

**SECTION B – SUPPLIES OR SERVICES AND PRICES/COSTS****B.1 SERVICES AND PRICES/COSTS****B.1.1 Services Being Acquired**

The Contractor shall provide a statewide turnkey Offender Telephone System (OTS) for the Texas Department of Criminal Justice (TDCJ). This Contract is a revenue based Contract, as stipulated by Subchapter B, Chapter 495, Texas Government Code, Section 495.027, INMATE PAY TELEPHONE SERVICE.

The Contract Term will consist of a Base Period of seven (7) years (September 1, 2018 through August 31, 2025) and three (3) additional two (2) year renewal Option Periods.

**B.1.2 Pricing Instructions**

Commission revenues shall be calculated as a fixed percentage based on the gross monthly call revenues for all calls completed by Offenders. Commission revenues for eMessaging shall be calculated as a fixed percentage based on monthly postage used for all eMessages and attachments sent to Offenders. All commissions the State realizes from the OTS are to be described in detail in this item including the percentage of the commission. **The Contractor shall pay the Department monthly, a commission of not less than forty percent (40%) of Gross Revenue billed.**

Commission revenue begins to accrue when the first completed telephone call is made by an Offender. Only completed telephone calls are to be billed from the time that the end user accepts the call and conversation begins. Incomplete calls are not billable.

Should any relevant entity (e.g. Federal Communications Commission (FCC), the Public Utilities Commission of Texas (PUCT)) or legislative entity modify, eliminate, or establish additional rates, fees or other charges that are allowed or required to be collected for the services provided by Contractor during the term of the Contract; the Contractor shall notify the Department in writing at least sixty (60) business days prior to implementation of any required or permitted rates, fees, or other charges. Notification shall include documentation from the appropriate regulatory or legislative entity detailing the changes.

Should Federal or State statutes or regulations change in the future either reducing or eliminating commissions or reducing the rates, fees or other charges that are allowed or required to be collected by the Contractor for Offender calling services provided under this Contract, the Department and Contractor will renegotiate such commissions and/or Contract rates, fees or other charges to preserve the economic benefits of this Contract.

Should a system failure prevent the accumulation of call data resulting in the loss of records reflecting revenue, commission revenue shall be derived based on historical data.