



EMBARQ Payphone Services, Inc. - Cost Proposal

Nevada Department of Corrections RFP #1628

EMBARQ Payphone Services Inc. (EPSI) presents the following Rates and Commissions for the Nevada Department of Corrections (NDOC). EPSI will provide a variety of Commission offers for NDOC consideration. Following are descriptions of the (6) financial options contained in Attachment J:

Section I

Option #1, Base Rates with no part-time administrators

Embarq offers NDOC **commission of 53.5%** on gross revenues.

Embarq offers NDOC a **MAG Payment of \$1,847,385**

Option #2, Lower Rates with no part-time administrators

Embarq offers NDOC **43.5% Commission** on gross revenues

Embarq offers NDOC a **MAG Payment of \$1,425,543**

See attachment J for table of lower rates

Option #3, Higher Rates with no part-time administrators

Embarq offers NDOC **56.2% Commission** on gross revenues

Embarq offers NDOC a **MAG Payment of \$2,257,171**

See attachment J for table of higher rates

Section II

Option #1, Base Rates with three part-time administrators

Embarq offers NDOC **commission of 51.5%** on gross revenues

Embarq offers NDOC a **MAG Payment of \$1,778,324**

Option #2, Lower Rates with three part-time administrators

Embarq offers NDOC **41.5% Commission** on gross revenues

Embarq offers NDOC a **MAG Payment of \$1,360,001**

See attachment J for table of lower rates

Option #3, Higher Rates with three part-time administrators

Embarq offers NDOC **54.2% Commission** on gross revenues

Embarq offers NDOC a **MAG Payment of \$2,148,731**

See attachment J for table of higher rates

Additional notes:

- No billing recovery fees will be added to any called party's phone bill by EMBARQ or any of its subcontractors.
- Commissions will be paid on total gross revenue, with no deductions for fraud, bad debt, or uncollectible charges.
- EMBARQ will pay commission on every type of payment method (collect, debit (calling cards), and prepaid), without exception.
- Minimum Annual Guarantees (MAGs) would be payable at the end of each effective year of the contract; i.e. monthly commission payments would be made on actual gross revenues with a 'true-up' occurring if the total actual commission payments during that year were below the proposed MAG.

Vendors name EMBARQ Payphone Service, Inc.

Section I:

**INMATE TELEPHONE SERVICE: RATES AND COMMISSIONS EXCLUDING A
PART-TIME ON-SITE ADMINISTRATOR**

1. Contractor shall provide a commission offer for the rates listed below as Calling Rate Option #1 (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.

COLLECT AND DEBIT CALLING RATES OPTION #1:

Intrastate Calling Rates:

<u>Mileage Band</u>	<u>1st Minute</u>	<u>Additional Minute</u>
0-10 (and local)	\$0.14	\$0.05
11-22	\$0.20	\$0.09
23-55	\$0.27	\$0.14
56-124	\$0.33	\$0.21
125+	\$0.39	\$0.26

Time of Day Discounts:

Monday – Friday	8:00 AM – 5:00 PM	0%
	5:00 PM – 11:00 PM	25%
	11:00 PM – 8:00 AM	50%
Saturday	All Hours	50%
Sunday	8:00 AM – 5:00 PM	50%
	5:00 PM – 11:00 PM	25%
	11:00 PM – 8:00 AM	50%

The following Holidays will receive a 50% discount: New Year's Day, Independence Day, Labor Day, Thanksgiving, and Christmas. Discounts do NOT apply to operator surcharges.

Automated Operator Surcharges:

Station-to-Station Collect	\$1.00
Person-to-Person Collect	\$3.00

Interstate Calling Rates:

Surcharge	3.95	Per Minute Rate	\$0.89
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Commission Rate: 53.5%

Financial Incentive: None MAG Payment: \$1,847,385

Comments:

CALLING RATES OPTION #2: Lower Rates

	COLLECT		INMATE BASED DEBIT		PRE-PAID COLLECT	
	Surcharge	Per Minute Rate	Surcharge	Per Minute Rate	Surcharge	Per Minute Rate
Local	\$0.67	\$0.00	\$0.54	\$0.00	\$0.54	\$0.00
Intralata/Intrastate	\$0.84	\$0.10	\$0.68	\$0.08	\$0.68	\$0.08
Interlata/Intrastate	\$1.52	\$0.19	\$1.22	\$0.15	\$1.22	\$0.15
Interlata/Interstate	\$1.66	\$0.19	\$1.33	\$0.15	\$1.33	\$0.15
International	\$1.66	\$0.19	\$1.33	\$0.15	\$1.33	\$0.15
Additional Charges	None		None		None	
Commission Rate	43.5%		43.5%		43.5%	

Financial Incentive: None MAG Payment: \$1,425,543

Comments: Debit and Pre-Paid have been discounted 20.0% compared to Collect.

CALLING RATES OPTION #3: Higher Rates

	COLLECT		INMATE BASED DEBIT		PRE-PAID COLLECT	
	Surcharge	Per Minute Rate	Surcharge	Per Minute Rate	Surcharge	Per Minute Rate
Local	\$1.50	\$0.08	\$1.20	\$0.06	\$1.20	\$0.06
Intralata/Intrastate	\$1.50	\$0.15	\$1.20	\$0.12	\$1.20	\$0.12
Interlata/Intrastate	\$2.21	\$0.24	\$1.77	\$0.20	\$1.77	\$0.20
Interlata/Interstate	\$2.99	\$0.67	\$2.39	\$0.53	\$2.39	\$0.53
International	\$2.99	\$0.67	\$2.39	\$0.53	\$2.39	\$0.53
Additional Charges	None		None		None	
Commission Rate	56.2%		56.2%		56.2%	

Financial Incentive: None MAG Payment: \$2,257,171

Comments: Debit and Pre-Paid have been discounted 20.0% compared to Collect.

CONTRACTOR NAME:

EMBARQ Payphone Services, Inc

AUTHORIZED REPRESENTATIVE:

Paul Cooper

SIGNATURE:



TITLE:

Director, EPSI DATE: 10/12/07

Section II:

INMATE TELEPHONE SERVICE: RATES AND COMMISSIONS INCLUDING A PART-TIME ON-SITE ADMINISTRATOR

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Financial Incentive: None

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Additional Charges	None		None		None	
Commission Rate	41.5%		41.5%		41.5%	

Financial Incentive: None MAG Payment: \$1,360,001

Comments: *Debit and Pre-Paid have been discounted 20.0% compared to Collect.*

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