$0.143	\$3.15

Additional information. As NDOC is aware, the D.C. Circuit Court has stayed significant portions of the FCC Order pending appeal by several parties (including CenturyLink). Stayed portions included the safe harbor rates and associated cost-based regulatory rules in the Order.

Part of the judges' decision criteria for the stay was an evaluation that appealing parties were likely to prevail once the case is heard. Their unanimous decision to stay the Order's cost-based regulatory rules is therefore strong indication that the safe harbor rates will be ultimately overturned by the Court.

Vendor to propose inmate rates taking into consideration both commissions as well as family financial circumstances.

Vendor to give any time of day discounts available

 **CenturyLink Response:** For simplicity, all pricing scenarios below include rates that are not sensitive to time-of-day.



Vendor to state any call surcharges.

Station-to-Station Collect
Person-to-Person Collect



CenturyLink Response: This provision is critically important because many providers use additional fees to artificially inflate commission offers, but at the expense of family members.

❖ CRITICAL POINT ❖

Billing and other discretionary transaction fees are not currently regulated by either the Nevada Public Utilities Commission or the FCC.

We respectfully request the Department pay particular attention to fee and policy disclosures among all the bidders.

CenturyLink presents all calling rates, transaction fees and surcharges in detail below. CenturyLink commits to maintaining these costs to end-users throughout the term of the contract unless mutually agreed upon in writing with the State.

Regarding Station-to-Station vs. Person-to-Person calling: in the strict definition of Person-to-Person calling, a live operator is necessary to confirm the specific identity of the called party. Because live operator intervention is not allowed under this RFP (or most any other ITS contract), technically speaking all inmate calls from any compliant calling platform would be Station-to-Station. Regardless of technical definitions, CenturyLink's proposed Inmate Telephone System does not distinguish between Station-to-Station or Person-to-Person calls – all rates and surcharges below apply to all calls and transactions related to the ITS.

Interstate Calling Rates: (CenturyLink Proposed FCC compliant rates – see rate tables below)*

Surcharge	\$1.00	Per Minute Rate:	\$0.18 per minute – Collect
			\$0.14 per minute – Prepaid and Debit

** In the rate offers below, CenturyLink proposes scenarios with alternative rates without a surcharge that are also FCC Order compliant. These rates are \$0.25 per minute for collect and \$0.21 per minute for debit and prepaid collect.*

Summary of Offers

CenturyLink has provided four offers for NDOC's review: two different rate structures (current rates vs. per-minute only rates) and two different fee/policy structures (current fees/policies vs. alternate fees/policies). Please note that commissions offers are for payment on all calls, including interstate, without deduction.

These offers are CenturyLink's best attempt to balance fees and rates with offered commissions and MAGs. If the State desires other offers based on different fees and rates, CenturyLink is able to respond in a very short timeframe.

CenturyLink also offers the opportunity to test temporary promotional pricing offers to determine the impact on overall calling prior to making permanent changes in calling rates.

❖ UNIQUE OFFER ❖

As NDOC's current provider, CenturyLink offers to implement any increase in commission percentage at NDOC's sole discretion immediately upon contract signature, even if that date is many months prior to expiration of the current contract.

If contract signature were to occur June 1 (3 months prior to current contract expiration), we estimate this accelerated commission could provide over \$300,000 in additional financial benefit to the State.

Scenario #1: Current Domestic Calling Rates & Current Billing Fees and Policies
(with reduced international rates)

CALLING RATES:

	COLLECT		INMATE BASED DEBIT		PRE-PAID COLLECT	
	Surcharge	Per Minute Rate	Surcharge	Per Minute Rate	Surcharge	Per Minute Rate
Local	\$1.00	\$0.13	\$1.00	\$0.13	\$1.00	\$0.13
Intralata/Intrastate	\$1.00	\$0.13	\$1.00	\$0.13	\$1.00	\$0.13
Interlata/Intrastate	\$1.00	\$0.13	\$1.00	\$0.13	\$1.00	\$0.13
Interlata/Interstate	FCC	See comments*	FCC	See comments*	FCC	See comments*
International	NA	NA	\$1.50	\$0.50	\$1.50	\$0.50
Additional Charges	None		None		Provided in "Billing Fees & Policies" table below under <u>Option A</u>	
Commission Rate	75.2%		75.2%		75.2%	

Financial Incentive: \$150,000 unrestricted signing bonus *MAG Payment:* \$4,000,000

Comments:

- * CenturyLink proposes interLATA/Interstate rates of \$1.00 per-call surcharge plus \$0.18 per minute for collect calls, \$0.14 per minute for prepaid collect and debit calls. These rates are in place today and compliant with FCC rate caps.
 - Includes WordDetective state-of-the-art keyword search software
 - Includes implementation of higher commission offer immediately upon signature of the new contract
 - Includes one additional portable cell phone detection unit in addition to CellSense unit in place today – total of two offered units.
 - Includes no-cost value-added features (1) through (16) in our response to 3.9.17, including but not limited to:
 - Augmentation of inmate kiosk services - Officer Check-In
 - Inmate-to-Inmate Communication Detection - PREA Reporting/Crime Tips
 - Data Sharing with other NV facilities - Backup Technical Assistance
 - Bandwidth Augmentation - Emergency Auto-Dialer
 - Commission rate payable on all calls without deduction
 - Please also see "Important Considerations When Evaluating our Offer" below

Scenario #2: Current Domestic Calling Rates & Alternate Billing Fees and Policies
(with reduced international rates)

CALLING RATES:

	COLLECT		INMATE BASED DEBIT		PRE-PAID COLLECT	
	Surcharge	Per Minute Rate	Surcharge	Per Minute Rate	Surcharge	Per Minute Rate
Local	\$1.00	\$0.13	\$1.00	\$0.13	\$1.00	\$0.13
Intralata/Intrastate	\$1.00	\$0.13	\$1.00	\$0.13	\$1.00	\$0.13
Interlata/Intrastate	\$1.00	\$0.13	\$1.00	\$0.13	\$1.00	\$0.13
Interlata/Interstate	FCC	See comments*	FCC	See comments*	FCC	See comments*
International	NA	NA	\$1.50	\$0.50	\$1.50	\$0.50
Additional Charges	Provided in "Billing Fees & Policies" table below under <u>Option B</u>		None		Provided in "Billing Fees & Policies" table below under <u>Option B</u>	
Commission Rate	80.1%		80.1%		80.1%	

Financial Incentive: **\$150,000 unrestricted signing bonus** *MAG Payment:* **\$4,000,000**

Comments:

* **CenturyLink proposes interLATA/Interstate rates of \$1.00 per-call surcharge plus \$0.18 per minute for collect calls, \$0.14 per minute for prepaid collect and debit calls. These rates are in place today and compliant with FCC rate caps.**

- **While Scenario #2 provides a higher commission rate, we do not recommend it to NDOC due to additional end-users charges that drive complaints as well as lower calling volume, since family members have less to spend on phone calls.**
- **Includes WordDetective state-of-the-art keyword search software**
- **Includes implementation of higher commission offer immediately upon signature of the new contract**
- **Includes one additional portable cell phone detection unit in addition to CellSense unit in place today – total of two offered units.**
- **Includes no-cost value-added features (1) through (16) in our response to 3.9.17, including but not limited to:**
 - **Augmentation of inmate kiosk services** - **Officer Check-In**
 - **Inmate-to-Inmate Communication Detection** - **PREA Reporting/Crime Tips**
 - **Data Sharing with other NV facilities** - **Backup Technical Assistance**
 - **Bandwidth Augmentation** - **Emergency Auto-Dialer**
- **Commission rate payable on all calls without deduction**
- **Please also see "Important Considerations When Evaluating our Offer" below**



Scenario #3: Alternative Calling Rates & Current Billing Fees and Policies

CALLING RATES:

	COLLECT		INMATE BASED DEBIT		PRE-PAID COLLECT	
	Surcharge	Per Minute Rate	Surcharge	Per Minute Rate	Surcharge	Per Minute Rate
Local	\$ -	\$0.18	\$ -	\$0.18	\$ -	\$0.17
Intralata/Intrastate	\$ -	\$0.18	\$ -	\$0.18	\$ -	\$0.17
Interlata/Intrastate	\$ -	\$0.18	\$ -	\$0.18	\$ -	\$0.17
Interlata/Interstate	FCC	See comments*	FCC	See comments*	FCC	See comments*
International	NA	NA	\$ -	\$0.60	\$ -	\$0.60
Additional Charges *	None		None		Provided in "Billing Fees & Policies" table below under Option A	
Commission Rate	74.9%		74.9%		74.9%	

Financial Incentive: \$150,000 unrestricted signing bonus MAG Payment: \$3,800,000

Comments:

* For this alternative calling rate scenario, CenturyLink proposes interLATA/Interstate rates of \$0.25 per minute (no per-call surcharge) for collect calls, and \$0.21 per minute (no per-call surcharge) for prepaid collect and debit calls. These rates are compliant with FCC rate caps.

- Although we expect gross revenue performance to be steady or even improve with these no-surcharge rates, we have discounted the commission rate and MAG slightly vs. scenario #1 to account for risk.
- Includes WordDetective state-of-the-art keyword search software
- Includes implementation of higher commission offer immediately upon signature of the new contract
- Includes one additional portable cell phone detection unit in addition to CellSense unit in place today – total of two offered units.
- Includes no-cost value-added features (1) through (16) in our response to 3.9.17, including but not limited to:
 - Augmentation of inmate kiosk services - Officer Check-In
 - Inmate-to-Inmate Communication Detection - PREA Reporting/Crime Tips
 - Data Sharing with other NV facilities - Backup Technical Assistance
 - Bandwidth Augmentation - Emergency Auto-Dialer
- Commission rate payable on all calls without deduction
- Please also see "Important Considerations When Evaluating our Offer" below

Scenario #4: Alternative Calling Rates & Current Billing Fees and Policies
CALLING RATES:

	COLLECT		INMATE BASED DEBIT		PRE-PAID COLLECT	
	Surcharge	Per Minute Rate	Surcharge	Per Minute Rate	Surcharge	Per Minute Rate
Local	\$ -	\$0.18	\$ -	\$0.18	\$ -	\$0.17
Intralata/Intrastate	\$ -	\$0.18	\$ -	\$0.18	\$ -	\$0.17
Interlata/Intrastate	\$ -	\$0.18	\$ -	\$0.18	\$ -	\$0.17
Interlata/Interstate	FCC	See comments*	FCC	See comments*	FCC	See comments*
International	NA	NA	\$ -	\$0.60	\$ -	\$0.60
Additional Charges	None		None		Provided in "Billing Fees & Policies" table below under <u>Option A</u>	
Commission Rate	79.7%		79.7%		79.7%	

Financial Incentive: **\$150,000 unrestricted signing bonus** *MAG Payment:* **\$3,800,000**

Comments:

- * **Like Scenario #3, for this alternative rate scenario CenturyLink proposes interLATA/Interstate rates of \$0.25 per minute (no per-call surcharge) for collect calls, \$0.21 per minute (no per-call surcharge) for prepaid collect and debit calls. These alternate rates are compliant with FCC rate caps.**
 - **While this Scenario #4 provides a higher commission rate than Scenario #3, we do not recommend it due to the higher additional end-user charges involved**
 - **CenturyLink expects gross revenue performance to remain steady or even improve with these no-surcharge rates; however we have discounted the commission rate and MAG slightly vs. Scenario #2 to account for risk**
 - **Includes WordDetective state-of-the-art keyword search software**
 - **Includes implementation of higher commission offer immediately upon signature of the new contract**
 - **Includes one additional portable cell phone detection unit in addition to CellSense unit in place today – total of two offered units**
 - **Includes no-cost value-added features (1) through (16) in our response to 3.9.17, including but not limited to:**
 - **Augmentation of inmate kiosk services** - **Officer Check-In**
 - **Inmate-to-Inmate Communication Detection** - **PREA Reporting/Crime Tips**
 - **Data Sharing with other NV facilities** - **Backup Technical Assistance**
 - **Bandwidth Augmentation** - **Emergency Auto-Dialer**
 - **Commission rate payable on all calls without deduction**
 - **Please also see "Important Considerations When Evaluating our Offer" below**

Billing Fees & Policies

All transaction fees and policies related to each offer scenario are disclosed below. Again these fees and policies will not change without written permission of the State.

Billing Fee or Policy	Option A (Scenarios #1 and #3)	Option B (Scenarios #2 and #4)
Account Setup *	None	None
Account Refund Fee **	None	None
Account Refund Availability	Within <u>15 minutes</u> if crediting to last card used. No more than <u>5 business days</u> if physical check is required.	Within <u>15 minutes</u> if crediting to last card used. No more than <u>5 business days</u> if physical check is required.
Account Funding by mail *	None	None
Account Funding using convenience options (phone or web using credit/debit card) *	\$0 by web \$0 by phone (over \$50) \$6.95 by phone (under \$50)	\$6.95 (phone + web; any amount)
Minimum Funding Amount *	None (applies to all funding methods)	None (applies to all funding methods)
Account Funding through 3rd parties (Western Union) *	\$5.50 (WU Swift Pay) \$9.95 (WU Quick Collect) <i>No additional charges from CenturyLink</i>	\$5.50 (WU Swift Pay) \$9.95 (WU Quick Collect) <i>No additional charges from CenturyLink</i>
Wireless Administration Fee *	None	\$2.99 per month per account
Billing Statement Fee ***	None	\$2.99 per bill, regardless of number of calls accepted
Government-Mandated Taxes and Regulatory Fees	Charged to customer at pass-through only	Charged to customer at pass-through only

* Only applicable to prepaid collect accounts

** Only applicable to prepaid collect and debit accounts

*** Only applicable to traditional collect billing. Please note that CenturyLink is one of few ITS providers who maintain collect billing agreements with a wide array of Local Exchange Carriers. Most others have or are phasing out this post-paid option to save cost.

Value-Added Features with End-User Fees
(reference response to 3.9.17)

Service	Description	End User Cost
Video Visitation	<ul style="list-style-type: none"> Offered as pilot program Skype-like capability; additional communication tool for inmates and families Commission available to NDOC by negotiation – typical installation is 15% 	\$0.50 per minute, only one-minute minimum
Inmate Voicemail	<ul style="list-style-type: none"> Standard inbound voicemail from family members to inmates, maintaining security controls. Service is in-place today Commission available to NDOC = 65.0% 	\$1.00 for 30-second message

Value-Added Features with Impacts to Cost Offer
(reference response to 3.9.17)

CenturyLink also offers a number of value-added features that are provided through third party partners and require additional costs to us. Detailed technical descriptions of these features are provided in Section 3.9.17, features (19) through (24). Note that there are multiple cell phone detection options (feature (22) in our response to 3.9.17 – each is listed separately in the table.

Service	Description	Impact to Offer
Voice Biometrics – pre-call verification	<ul style="list-style-type: none"> Matches inmate voice with PIN prior to allowing call to be made 	1.7% reduction to commission
Voice Biometrics – continuous verification	<ul style="list-style-type: none"> Analyzes inmate and called party voices continuously throughout call Provides additional imposter detection and reporting tools 	5.2% reduction to commission
Cell phone detection – Portable Detection Units	<ul style="list-style-type: none"> CellSense or CEIA USA units 	2 units at no cost; .09% commission reduction up to 15 units (additional units by negotiation)
Cell phone detection – Contraband Assessment Services	<ul style="list-style-type: none"> On-site assessment of contraband cell phone – assessment includes up to two physical locations within a single facility 	.15% commission reduction per planned assessment



Cell phone detection – Cell Intel Service	<ul style="list-style-type: none"> • Contraband Assessment + Cell Intel data regarding dialed numbers and text messages from contraband devices 	.30% commission reduction per planned assessment
Cell phone intelligence – Cellebrite extraction units	<ul style="list-style-type: none"> • Forensic extraction unit for discovered contraband cell phones, plus data management services 	.15% commission reduction per device
Cell phone detection – CellBusters location devices	<ul style="list-style-type: none"> • Cell phone location devices within facilities 	Requires negotiation regarding scope and deployment
Cell phone detection – Service Denial	<ul style="list-style-type: none"> • Detects contraband cell phone make, model, serial number, and subscriber information through installation of Distributed Antenna System (DAS) • Transmits phone information to carriers to deny service 	Requires negotiation regarding scope and deployment
Cell phone detection – Managed Access	<ul style="list-style-type: none"> • Deploys DAS and detects similar information as Service Denial installation • Also deploys cell phone controllers to automatically deny service to detected contraband phones 	Requires negotiation regarding scope and deployment
PREA Pro Reporting	<ul style="list-style-type: none"> • Detailed reporting, event management, and case management tool for PREA administration 	.8% reduction in commission
Location of called cell phones / “Geo Fencing”	<ul style="list-style-type: none"> • Ability to locate called cell phones and place “geo fence” perimeter around correctional facilities 	1.0% reduction to commission

Final Considerations in Evaluating Our Offer**Called party service impacts NDOC complaints AND revenue**

As NDOC is well aware, CenturyLink's billing and service program, which provides immediate access to live U.S.- based representatives for account servicing, has a proven history of reducing (even eliminating) complaints, connecting more calls from inmates to family, and increasing commission revenue to the State.

This was seen immediately after cutover in 2008 – although the cost per call was decreased by approximately 20%, gross calling revenue increased by approximately 20%.

If we assume only 20% better revenue performance vs. another provider, that provider would have to offer over 90% to match CenturyLink's 'baseline' 75.2% offer in Option #1, even ignoring our lower billing fees and better customer service

CenturyLink has consistently worked in good faith with its customers

This has been especially true during the ongoing FCC rate proceedings. Unfortunately, other major providers have unilaterally stopped paying commissions on interstate calls, stating that per the FCC Order they are unable to do so. This is simply not true given the partial stay from the Court – as a result CenturyLink has continued to comply with its contracts and pay commissions on interstate traffic.

We respectfully request the Department investigate all bidders' past business practices, especially as they relate to implementation of the recent FCC Order

CONTRACTOR NAME: CenturyLink Public Communications, Inc.

AUTHORIZED REPRESENTATIVE: Paul Cooper

SIGNATURE:



TITLE:

General Manager DATE: 27 Mar 2014

ATTACHMENT Q – COST COMMISSION PROPOSAL CERTIFICATION OF COMPLIANCE WITH TERMS AND CONDITIONS OF RFP

I have read, understand and agree to comply with *all* the terms and conditions specified in this Request for Proposal.

YES X I agree to comply with the terms and conditions specified in this RFP.

NO _____ I do not agree to comply with the terms and conditions specified in this RFP.

If the exception and/or assumption require a change in the terms in any section of the RFP, the Contract, or any incorporated documents, vendors *must* provide the specific language that is being proposed in the tables below. If vendors do not specify in detail any exceptions and/or assumptions at time of proposal submission, the State will not consider any additional exceptions and/or assumptions during negotiations.

Note: Only cost exceptions and/or assumptions should be identified on this attachment. Do not restate the technical exceptions and/or assumptions on this attachment.

CenturyLink

Company Name _____

Signature _____

Paul Cooper

Print Name _____

3/27/2014

Date

Vendors MUST use the following format. Attach additional sheets if necessary.

EXCEPTION SUMMARY FORM

EXCEPTION #	RFP SECTION NUMBER	RFP PAGE NUMBER	EXCEPTION (Complete detail regarding exceptions must be identified)
None			

ASSUMPTION SUMMARY FORM

ASSUMPTION #	RFP SECTION NUMBER	RFP PAGE NUMBER	ASSUMPTION (Complete detail regarding assumptions must be identified)
None			

This document must be submitted in Tab III of vendor's cost proposal.
This form **MUST NOT** be included in the technical proposal.