

STATE OF UTAH - STATE COOPERATIVE CONTRACT

CONTRACT NUMBER AR-500

1. CONTRACTING PARTIES: This State Cooperative Contract is between the **Division of Purchasing and General Services**, an agency of the State of Utah, and the following CONTRACTOR:

FSH Communications LLC
Name
100 W Monroe Street, Suite 2101
Address
Chicago Illinois 60603
City State Zip

LEGAL STATUS OF CONTRACTOR

- Sole Proprietor
 Non-Profit Corporation
 For-Profit Corporation
 Partnership
 Government Agency

Contact Person Dale Cherrington Phone #801-969-6399 Fax # 801-963-2308 Email
dale.cherrington@fshcommunications.com
Federal Tax ID# 20-0869547 Vendor #119320A Commodity Code #72556,72557,91577 & 98577

2. GENERAL PURPOSE OF CONTRACT: The general purpose of this contract is to provide:
Provide Inmate Communications Systems/Service for the State of Utah
3. CONTRACT PERIOD: Effective date: 8/1/08 Termination date: 7/31/11 unless terminated early or extended in accordance with the terms and conditions of this contract. Renewal options (if any): 1 - (2) two year renewal option followed by 1-(1) one year renewal option.
4. PRICING AS PER THE ATTACHMENT
PAYMENT TERMS: Net 30
DAYS REQUIRED FOR DELIVERY: As Required.
MINIMUM ORDER: One
FREIGHT TERMS: FOB Delivered
5. ATTACHMENT A: Standard Contract Terms and Conditions, State Cooperative Contract
ATTACHMENT B: Scope of Work
ATTACHMENT C: FSH Inmate Telephone Service Agreement
Any conflicts between Attachment A and other Attachments will be resolved in favor of Attachment A.
6. DOCUMENTS INCORPORATED INTO THIS CONTRACT BY REFERENCE BUT NOT ATTACHED:
a. All other governmental laws, regulations, or actions applicable to the goods and/or services authorized by this contract.
b. Utah State Procurement Code, Procurement Rules, and CONTRACTOR'S response to Bid #DG8013 and BAFO #5 dated 4/29/2008.

IN WITNESS WHEREOF, the parties sign and cause this contract to be executed.

CONTRACTOR

Steven Loggans 7/31/08
Contractor's Signature Date

Steven L. Loggans VP General Manager
Type or Print Name and Title

STATE OF UTAH

Douglas G. Richins
Date
Director, Div. of Purchasing & General Svs.



ATTACHMENT C
FSH SERVICE AGREEMENT



INMATE TELEPHONE SERVICE AGREEMENT

This Agreement is made and entered into by and between FSH Communications, LLC ("FSH"), a Delaware corporation, and the State of Utah, Division of Purchasing and General Services ("Space Provider" or "State") with a principal place of business at 3150 State Office Building, Capitol Hill, PO Box 141061, Salt Lake City, UT 84114-1061, for the provision of pay telephones and/or inmate telephone service (Telephones) and ancillary inmate communications (equipment) as defined herein ("Agreement"). For purposes of clarity, both pay telephones for inmates and other inmate telephones will be referred to as "Telephones" in this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants made herein, the parties agree as follows:

1. **TERM.** This Agreement is effective on July 1, 2008 ("Effective Date"), and shall continue in effect for a period of three (3) years ("Initial Term") from the Effective Date. Upon completion of the Initial Term, this Agreement may be renewed for one two-year (2) renewal followed by a one (1) year renewal under the same terms and conditions by processing an Amendment to Contract AR-500 for a total of six (6) years.

2. SCOPE OF AGREEMENT

2.1. In consideration of compensation provided herein, Space Provider grants to FSH exclusive right to install and maintain Telephones for all Utah Department of Corrections (UDC) correctional facilities within its building or on its private property ("Location") during the term of this Agreement. Also, FSH will install and maintain Telephones for additional State of Utah agencies and for State of Utah political subdivision, at the sole option of these State entities. FSH will charge the rates for telephone services that were listed in FSH's response to RFP #DG8013. This Agreement applies to all Telephone(s) currently installed ("existing") and to all future installations ("new").

2.2. This Agreement includes all other premises, whether now existing (if a competing provider has a contract and equipment at such premises, this clause applies at the earliest termination opportunity) or subsequently acquired, under the control of Space Provider within FSH's service areas. Space Provider will advise FSH in writing, of newly opened, acquired, or available premises, promptly, so FSH can evaluate installation of its Telephones at these premises.

2.3 In consideration of the compensation paid to Space Provider under this Agreement, Space Provider expressly waives carrier selection rights, where applicable, and FSH expressly reserves the right to select and/or contract for the local, intraLATA and interLATA carrier selections for the telephones subject to this Agreement and intended for placement at Space Provider locations.

3. RESPONSIBILITY OF FSH

FSH agrees to:

- 3.1. Install Telephones at locations mutually agreed upon by both parties.
- 3.2. Jointly determine with Space Provider the appropriate number of Telephones to be installed at each location.
- 3.3. Service and repair Telephones provided by FSH, at FSH's expense, except as otherwise agreed upon herein.
- 3.4. Comply with the Americans with Disabilities Act (ADA) as it relates to the FSH -provided equipment.

4. RESPONSIBILITY OF SPACE PROVIDER

Space Provider agrees to:

- 4.1. Provide adequate space for Telephones and easy accessibility for use during the normal operating hours of Space Provider. In the event Space Provider is not the owner of the premises, Space Provider shall, where necessary,



obtain permission from the building owner or owner's agent for the placement of FSH's Telephones, and shall be responsible for any fees for use of required riser cable and electric power.

4.2. Maintain the area around the Telephones and ensure safe and ready access to the users of the Telephones and to FSH.

4.3. Allow FSH access to perform maintenance during the established hours of accessibility jointly agreed to by Space Provider and FSH, except when access must be denied to ensure the safety of FSH service personnel and/or to maintain institutional control.

4.4. Space Provider agrees to allow FSH access to and use of house cable and inside wire at no cost, in order to install and provide telephone service. Any new house cable or inside wire required during the contract term will be at the sole expense of the Space Provider, unless otherwise negotiated with FSH. Light fiber is not defined as house cable or inside wire. Any expense incurred as a result of the expected use of light fiber will be at the sole expense of the Space Provider unless otherwise negotiated with FSH.

4.5. Any relocation, expansion, addition, or deletion of Telephones and equipment, for reasons other than safety or as otherwise agreed to under Contract AR-500 or under RFP DG8013, resulting in extraordinary expense and expected to be paid for by FSH, must be agreed to by FSH in advance of the cost being incurred or alternatively, the cost be paid by Space Provider.

4.6. Exercise reasonable care to prevent the loss through theft and any damage to the Telephones from any source.

4.7. Space Provider may, at its option, purchase and provide enclosures at their own expense for Telephones. In the event Space Provider elects to provide enclosures, Space Provider shall be responsible for installation and maintenance of said enclosures.

4.8. Space Provider warrants that it has the authority to enter into this Inmate Telephone Service Agreement with FSH. Space Provider further warrants that the Telephones as mentioned in Schedule A, attached hereto and incorporated herein by this reference, are on property owned by the Space Provider or if Space Provider is not the owner of the premises, Space Provider has obtained permission from the building owner or owner's agent to enter into this Agreement.

5. **OWNERSHIP.** FSH is and shall remain the owner of the Telephones provided by FSH whether or not physically attached to real estate.

6. **FURTHER LOCATIONS AND TELEPHONES.** The parties may add location(s) and Telephone(s) to this Agreement. Additions may be evidenced by a written memorandum between the parties, but FSH's business office records, unless clearly erroneous, will be binding on the parties. Additions will not change the initial or any renewal terms or the expiration date of this Agreement.

7. **COMMISSION.** FSH agrees to pay Space Provider a commission in accordance with Schedule B, attached hereto and incorporated herein by this reference. Payment shall be in the form of commission checks made payable to Space Provider.

8. **REMOVAL OF TELEPHONES.** FSH may, at the approval of both parties, remove any or all Telephones, in the event that placement at Space Provider location(s) is not economically viable. If FSH removes Telephones under this paragraph, Space Provider shall not be liable for termination charges for the Telephones removed. Space Provider shall be entitled to receive any commissions earned before the FSH removal of such Telephones.

9. **TERMINATION LIABILITY.** If Telephones are removed by Space Provider, during the term of this Agreement, Space Provider shall be liable to FSH for a termination charge as set forth in Schedule C, attached hereto and incorporated herein by this reference. This provision shall not apply to the temporary removal of Telephones by Space Provider or upon Space Provider's request, for space remodeling, construction work, or for safety reasons.



10. **LIMITATION OF LIABILITY.** In the event of a service interruption caused by FSH, FSH liability shall be limited to the use of reasonable diligence under the circumstances, for restoration of service. FSH shall treat, as high priority, any/all service interruptions of eight (8) hours or more, thereby facilitating timely repair resolution. IN NO EVENT SHALL EITHER PARTY BE LIABLE TO THE OTHER FOR INCIDENTAL, SPECIAL, INDIRECT OR CONSEQUENTIAL DAMAGES, INCLUDING LOST STATION REVENUES, LOSS OF PROFITS OR OTHER COMMERCIAL OR ECONOMIC LOSS ARISING OUT OF THE PERFORMANCE OF THIS AGREEMENT, INCLUDING WITHOUT LIMITATION NEGLIGENT PERFORMANCE OR FAILURE TO PERFORM, EXCEPT AS SET FORTH UNDER THE TERMINATION LIABILITY PROVISION HEREIN.

11. **EXCUSED PERFORMANCE.** Space Provider shall not be subject to Termination Liability if the cause of removal is directly related to the cessation of Space Provider's business operations. Neither party shall be held liable for any delay or failure in performance of any part of this Agreement caused by circumstances beyond the reasonable control of the party affected, including, but not limited to, acts of the elements or natural disasters, strikes, power failures, civil or military emergencies or acts of legislative, judicial or other civil authorities.

12. **DEFAULT.** If either party fails to perform its obligations under this Agreement, failure shall constitute default and, in such event, written notice shall be given to provide an opportunity to remedy such default. Should the defaulting party fail to remedy such default within 10 days from date of such notice, the non-defaulting party shall have the right, in addition to all other rights and remedies available at law or in equity, to terminate this Agreement in whole or in part.

13. **ADVERTISING/PUBLICITY.** Space Provider may not make any disclosure to any other person regarding FSH (and/or any of its affiliate's) marks, codes, drawings, or specifications without FSH's prior written consent, unless required by law. This Agreement will be a public information, and may be copied and distributed according to the State's public information laws (GRAMA laws).

FSH shall have the right to terminate this Agreement and any other agreements between the parties if Space Provider violates this provision.

14. **INSURANCE.** At all times during the term of this Agreement, FSH and its subcontractors shall maintain in effect the following types and amounts of Insurance:

- i. Employers' Liability Insurance - \$5,000,000 per incident and \$1,000,000 per person.
- ii. Commercial General Liability Insurance with Bodily Injury Liability and Property Damage Liability Combined Single Limit
 - \$5,000,000 per incident and
 - \$1,000,000 per person.
- iii. Commercial Automobile Liability as follows: Combined Bodily Injury and Property Damage Single Limit - \$5,000,000 combined single limit for each incident and \$1,000,000 per person.
- iv. Workers' Compensation – FSH shall comply with all Workers' Compensation requirements in the states in which FSH will provide services to Space Provider under this Agreement.

15. **INDEMNIFICATION.** It is agreed by and between the parties that it is the responsibility of Space Provider to maintain the area around the Telephones and to maintain enclosures if provided by Space Provider. Space Provider specifically agrees to defend and indemnify FSH from any claims that may result from Space Providers failure to properly maintain the area or enclosure except to the extent that such failure is due to the sole negligence or willful acts of FSH's employees or agents. FSH agrees to defend and indemnify Space Provider from any claims that result from FSH 's failure to properly maintain or service Telephones, except to the extent that such claim results from the sole negligence or willful acts of Space Provider's employees or agents.



16. **NOTICES.** Any notices or other communications to be given under this Agreement shall be sent to the following persons:

FOR SPACE PROVIDER:

State of Utah, Division of Purchasing
State Office Building, Room 3150
Salt Lake City, Utah 84114
Purchasing Officer: Debbie Gundersen

FOR FSH:

Dale Cherrington
Account Executive
2608 Terah Maria Drive
Taylorsville, UT 84118

Department of Corrections

14717 Minuteman Drive
Draper, Utah 84020
Project Manager: David Worthington

Copy to:

FSH Legal Department
100 W. Monroe, Suite 2101
Chicago, IL 60603
Attn: Michael L. Johnson, Esq.

17. **REGULATORY.** The parties acknowledge that underlying telecommunications services may be provided by regulated telecommunications providers and, where applicable, provider tariffs, catalogs and price lists may apply.

18. **LAWFULNESS OF AGREEMENT.** The parties acknowledge that this Agreement is subject to applicable federal, state, and local laws, rules, regulations, court orders, and governmental agency orders governing the provision of inmate telecommunications services.

19. **NONWAIVER.** The failure of either party to enforce strict performance of any provision of this Agreement shall not be construed as a waiver of its right to assert or rely upon such provision or any other provision of this Agreement.

20. **GOVERNING LAW.** This Agreement shall be interpreted, construed and enforced in all aspects in accordance with the laws of the State in which the inmate telephone and public telephone service is provided.

21. **SUCCESSORS AND ASSIGNS.** This Agreement shall be fully binding upon, inure to the benefit of and be enforceable by each party, their successors and assigns. No assignment of any right or interest in this Agreement (whether by contract, operation of law or otherwise) shall release or relieve either party of any of its obligations or liabilities under this Agreement.

22. **ASSIGNMENT.** Neither party shall assign its rights nor delegate its duties under this Agreement without the prior written consent of the other party; except, either party may assign this Agreement to a parent, subsidiary or affiliated company by providing thirty (30) days written notice to the other party.

23. **AMENDMENTS AND MODIFICATIONS.** Amendments and modifications to this Agreement, except for additions or deletions of Telephones as described above, must be in writing and signed by an authorized representative of each Party.

24. **SEVERABILITY.** In the event that a court, governmental agency, or regulatory body with proper jurisdiction determines that this Agreement or a provision of this Agreement is unlawful, this Agreement, or that provision of the Agreement to the extent it is unlawful, shall terminate. If a provision of this Agreement is terminated but the parties can legally, commercially and practicably continue without the terminated provision, the remainder of this Agreement shall continue in effect.



25. **ENTIRE AGREEMENT.** This Agreement, including all schedules, amendments and exhibits, and the State of Utah Contract AR-500 constitutes the entire Agreement between the parties and supersedes all prior agreements and oral or written representations with respect to the subject matter hereto.

Space Provider:	FSH Communications, LLC
Signature:	Signature: <i>Steven L. Loggans</i>
Name Printed/Typed	Name Printed/Typed Steven L. Loggans
Title	Title Vice President /General Manger
Date	Date JULY 18, 2008
Federal Tax ID Number	



SCHEDULE A
INMATE TELEPHONE LOCATIONS
FOR
State of Utah, Division of Purchasing and General Services

Table with 5 columns: Telephone Number, Address, City, St, Install Date

The Inmate Telephone Locations will be agreed upon by the parties, and will be listed separately from Contract AR-500 and this Agreement. The Telephones may be relocated, expanded, added, or deleted as agreed upon by the parties in writing, and according to the Agreement. The Inmate Telephone Numbers and Locations will be considered confidential information by the parties, and will not be disclosed except to those employees or the parties agents with a need to know, or as required by law.



**SCHEDULE B
COMMISSION SCHEDULE
FOR
State of Utah, Division of Purchasing and General Services**

FSH agrees to pay Space Provider compensation for Inmate Telephone Service based upon 55% commission rate for large correctional facilities (≥ 500 inmates) served by premise-based communication systems, a 45% commission rate for small correctional facilities (< 500 inmates) of revenue for completed local, intraLATA and InterLATA collect, debit, prepaid and or advance pay calls as billed by FSH's underlying telecommunications providers, exclusive of calls where no billing and collection agreements exist.

Commission Checks are to be mailed to the following address:

State of Utah

Division of Finance Ut Sys of Higher Ed/C Bowers

2110 State Office Building

Salt Lake City, Utah 84114-1201



**SCHEDULE C
TERMINATION LIABILITY
FOR
State of Utah, Division of Purchasing and General Services**

TELEPHONE EQUIPMENT INVESTMENT: Termination liability applies to new Telephone installations only. This charge does not apply to installed Telephones that are temporarily removed for purposes of construction, for safety reasons, due to closure of a facility, or for termination when the renewal options have expired (6/30/14). In the event of removal of Telephones for reasons other than for the reasons stated above, the termination charge shall be \$318.45 (three hundred and eighteen dollars and forty-five cents) for each new inmate telephone, reduced by \$5.21__ for each month the inmate telephone is in service after the installation date. Termination charges may also apply for the unamortized associated expenses of the ancillary equipment installed on premises that are used to support the functions of the Telephones.

Net Unamortized Capital:	\$173.69 / Set
Installation Cost:	\$144.76 / Set
Removal Cost:	\$ <u> </u> N/A / Set
	\$318.45 / Set

Attachment A

Standard Contract Terms and Conditions State of Utah, State Cooperative Contract

- 1. AUTHORITY:** Provisions of this contract are pursuant to the authority set forth in 63-56, Utah Code Annotated, 1953, as amended, Utah State Procurement Rules (Utah Administrative Code Section R33), and related statutes which permit the STATE to purchase certain specified services, and other approved purchases for the STATE.
- 2. CONTRACT JURISDICTION, CHOICE OF LAW, AND VENUE:** The provisions of this contract shall be governed by the laws of the State of Utah. The parties will submit to the jurisdiction of the courts of the State of Utah for any dispute arising out of this Contract or the breach thereof. Venue shall be in Salt Lake City, in the Third Judicial District Court for Salt Lake Co.
- 3. LAWS AND REGULATIONS:** The Contractor and any and all supplies, services, equipment, and construction proposed and furnished under this contract will comply fully with all applicable Federal and State laws and regulations.
- 4. RECORDS ADMINISTRATION:** The Contractor will maintain, or supervise the maintenance of all records necessary to properly account for the payments made to the Contractor for costs authorized by this contract. These records will be retained by the Contractor for at least four years after the contract terminates, or until all audits initiated within the four years have been completed, whichever is later. The Contractor agrees to allow the State and Federal auditors, and State agency staff, access to all the records to this contract, for audit and inspection, and monitoring of services. Such access will be during normal business hours, or by appointment.
- 5. CONFLICT OF INTEREST:** Contractor certifies that it has not offered or given any gift or compensation prohibited by the laws of the State of Utah to any officer or employee of the STATE or participating political subdivisions to secure favorable treatment with respect to being awarded this contract.
- 6. INDEPENDENT CONTRACTOR:** Contractor will be an independent Contractor, and as such will have no authorization, express or implied to bind the STATE to any agreements, settlements, liability or understanding whatsoever, and agrees not to perform any acts as agent for the STATE, except as expressly set forth herein. Compensation stated herein will be the total amount payable to the Contractor by the STATE. The Contractor will be responsible for the payment of all income tax and social security tax due as a result of payments received from the STATE for these contract services. Persons employed by the STATE and acting under the direction of the STATE will not be deemed to be employees or agents of the Contractor.
- 7. INDEMNITY CLAUSE:** The Contractor will release, protect, indemnify and hold the STATE and the respective political subdivisions and their officers, agencies, employees, harmless from and against any damage, cost or liability, including reasonable attorney's fees for any or all injuries to persons, property or claims for money damages arising from acts or omissions of the Contractor, his employees or subcontractors or volunteers.
- 8. EMPLOYMENT PRACTICES CLAUSE:** The Contractor agrees to abide by the provisions of Title VI and VII of the Civil Rights Act of 1964 (42USC 2000e) which prohibits discrimination against any employee or applicant for employment or any applicant or recipient of services, on the basis of race, religion, color, or national origin; and further agrees to abide by Executive Order No. 11246, as amended, which prohibits discrimination on the basis of sex; 45 CFR 90 which prohibits discrimination on the basis of age; and Section 504 of the Rehabilitation Act of 1973, or the Americans with Disabilities Act of 1990 which prohibits discrimination on the basis of disabilities. Also, the Contractor agrees to abide by Utah's Executive Order, dated March 17, 1993, which prohibits sexual harassment in the work place.
- 9. SEVERABILITY:** If any provision of this contract is declared by a court to be illegal or in conflict with any law, the validity of the remaining terms and provisions will not be affected; and the rights and obligations of the parties will be construed and enforced as if the contract did not contain the particular provision held to be invalid.
- 10. RENEGOTIATION OR MODIFICATIONS:** The terms of this contract will not be waived, altered, modified, supplemented or amended in any manner whatsoever without prior written approval of the State Director of Purchasing. Automatic renewals will not apply to this contract.
- 11. DEBARMENT:** The Contractor certifies that neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction (contract), by any governmental department or agency. If the Contractor cannot certify this statement, attach a written explanation for review by the STATE. The Contractor must notify the State Director of Purchasing within 30 days if debarred by any governmental entity during the Contract period.
- 12. TERMINATION:** Unless otherwise stated in the Special Terms and Conditions, this contract may be terminated, with cause by either party, in advance of the specified termination date, upon written notice being given by the other party. The party in violation will be given ten (10) working days after notification to correct and cease the violations, after which the contract may be terminated for cause. This contract may be terminated without cause, in advance of the specified expiration date, by either party, upon sixty (60) days prior written notice being given the other party. On termination of this contract, all accounts and payments will be processed according to the financial arrangements set forth herein for approved services rendered to date of termination.
- 13. NONAPPROPRIATION OF FUNDS:** The Contractor acknowledges that the State cannot contract for the payment of funds not yet appropriated by the Utah State Legislature. If funding to the State is reduced due to an order by the Legislature or the Governor, or is required by State law, or if federal funding (when applicable) is not provided, the State may terminate this contract or proportionately reduce the services

and purchase obligations from the State upon 30 days written notice. In the case that funds are not appropriated or are reduced, the State will reimburse Contractor for products delivered or services performed through the date of cancellation or reduction, and the State will not be liable for any future commitments, penalties, or liquidated damages.

14. TAXES: Bid/proposal prices will be exclusive of state sales, use and federal excise taxes. The State of Utah's sales and use tax exemption number is 11736850-010-STC. The tangible personal property or services being purchased are being paid from STATE funds and used in the exercise of that entity's essential functions. If the items being purchased are construction materials, they will be converted into real property by employees of this government entity, unless otherwise stated in the contract, or contract orders. The State of Utah's Federal excise exemption number is 87-780019K.

15. WARRANTY: The Contractor agrees to warrant and assume responsibility for all products (including hardware, firmware, and/or software products) that it licenses, contracts, or sells to the State of Utah under this contract for a period of one year, unless otherwise specified and mutually agreed upon elsewhere in this contract. The Contractor (seller) acknowledges that all warranties granted to the buyer by the Uniform Commercial Code of the State of Utah apply to this contract. Product liability disclaimers and/or warranty disclaimers from the seller are not applicable to this contract unless otherwise specified and mutually agreed upon elsewhere in this contract. In general, the Contractor warrants that: (1) the product will do what the salesperson said it would do, (2) the product will live up to all specific claims that the manufacturer makes in their advertisements, (3) the product will be suitable for the ordinary purposes for which such product is used, (4) the product will be suitable for any special purposes that the STATE has relied on the Contractor's skill or judgment to consider when it advised the STATE about the product, (5) the product has been properly designed and manufactured, and (6) the product is free of significant defects or unusual problems about which the STATE has not been warned. Remedies available to the STATE include the following: The Contractor will repair or replace (at no charge to the STATE) the product whose nonconformance is discovered and made known to the Contractor in writing. If the repaired and/or replaced product proves to be inadequate, or fails of its essential purpose, the Contractor will refund the full amount of any payments that have been made. Nothing in this warranty will be construed to limit any rights or remedies the State of Utah may otherwise have under this contract.

16. PARTICIPANTS: This is a contract to provide the State of Utah government departments, institutions, agencies and political subdivisions (i.e., colleges, school districts, counties, cities, etc.) with the goods and/or services described in the bid/proposal.

17. POLITICAL SUBDIVISION PARTICIPATION: Participation under this contract by political subdivisions (i.e., colleges, school districts, counties, cities, etc.) will be voluntarily determined by the political subdivision. The Contractor agrees to supply the political subdivisions based upon the same terms, conditions and prices.

18. QUANTITY ESTIMATES: The STATE does not guarantee to purchase any amount under the contract to be awarded. Estimated quantities are for proposing purposes only and are not to be construed as a guarantee to purchase any amount.

19. DELIVERY: The prices proposed will be the delivered price to any state agency or political subdivision. Unless otherwise specified by the State, all deliveries will be F.O.B. destination with all transportation and handling charges paid by the Contractor. Responsibility and liability for loss or damage will remain with Contractor until final inspection and acceptance when responsibility will pass to the Buyer except as to latent defects, fraud, and Contractor's warranty obligations. The minimum shipment amount will be found in the special terms and conditions. Any order for less than the specified amount is to be shipped with the freight prepaid and added as a separate item on the invoice. Any portion of an order to be shipped without transportation charges that is back ordered will be shipped without transportation charges.

20. REPORTS: The Contractor will submit quarterly reports to the State Purchasing Agent showing the quantities and dollar volume of purchases by each agency and political subdivision.

21. PROMPT PAYMENT DISCOUNT: Offeror may quote a prompt payment discount based upon early payment; however, discounts offered for less than 30 days will not be considered in making the award. The prompt payment discount will apply to payments made with purchasing cards and checks. The date from which discount time is calculated will be the date a correct invoice is received or receipt of shipment, whichever is later; except that if testing is performed, the date will be the date of acceptance of the merchandise.

22. FIRM PRICES: Unless otherwise stated in the special terms and conditions, for the purpose of award, offers made in accordance with this solicitation must be good and firm for a period of ninety (90) days from the date of bid/proposal opening.

23. PRICE GUARANTEE, ADJUSTMENTS: The contract pricing resulting from this bid/proposal will be guaranteed for the period specified. Following the guarantee period, any request for price adjustment must be for an equal guarantee period, and must be made at least 30 days prior to the effective date. Requests for price adjustment must include documentation supporting the request and demonstrating a logical mathematical link between the current price and the proposed price. Any adjustment or amendment to the contract will not be effective unless approved by the State Director of Purchasing. The STATE will be given the immediate benefit of any decrease in the market, or allowable discount.

24. ORDERING AND INVOICING: Orders will be placed by the using agencies directly with the Contractor. All orders will be shipped promptly in accordance with the delivery guarantee. The Contractor will then promptly submit invoices to the ordering agency. The STATE contract number and the agency ordering number will appear on all invoices, freight tickets, and correspondence relating to the contract order. The prices paid by the STATE will be those prices on file with the Division of Purchasing. The STATE has the right to adjust or return any invoice reflecting incorrect pricing.

25. PAYMENT: Payments are normally made within 30 days following the date the order is delivered or the date a correct invoice is received, whichever is later. After 45 days the Contractor may assess overdue account charges up to a maximum rate of one percent per month on the outstanding balance. Payments may be made via a State of Utah (or political subdivision) "Purchasing Card" (major credit card). All payments

to the Contractor will be remitted by mail unless paid by Purchasing Card.

26. MODIFICATION OR WITHDRAWAL OF BIDS/PROPOSALS: Bids/proposals may be modified or withdrawn prior to the time set for the opening of bids/proposals. After the time set for the opening of bids/proposals, no bids/proposals may be modified or withdrawn.

27. BID/PROPOSAL PREPARATION COSTS: The STATE is not liable for any costs incurred by the offeror in bid/proposal preparation.

28. INSPECTIONS: Goods furnished under this contract will be subject to inspection and test by the Buyer at times and places determined by the Buyer. If the Buyer finds goods furnished to be incomplete or not in compliance with bid/proposal specifications, the Buyer may reject the goods and require Contractor to either correct them without charge or deliver them at a reduced price which is equitable under the circumstances. If Contractor is unable or refuses to correct such goods within a time deemed reasonable by the Buyer, the Buyer may cancel the order in whole or in part. Nothing in this paragraph will adversely affect the Buyer's rights including the rights and remedies associated with revocation of acceptance under the Uniform Commercial Code.

29. PATENTS, COPYRIGHTS, ETC.: The Contractor will release, indemnify and hold the Buyer, its officers, agents and employees harmless from liability of any kind or nature, including the Contractor's use of any copyrighted or un-copyrighted composition, secret process, patented or un-patented invention, article or appliance furnished or used in the performance of this contract.

30. ASSIGNMENT/SUBCONTRACT: Contractor will not assign, sell, transfer, subcontract or sublet rights, or delegate responsibilities under this contract, in whole or in part, without the prior written approval of the State Director of Purchasing.

31. DEFAULT AND REMEDIES: Any of the following events will constitute cause for the STATE to declare Contractor in default of the contract: 1. Nonperformance of contractual requirements; 2. A material breach of any term or condition of this contract. The STATE will issue a written notice of default providing a period in which Contractor will have an opportunity to cure. Time allowed for cure will not diminish or eliminate Contractor's liability for liquidated or other damages. If the default remains, after Contractor has been provided the opportunity to cure, the STATE may do one or more of the following: 1. Exercise any remedy provided by law; 2. Terminate this contract and any related contracts or portions thereof; 3. Impose liquidated damages, if liquidated damages are listed in the contract; 4. Suspend Contractor from receiving future bid/proposal solicitations.

32. FORCE MAJEURE: Neither party to this contract will be held responsible for delay or default caused by fire, riot, acts of God and/or war which is beyond that party's reasonable control. The STATE may terminate this contract after determining such delay or default will reasonably prevent successful performance of the contract.

33. HAZARDOUS CHEMICAL INFORMATION: The Contractor will provide one set of the appropriate material safety data sheet(s) and container label(s) upon delivery of a hazardous material to the user agency. All safety data sheets and labels will be in accordance with each participating state's requirements.

34. NON-COLLUSION: By signing the bid/proposal, the offeror certifies that the bid/proposal submitted has been arrived at independently and has been submitted without collusion with, and without any agreement, understanding or planned common course of action with, any other vendor of materials, supplies, equipment or services described in the Solicitation, designed to limit independent proposing or competition.

35. PUBLIC INFORMATION: Except as identified in writing and expressly approved by the State Division of Purchasing, Contractor agrees that the contract and related Sales Orders and Invoices will be public documents, as far as distribution of copies, and Contractor gives the STATE express permission to make copies of the contract, the response to the solicitation, and related Sales Orders and Invoices in accordance with the State of Utah Government Records Access and Management Act. The permission to make copies as noted will take precedence over any statements of confidentiality, proprietary information, or copyright information.

36. PROCUREMENT ETHICS: The Contractor understands that a person who is interested in any way in the sale of any supplies, services, construction, or insurance to the State of Utah is violating the law if the person gives or offers to give any compensation, gratuity, contribution, loan or reward, or any promise thereof to any person acting as a procurement officer on behalf of the State, or who in any official capacity participates in the procurement of such supplies, services, construction, or insurance, whether it is given for their own use or for the use or benefit of any other person or organization (63-56-1002, Utah Code Annotated, 1953, as amended).

37. ENERGY CONSERVATION AND RECYCLED PRODUCTS: The contractor is encouraged to offer Energy Star certified products or products that meet FEMP (Federal Energy Management Program) standards for energy consumption. The State of Utah also encourages contractors to offer products that are produced with recycled materials, where appropriate, unless otherwise requested in this solicitation.

38. CONFLICT OF TERMS: Contractor Terms and Conditions that apply must be in writing and attached to the contract. No other Terms and Conditions will apply to this contract including terms listed or referenced on a Contractor's website, terms listed in a Contractor quotation/sales order, etc. In the event of any conflict in the contract terms and conditions, the order of precedence shall be: 1. Attachment A: State of Utah Standard Contract Terms and Conditions; 2. State of Utah Contract Signature Page(s); 3. Additional State Terms and Conditions; 4. Contractor Terms and Conditions.

39. LOCAL WAREHOUSE AND DISTRIBUTION: The Contractor will maintain a reasonable amount of stock warehoused in the State of Utah for immediate or emergency shipments. Shipments are to be made in the quantities as required by the various ordering agencies. Orders for less than the minimum specified amount will have transportation charges prepaid by the Contractor and added as a separate item on the invoice. Any portion of an order to be shipped without transportation charges that is back ordered will be shipped without charge.

40. ENTIRE AGREEMENT: This Agreement, including all Attachments, and documents incorporated hereunder, and the related State Solicitation constitutes the entire agreement between the parties with respect to the subject matter, and supersedes any and all other prior and contemporaneous agreements and understandings between the parties, whether oral or written. The terms of this Agreement shall supersede any additional or conflicting terms or provisions that may be set forth or printed on the Contractor's work plans, cost estimate forms, receiving tickets, invoices, or any other related standard forms or documents of the Contractor that may subsequently be used to implement, record, or invoice services hereunder from time to time, even if such standard forms or documents have been signed or initialed by a representative of the State. The parties agree that the terms of this Agreement shall prevail in any dispute between the terms of this Agreement and the terms printed on any such standard forms or documents, and such standard forms or documents shall not be considered written amendments of this Agreement.

Revision date: 28 May 2008

PERFORMANCE BOND

Bond No. S9058987

KNOW ALL MEN BY THESE PRESENTS, That we, FSH COMMUNICATIONS, LLC
100 W. Monroe Suite 2101 Chicago, IL 60603

as Principal, and the WASHINGTON INTERNATIONAL INSURANCE COMPANY

a ARIZONA corporation, as Surety, subject to the Conditions, Limitations and Exclusions of this
Performance Bond, are firmly held bound unto STATE OF UTAH, DEPT. OF PURCHASING AND
GENERAL SERVICES, 3150 State Office Building, Capitol Hill, PO Box 141061, Salt Lake City

hereinafter referred to as the Oblige, for such monetary amount as incurred by the Oblige, not to exceed Utah 84114
the penal sum of FIVE HUNDRED THOUSAND & NO/100 (\$ 500,000.00),

as my be required to remedy any contractual default by the Principal in the performance of that certain
written contract between Principal and Oblige dated July 1 2008 for PROVISION OF PAY TELEPHONES
& EQUIPMENT AT ALL UTAH DEPT OF CORRECTIONS (UDC) CORRECTIONAL FACILITIES

hereinafter referred to as the Contract; for the payment hereof, we bind ourselves, our heirs, executors,
administrators and successors, jointly and severally.

CONDITIONS

The obligation of this Performance Bond shall be null and void unless: (1) the above Contract is in writing, and has been fully executed by both the Principal and the Oblige; (2) the Principal is actually in default under the above Contract, and is declared by the Oblige hereafter to be in default; (3) the Oblige has performed all of the obligations of the Oblige under the above Contract; and (4) the Oblige has provided written notice of the default to the Surety as promptly as possible, and in any event, within ten (10) days after such default.

LIMITATIONS AND EXCLUSIONS

The Surety, as the sole election and discretion of the Surety, may take any of the following actions:

- (1) With notice to the Oblige, provide financial assistance to the Principal to remedy any contractual default by the Principal; or,
- (2) Undertake the completion of the above Contract by the Surety, through its agents or through independent contractors; or,
- (3) Determine the amount for which the Surety may be liable to the Oblige, and as soon as a practicable thereafter, tender payment thereof to the Oblige; or
- (4) Pay the full amount of the above penal sum in complete discharge and exoneration of this Performance Bond, and all liabilities of the Surety relating thereto.

If the Surety so elects to act, all payments and expenditures by the Surety shall be applied against the above penal sum and in reduction of the limit of liability of the Surety.

Performance Bond

This bond is for a one-year term beginning July 31, 2008. In the event of default by the Principal in the performance of the contract during the term of this bond, the Surety shall be liable only for the direct loss to the Obligee due to actual excess costs of performance of the contract up to the termination of this term of this bond. No suit shall be brought on this bond after one year following its termination. Neither non-renewal by the Surety, nor failure or inability of the Principal to file a replacement bond, shall constitute loss of the Obligee recoverable under this bond. The bond may be extended for additional terms at the option of the Surety, by continuation certificate executed by the Surety.

The Obligation of this Performance Bond inures solely to the benefit of the obligee. No right of action shall accrue under this Performance Bond to or for the use of any person, firm, corporation, public or private entity other than the Obligee. In the event that the Obligee is comprised of more than one person, firm, corporation, public or private entity, the conditions, limitations and exclusions of this Performance Bond shall apply jointly and severally to each and all constituents of the Obligee, and the aggregate liability of the Surety to the Obligee shall in no event exceed the above penal sum.

No right of action shall accrue under this Performance Bond unless demand is brought by suit, action or other legal proceeding commenced against the Surety within one year after the day that the Principal last performed labor or supplied material for the above contract. Any and all claims and causes of action (including warranty requirement or the remedy of latent defects) not so commenced shall be deemed extinguished and forever barred from action under this Performance Bond.

In the event of conflict or inconsistency between the provisions of this Performance Bond and the provisions of the above Contract, the provisions of this Performance Bond shall control, or the obligation of the surety be deemed null and void to the extent of any enlargement or augmentation to the liabilities of the Surety prescribed by this Performance Bond.

Signed, Sealed and Dated this 31st day of July, 2008.

FSH COMMUNICATIONS, LLC
Principal

WASHINGTON INTERNATIONAL INSURANCE COMPANY
Surety

By: Kurt P. Morin
Power of Attorney

By: Mary Ann Powell
MARY ANN POWELL Attorney-in-Fact

STATE OF ILLINOIS

COUNTY OF DuPage

On this **31st** day of **July, 2008**, before me came **Mary Ann Powell** who executed the preceding instrument, to me personally known, and being by me duly sworn, said that he is the therein described and authorized ATTORNEY-IN-FACT of **Washington International Insurance Company** that the seal affixed to said instrument is the Corporate Seal of said Company.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my Official Seal this day and year first written above.



Christine Eitel, Notary Public



NAS SURETY GROUP

NORTH AMERICAN SPECIALTY INSURANCE COMPANY
WASHINGTON INTERNATIONAL INSURANCE COMPANY

GENERAL POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, THAT North American Specialty Insurance Company, a corporation duly organized and existing under laws of the State of New Hampshire, and having its principal office in the City of Manchester, New Hampshire, and Washington International Insurance Company, a corporation organized and existing under the laws of the State of Arizona and having its principal office in the City of Itasca, Illinois, each does hereby make, constitute and appoint:

JOHN E. ADAMS, MARY ANN POWELL, R.O. DROST, GERALD C. OLSON,

D.L. HALPER, GREGORY A. FIELD, JOANNE F. COSTA and CHRISTINE EITEL

JOINTLY OR SEVERALLY

Its true and lawful Attorney(s)-in-Fact, to make, execute, seal and deliver, for and on its behalf and as its act and deed, bonds or other writings obligatory in the nature of a bond on behalf of each of said Companies, as surety, on contracts of suretyship as are or may be required or permitted by law, regulation, contract or otherwise, provided that no bond or undertaking or contract or suretyship executed under this authority shall exceed the amount of:

TWENTY-FIVE MILLION (\$25,000,000.00) DOLLARS

This Power of Attorney is granted and is signed by facsimile under and by the authority of the following Resolutions adopted by the Boards of Directors of both North American Specialty Insurance Company and Washington International Insurance Company at meetings duly called and held on the 24th of March, 2000:

"RESOLVED, that any two of the President, any Executive Vice President, any Vice President, any Assistant Vice President, the Secretary or any Assistant Secretary be, and each or any of them hereby is authorized to execute a Power of Attorney qualifying the attorney named in the given Power of Attorney to execute on behalf of the Company bonds, undertakings and all contracts of surety, and that each or any of them hereby is authorized to attest to the execution of any such Power of Attorney and to attach therein the seal of the Company; and it is

FURTHER RESOLVED, that the signature of such officers and the seal of the Company may be affixed to any such Power of Attorney or to any certificate relating thereto by facsimile, and any such Power of Attorney or certificate bearing such facsimile signatures or facsimile seal shall be binding upon the Company when so affixed and in the future with regard to any bond, undertaking or contract of surety to which it is attached."



By

[Signature of Steven P. Anderson]

Steven P. Anderson, President & Chief Executive Officer of Washington International Insurance Company & Vice President of North American Specialty Insurance Company



By

[Signature of David M. Layman]

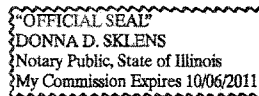
David M. Layman, Vice President of Washington International Insurance Company & Vice President of North American Specialty Insurance Company

IN WITNESS WHEREOF, North American Specialty Insurance Company and Washington International Insurance Company have caused their official seals to be hereunto affixed, and these presents to be signed by their authorized officers this 10th day of June, 2008.

North American Specialty Insurance Company
Washington International Insurance Company

State of Illinois
County of Du Page ss:

On this 10th day of June, 2008, before me, a Notary Public personally appeared Steven P. Anderson, President and CEO of Washington International Insurance Company and Vice President of North American Specialty Insurance Company and David M. Layman, Vice President of Washington International Insurance Company and Vice President of North American Specialty Insurance Company, personally known to me, who being by me duly sworn, acknowledged that they signed the above Power of Attorney as officers of and acknowledged said instrument to be the voluntary act and deed of their respective companies.



[Signature of Donna D. Sklens]

Donna D. Sklens, Notary Public

I, James A. Carpenter, the duly elected Assistant Secretary of North American Specialty Insurance Company and Washington International Insurance Company, do hereby certify that the above and foregoing is a true and correct copy of a Power of Attorney given by said North American Specialty Insurance Company and Washington International Insurance Company, which is still in full force and effect.

IN WITNESS WHEREOF, I have set my hand and affixed the seals of the Companies this 31st day of July, 2008.

[Signature of James A. Carpenter]

James A. Carpenter, Vice President & Assistant Secretary of Washington International Insurance Company & North American Specialty Insurance Company



March 24, 2008

Debbie Gundersen C.P.M.
Purchasing Agent
Division of Purchasing
State of Utah

Dear Ms. Gundersen,

In response to your request for a Best and Final Offer (BAFO) – Solicitation DG8013, FSH Communications is submitting an amended Attachment VI as requested.

Our amended offer increases the FSH Communications commission offer to 50% of gross revenue for large correctional facilities (over 500 inmates). Our commission offer for small correctional facilities (under 500 inmates) and payphones at the Community Correctional Facilities remain unchanged from our previous offer.

Please let me know if you require any additional information

Dale Cherrington
Account Executive
FSH Communications LLC

Attachment VI - Call Cost and Commission Calculation

Date: 1-9-2008

Offerors must complete (fill-in) the "Proposed Commission Rate (%)" column (yellow cells). Offerors who fail to do so will be removed from further evaluation/award consideration.

Do not, under any circumstance, alter the format, formulas, rates, minute/message quantities (or whatever) of this spreadsheet. Again, you need only fill-in the "Proposed Commission Rate (%)" column (yellow cells).

Inmate Collect or Advance Pay

Calling Area	Connect Rate	Per Minute Rate	Payphone Usage Charge	Property (Premise) Imposed Fee (aka PIF)	Non-Mandated Governmental Fees	Bill Statement Fees	Proposed Commission Rate (%)
Local	\$3.15	N/A	The "Connect Rates" include the Payphone Usage Charge.	<i>Not Allowed</i>	<i>Not Allowed</i>	<i>Not Allowed</i>	50.00%
Intra-Lata	\$2.80	\$0.12					50.00%
Intra-State	\$2.80	\$0.12					50.00%
Inter-State	\$3.00	\$0.45					50.00%

Inmate Debit or Pre-Paid Card

Calling Area	Connect Rate	Per Minute Rate	Payphone Usage Charge	Property (Premise) Imposed Fee (aka PIF)	Non-Mandated Governmental Fees	Bill Statement Fees	Proposed Commission Rate (%)
Local	\$2.50	N/A	The "Connect Rates" include the Payphone Usage Charge.	<i>Not Allowed</i>	<i>Not Allowed</i>	<i>Not Allowed</i>	50.00%
Intra-Lata	\$2.25	\$0.10					50.00%
Intra-State	\$2.25	\$0.10					50.00%
Inter-State	\$2.55	\$0.35					50.00%
Mexico	\$2.55	\$0.75					50.00%
All Other Countries	\$3.55	\$1.00					50.00%

Attachment VI - Call Cost and Commission Calculation

Date: 1-9-2008

Inmate Collect or Advance Pay

Assumption: Going forward, 80% of the calls placed during a 12-month period will be Inmate Collect or Advance Pay. The below minutes and messages represent calls placed during the time period February 2006 - January 2007.

Calling Area	Local Minutes	Local Messages	Average Call Length (Minutes)	Connect Rate	Per Minute Rate	Proposed Commission Rate (%)	Commission Payment Based Upon Total Call Cost
Local	2,889,497	129,269	22.35	\$3.15	N/A	50.00%	\$203,598.36
Intra-Lata	2,854,122	136,927	20.84	\$2.80	\$0.12	50.00%	\$362,945.38
Intra-State	1,570	83	18.88	\$2.80	\$0.12	50.00%	\$210.70
Inter-State	521,345	28,618	18.22	\$3.00	\$0.45	50.00%	\$160,228.98

Inmate Collect or Advance Pay Total = \$726,983.42

Inmate Debit or Pre-Paid Card

Assumption: Going forward, 20% of the calls placed during a 12-month period will be Inmate Debit or Pre-Paid Card. The below minutes and messages represent calls placed during the time period February 2006 - January 2007.

Calling Area	Local Minutes	Local Messages	Average Call Length (Minutes)	Connect Rate	Per Minute Rate	Proposed Commission Rate (%)	Commission Payment Based Upon Total Call Cost
Local	722,374	32,317	22.35	\$2.50	N/A	50.00%	\$40,396.50
Intra-Lata	713,530	34,232	20.84	\$2.25	\$0.10	50.00%	\$74,187.30
Intra-State	393	21	18.88	\$2.25	\$0.10	50.00%	\$43.03
Inter-State	130,336	7,154	18.22	\$2.55	\$0.35	50.00%	\$31,930.70
Mexico	***	***	***	\$2.55	\$0.75	50.00%	***
All Other Countries	1,214	55	22.07	\$3.55	\$1.00	50.00%	\$704.63

Inmate Debit or Pre-Paid Card Total = \$147,262.15

Inmate Collect or Advance Pay Total = \$726,983.42

Inmate Debit or Pre-Paid Card Total = \$147,262.15

12-Month Grand Total = \$874,245.57

Small Correctional Facilities (< 500 Inmates) Served by Premise-Based Communication Systems

1) Offerors must state their proposed "Small Correctional Facilities (< 500 Inmates) Served by Premise-Based Communication Systems" commission rate. 43%

Payphone (Electronic Payphone)

Payphones (electronic payphones) can only be used at State of Utah, Department of Corrections facilities, e.g., Community Correctional Centers, Adult Probation & Parole locations, the Salt Lake Transition Facility, the Fred House Training Academy and in public-access (administrative) areas at any UDC site.

1) Offerors must state their proposed payphone call cost. \$.50 local calls flat rate long distance 4 minutes for \$1.00

2) Offerors must state their proposed payphone commission rate. 38%

Remarks:

1) The successful contractor cannot decrease their proposed commission rates (large correctional facilities, small correctional facilities and/or payphone) at any time throughout the term of the contract without the State's approval.

2) The successful contractor cannot increase their proposed payphone call cost at any time throughout the term of the contract without the State's approval.

3) "Attachment VI - Call Cost and Commission Calculation" will yield 250 of the 300 possible "Commission Rate(s)" evaluation points. Attachment VI evaluation points (250 possible) will be awarded as follows:

- "Inmate Collect or Advance Pay" and "Inmate Debit or Pre-Paid Card"; large correctional facilities (≥ 500 inmates) served by premise-based communication systems - 200 points
- "Small Correctional Facilities (< 500 Inmates) Served by Premise-Based Communication Systems - 40 points
- "Payphone (Electronic Payphone)" - 10 points

Two hundred (200) evaluation points have been assigned to "large correctional facilities (≥ 500 inmates) served by premise-based communication systems" because that reflects the State's (UDC) reality with the Draper Prison housing approximately 4,000 inmates and the Central Utah Correctional Facility (Gunnison) housing approximately 1,500 inmates. Maximum Attachment VI evaluation points (250 possible) will be assigned to the offeror whose proposed inmate (large and small correctional facilities) and payphone commission rates yield the highest inmate/payphone commission payments and the lowest payphone call cost. All other offerors will be assigned Attachment VI evaluation points in proportion to the offeror with the highest inmate/payphone commission payments and the lowest payphone call cost. The balance of "Commission Rate(s)" evaluation points (50 possible) are assigned to paragraphs 4.6.2, 4.6.3 and 4.6.5.

4) Total call cost is before federal, state and local taxes.

5) Per minute rates do not/cannot include mileage and/or time-of-day variations.



Debbie Gundersen C.P.M.
Purchasing Agent
Division of Purchasing
State of Utah

March 27, 2008

Dear Ms. Gundersen,

In response to your request for a 2nd Best and Final Offer (BAFO) – Solicitation DG8013, FSH Communications is re-submitting our 1st BAFO Attachment VI without changes.

Our first BAFO included Voice Print Technology so no changes were required. The optional features we offered in our RFP response are either available at no additional charge or would require additional information in order to put together a pricing plan.

Please let me know if you require any additional information

Dale Cherrington
Account Executive
FSH Communications LLC

Attachment VI - Call Cost and Commission Calculation

Date: 1-9-2008

Offerors must complete (fill-in) the "Proposed Commission Rate (%)" column (yellow cells). Offerors who fail to do so will be removed from further evaluation/award consideration.

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Inmate Collect or Advance Pay

Calling Area	Connect Rate	Per Minute Rate	Payphone Usage Charge	Property (Premise) Imposed Fee (aka PIF)	Non-Mandated Governmental Fees	Bill Statement Fees	Proposed Commission Rate (%)
Local	\$3.15	N/A	The "Connect Rates" include the Payphone Usage Charge.	<i>Not Allowed</i>	<i>Not Allowed</i>	<i>Not Allowed</i>	50.00%
Intra-Lata	\$2.80	\$0.12					50.00%
Intra-State	\$2.80	\$0.12					50.00%
Inter-State	\$3.00	\$0.45					50.00%

Inmate Debit or Pre-Paid Card

Calling Area	Connect Rate	Per Minute Rate	Payphone Usage Charge	Property (Premise) Imposed Fee (aka PIF)	Non-Mandated Governmental Fees	Bill Statement Fees	Proposed Commission Rate (%)
Local	\$2.50	N/A	The "Connect Rates" include the Payphone Usage Charge.	<i>Not Allowed</i>	<i>Not Allowed</i>	<i>Not Allowed</i>	50.00%
Intra-Lata	\$2.25	\$0.10					50.00%
Intra-State	\$2.25	\$0.10					50.00%
Inter-State	\$2.55	\$0.35					50.00%
Mexico	\$2.55	\$0.75					50.00%
All Other Countries	\$3.55	\$1.00					50.00%

Attachment VI - Call Cost and Commission Calculation

Date: 1-9-2008

Inmate Collect or Advance Pay

Assumption: Going forward, 80% of the calls placed during a 12-month period will be Inmate Collect or Advance Pay. The below minutes and messages represent calls placed during the time period February 2006 - January 2007.

Calling Area	Local Minutes	Local Messages	Average Call Length (Minutes)	Connect Rate	Per Minute Rate	Proposed Commission Rate (%)	Commission Payment Based Upon Total Call Cost
Local	2,889,497	129,269	22.35	\$3.15	N/A	50.00%	\$203,598.36
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Inter-State	521,345	28,618	18.22	\$3.00	\$0.45	50.00%	\$160,228.98

Inmate Collect or Advance Pay Total = \$726,983.42

Inmate Debit or Pre-Paid Card

Assumption: Going forward, 20% of the calls placed during a 12-month period will be Inmate Debit or Pre-Paid Card. The below minutes and messages represent calls placed during the time period February 2006 - January 2007.

Calling Area	Local Minutes	Local Messages	Average Call Length (Minutes)	Connect Rate	Per Minute Rate	Proposed Commission Rate (%)	Commission Payment Based Upon Total Call Cost
Local	722,374	32,317	22.35	\$2.50	N/A	50.00%	\$40,396.50
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Intra-State	393	21	18.88	\$2.25	\$0.10	50.00%	\$43.03
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Inmate Debit or Pre-Paid Card Total = \$147,262.15

Inmate Collect or Advance Pay Total = \$726,983.42

Inmate Debit or Pre-Paid Card Total = \$147,262.15

12-Month Grand Total = \$874,245.57

Attachment VI - Call Cost and Commission Calculation

Date: 1-9-2008

Small Correctional Facilities (< 500 Inmates) Served by Premise-Based Communication Systems

1) Offerors must state their proposed "Small Correctional Facilities (< 500 Inmates) Served by Premise-Based Communication Systems" commission rate. 43%

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- 1) Offerors must state their proposed payphone call cost. \$.50 local calls flat rate long distance 4 minutes for \$1.00
2) Offerors must state their proposed payphone commission rate. 38%

Remarks:

- 1) The successful contractor cannot decrease their proposed commission rates (large correctional facilities, small correctional facilities and/or payphone) at any time throughout the term of the contract without the State's approval.
- 2) The successful contractor cannot increase their proposed payphone call cost at any time throughout the term of the contract without the State's approval.
- 3) "Attachment VI - Call Cost and Commission Calculation" will yield 250 of the 300 possible "Commission Rate(s)" evaluation points. Attachment VI evaluation points (250 possible) will be awarded as follows:
 - "Inmate Collect or Advance Pay" and "Inmate Debit or Pre-Paid Card"; large correctional facilities (≥ 500 inmates) served by premise-based communication systems - 200 points
 - "Small Correctional Facilities (< 500 Inmates) Served by Premise-Based Communication Systems" - 40 points
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- 4) Total call cost is before federal, state and local taxes.
- 5) Per minute rates do not/cannot include mileage and/or time-of-day variations.



April 11, 2008

Debbie Gundersen C.P.M.
Purchasing Agent
Division of Purchasing
State of Utah

Dear Ms. Gundersen,

In response to your request for a 4th Best and Final Offer (BAFO) – Solicitation DG8013, FSH Communications is re-submitting our 1st & 2nd BAFO Attachment VI without changes.

Our first BAFO included Voice Print Technology so no changes were required. The optional features we offered in our RFP response are either available at no additional charge or would require additional information in order to put together a pricing plan.

Please let me know if you require any additional information

Dale Cherrington
Account Executive
FSH Communications LLC

Attachment VI - Call Cost and Commission Calculation

Date: 1-9-2008

Offerors must complete (fill-in) the "Proposed Commission Rate (%)" column (yellow cells). Offerors who fail to do so will be removed from further evaluation/award consideration.

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Inmate Collect or Advance Pay

Calling Area	Connect Rate	Per Minute Rate	Payphone Usage Charge	Property (Premise) Imposed Fee (aka PIF)	Non-Mandated Governmental Fees	Bill Statement Fees	Proposed Commission Rate (%)
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Intra-Lata	\$2.80	\$0.12					50.00%
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Inter-State	\$3.00	\$0.45					50.00%

Inmate Debit or Pre-Paid Card

Calling Area	Connect Rate	Per Minute Rate	Payphone Usage Charge	Property (Premise) Imposed Fee (aka PIF)	Non-Mandated Governmental Fees	Bill Statement Fees	Proposed Commission Rate (%)
Local	\$2.50	N/A	The "Connect Rates" include the Payphone Usage Charge.	<i>Not Allowed</i>	<i>Not Allowed</i>	<i>Not Allowed</i>	50.00%
Intra-Lata	\$2.25	\$0.10					50.00%
Intra-State	\$2.25	\$0.10					50.00%
Inter-State	\$2.55	\$0.35					50.00%
Mexico	\$2.55	\$0.75					50.00%
All Other Countries	\$3.55	\$1.00					50.00%

Attachment VI - Call Cost and Commission Calculation

Date: 1-9-2008

Inmate Collect or Advance Pay

Assumption: Going forward, 80% of the calls placed during a 12-month period will be Inmate Collect or Advance Pay. The below minutes and messages represent calls placed during the time period February 2006 - January 2007.

Calling Area	Local Minutes	Local Messages	Average Call Length (Minutes)	Connect Rate	Per Minute Rate	Proposed Commission Rate (%)	Commission Payment Based Upon Total Call Cost
Local	2,889,497	129,269	22.35	\$3.15	N/A	50.00%	\$203,598.36
Intra-Lata	2,854,122	136,927	20.84	\$2.80	\$0.12	50.00%	\$362,945.38
Intra-State	1,570	83	18.88	\$2.80	\$0.12	50.00%	\$210.70
Inter-State	521,345	28,618	18.22	\$3.00	\$0.45	50.00%	\$160,228.98

Inmate Collect or Advance Pay Total = \$726,983.42

Inmate Debit or Pre-Paid Card

Assumption: Going forward, 20% of the calls placed during a 12-month period will be Inmate Debit or Pre-Paid Card. The below minutes and messages represent calls placed during the time period February 2006 - January 2007.

Calling Area	Local Minutes	Local Messages	Average Call Length (Minutes)	Connect Rate	Per Minute Rate	Proposed Commission Rate (%)	Commission Payment Based Upon Total Call Cost
Local	722,374	32,317	22.35	\$2.50	N/A	50.00%	\$40,396.50
Intra-Lata	713,530	34,232	20.84	\$2.25	\$0.10	50.00%	\$74,187.30
Intra-State	393	21	18.88	\$2.25	\$0.10	50.00%	\$43.03
Inter-State	130,336	7,154	18.22	\$2.55	\$0.35	50.00%	\$31,930.70
Mexico	***	***	***	\$2.55	\$0.75	50.00%	***
All Other Countries	1,214	55	22.07	\$3.55	\$1.00	50.00%	\$704.63

Inmate Debit or Pre-Paid Card Total = \$147,262.15

Inmate Collect or Advance Pay Total = \$726,983.42

Inmate Debit or Pre-Paid Card Total = \$147,262.15

12-Month Grand Total = \$874,245.57

Attachment VI - Call Cost and Commission Calculation

Date: 1-9-2008

Small Correctional Facilities (< 500 Inmates) Served by Premise-Based Communication Systems

1) Offerors must state their proposed "Small Correctional Facilities (< 500 Inmates) Served by Premise-Based Communication Systems" commission rate. 43%

Payphone (Electronic Payphone)

Payphones (electronic payphones) can only be used at State of Utah, Department of Corrections facilities, e.g., Community Correctional Centers, Adult Probation & Parole locations, the Salt Lake Transition Facility, the Fred House Training Academy and in public-access (administrative) areas at any UDC site.

1) Offerors must state their proposed payphone call cost. \$.50 Local flat rate long distance 4 minutes for \$1.00 (delineate/explain as needed)
2) Offerors must state their proposed payphone commission rate. 38%

Remarks:

1) The successful contractor cannot decrease their proposed commission rates (large correctional facilities, small correctional facilities and/or payphone) at any time throughout the term of the contract without the State's approval.
2) The successful contractor cannot increase their proposed payphone call cost at any time throughout the term of the contract without the State's approval.

3) "Attachment VI - Call Cost and Commission Calculation" will yield 250 of the 300 possible "Commission Rate(s)" evaluation points. Attachment VI evaluation points (250 possible) will be awarded as follows:

- "Inmate Collect or Advance Pay" and "Inmate Debit or Pre-Paid Card"; large correctional facilities (≥ 500 inmates) served by premise-based communication systems - 200 points
- "Small Correctional Facilities (< 500 Inmates) Served by Premise-Based Communication Systems" - 40 points
- "Payphone (Electronic Payphone)" - 10 points

Two hundred (200) evaluation points have been assigned to "large correctional facilities (≥ 500 inmates) served by premise-based communication systems" because that reflects the State's (UDC) reality with the Draper Prison housing approximately 4,000 inmates and the Central Utah Correctional Facility (Gunnison) housing approximately 1,500 inmates. Maximum Attachment VI evaluation points (250 possible) will be assigned to the offeror whose proposed inmate (large and small correctional facilities) and payphone commission rates yield the highest inmate/payphone commission payments and the lowest payphone call cost. All other offerors will be assigned Attachment VI evaluation points in proportion to the offeror with the highest inmate/payphone commission payments and the lowest payphone call cost. The balance of "Commission Rate(s)" evaluation points (50 possible) are assigned to paragraphs 4.6.2, 4.6.3 and 4.6.5.

4) Total call cost is before federal, state and local taxes.
5) Per minute rates do not/cannot include mileage and/or time-of-day variations.



Debbie Gundersen C.P.M.
Purchasing Agent
Division of Purchasing
State of Utah

April 11, 2008

Dear Ms. Gundersen,

In response to your request for a 4th Best and Final Offer (BAFO) – Solicitation DG8013, FSH Communications is submitting our response to BAFO #4 Attachment VI .

Our first BAFP included Voice Print Technology so no changes were required. The optional features we offered in our RFP response are either available at no additional charge or would require additional information in order to put together a pricing plan.

As requested, we are submitting our response and agreement to the specific requirements required in the State's BAFO # 4 As follows.

Item #1:

In part, the purpose of this BAFO #4 is to clarify any misinformation, false assumptions and/or confusion between the State and offerors, regarding the inmate communication systems/service that must be implemented by the successful contractor to serve the needs of UDC inmates located at the Draper Prison and at the Central Utah Correctional Facility (CUCF) - Gunnison; more specifically, the communication systems/service installed by the successful contractor must include voice print technology, or an alternative, UDC approved, bio-based verification system.

Mandatory: Acknowledge your understanding of and confirm your agreement with this Item #1 requirement (you cannot take exception to this requirement).

With regard to "Attachment VI - Call Cost and Commission Calculation" (attached), the State will base commission/cost scoring (250 of the 300 possible "Commission Rate(s)" evaluation points) exclusively on your completion of Attachment VI that reflects your commission/cost information that has only to do with the implementation of inmate communication systems/service that include voice print technology, or an alternative, UDC approved, bio-based verification system, at the Draper Prison and at the Central Utah Correctional Facility (CUCF) - Gunnison. Commission/cost scoring will not take into account value-added enhancements and/or "new" technologies.

FSH Communications Understands and complies with the statements in Item #1 without exception

FSH Communications Response
BAFO #4 - Inmate Communication Systems/Service RFP DG8013

Item #2:

As stated in paragraph 4.6.1, "The State of Utah is interested in reducing inmate call costs. To that end, the State has defined call rates. The rates cannot be increased at any point during the six-year term of the contract unless the State (UDC) chooses to do so."

BAFO #3 was cancelled because of the need to better communicate the State's position regarding the "Payphone Usage Charge", also known as "Payphone Surcharge" and/or "Pay Telephone Surcharge". BAFO #3 erroneously stated, "Point of Clarification: Commission need not be paid on the "Payphone Usage Charge", also known as "Payphone Surcharge" and/or "Pay Telephone Surcharge". Whether or not you consider the "Payphone Usage Charge" to be a federally mandated fee and/or surcharge, in fact, commission must be paid on the "Payphone Usage Charge" because the charge (currently \$.55 per call) is included in the State's RFP specified inmate calling rates; refer to the below "modified" rate table. FSH Communications, the State's incumbent inmate communication systems/service provider, has adhered to this requirement throughout the term of their statewide contract. It is imperative that you understand that the "Payphone Usage Charge" (abbreviated PUC for purposes of this BAFO) is included in the State's defined "Connect Rates" and therefore commission must be paid on the "Payphone Usage Charge". So that there is no confusion now or in the future, the below "modified" (mandatory) rate table

is provided:

Inmate Collect or

Advance Pay Connect Rate Per Minute Rate

Local \$2.60 + \$.55 (PUC) = \$3.15 No Local Message Charge
Intra-Lata \$2.25 + \$.55 (PUC) = \$2.80 \$0.12
Intra-State \$2.25 + \$.55 (PUC) = \$2.80 \$0.12
Inter-State \$2.45 + \$.55 (PUC) = \$3.00 \$0.45

Inmate Debit or

Pre-Paid Card Connect Rate Per Minute Rate

Local \$1.95 + \$.55 (PUC) = \$2.50 No Local Message Charge
Intra-Lata \$1.70 + \$.55 (PUC) = \$2.25 \$0.10
Intra-State \$1.70 + \$.55 (PUC) = \$2.25 \$0.10
Inter-State \$2.00 + \$.55 (PUC) = \$2.55 \$0.35
Mexico \$2.00 + \$.55 (PUC) = \$2.55 \$0.75
All Other Countries \$3.00 + \$.55 (PUC) = \$3.55 \$1.00

To emphasize the State's interest in reducing inmate call costs, various RFP excerpts follow:

1.5 Contract Period: "Renewal terms will be subject to mutual agreement with specific exceptions, e.g., not to exceed call rates (costs) cannot be increased throughout the (potential) six-year contract term unless the State chooses to do so."

4.6.1 Item #2: "The State of Utah is specifying the exact call charges to be charged on both collect and debit rates. There will be no exception(s) to these specified rates. Offerors will be disqualified if they propose higher than stated (defined) call rates."

4.6.1 Item #2: "Any taxes, fees and/or surcharges charged to the end-user shall be rated as pass-through. This includes any local, state and/or federally mandated taxes, fees and/or surcharges."

FSH Communications Response

BAFO #4 - Inmate Communication Systems/Service RFP DG8013

4.6.1 Item #6: "The State of Utah is specifying inmate calling rates. At no time during the term of the contract will the contractor vary from these rates without the explicit written authorization from the State of Utah."

4.6.1 Item #13: "Any deviation from the rate and commission rules specified in this RFP shall be cause for immediate contract default. Such a default may include one, or all, of the following consequences:

- a. Contract termination
- b. Mandatory refunding of any/all overcharges to the billed party
- c. Forfeiture of performance bond"

4.6.4: "Without exclusion or exception, commission revenue must be computed and paid on any and all inmate telephone call charge(s), rate(s) and/or cost element(s)."

Mandatory: Acknowledge your understanding of and confirm your agreement with this Item #2 requirement (you cannot take exception to this requirement).

FSH Communications Understands and complies with the statements in Item #2 without exception

Item #3:

As part of this BAFO, you must redo "Attachment VI - Call Cost and Commission Calculation" (attached) in compliance with the clarification instructions (language) contained in this BAFO. Your completion and submission of Attachment VI, as required by BAFO #4, will supersede the Attachment VI that you submitted in response to the original RFP, BAFO #1 and/or BAFO #2 (BAFO #3 does not apply since it was cancelled).

Your BAFO #4 commission rate offer must take into consideration that the Draper Prison and the Central Utah Correctional Facility (CUCF) - Gunnison inmate communication systems/service includes voice print technology, or an alternative, UDC approved, bio-based verification system. As part of this BAFO, you may adjust your commission rate offer.

Mandatory: Complete (fill in) Attachment VI (attached) in its entirety; the below information must be provided (filled in); if any of these entries are left blank, then you will be disqualified:

- o the spreadsheet (yellow cells)
- o the \$ ____ entries
- o the ____% entries

Be aware, you will be disqualified if you:

- o leave blank any: spreadsheet (yellow cells); \$ ____ entries; ____% entries
- o qualify your response to, or take exception with, Attachment VI in any way (Note 1)
- o fail to complete and return Attachment VI by noon on Tuesday, April 15, 2008

Note 1: The only permissible "qualification" (exception), more a "clarification", may be your need to clarify your payphone-related cost information, e.g., any/all payphone local and long distance cost(s). If evaluators require such information to clearly understand your payphone-related call cost(s), then provide such information.

Provide your responses to the mandatory Item numbers 1 and 2 "Acknowledge your understanding of and confirm your agreement" statements, and provide your redo of Attachment VI to Debbie Gundersen by reply e-mail: DGUNDERSEN@utah.gov

Please let me know if you require any additional information

FSH Communications Response

BAFO #4 - Inmate Communication Systems/Service RFP DG8013

FSH Communications Understands and complies with the statements in Item #3 without exception and has resubmitted Attachment VI Call Cost and Commission Calculation as part of our response to BAFO#4

Dale Cherrington
Account Executive
FSH Communications LLC

Attachment VI - Call Cost and Commission Calculation

Date: 1-9-2008

Offerors must complete (fill-in) the "Proposed Commission Rate (%)" column (yellow cells). Offerors who fail to do so will be removed from further evaluation/award consideration.

Do not, under any circumstance, alter the format, formulas, rates, minute/message quantities (or whatever) of this spreadsheet. Again, you need only fill-in the "Proposed Commission Rate (%)" column (yellow cells).

Inmate Collect or Advance Pay

Calling Area	Connect Rate	Per Minute Rate	Payphone Usage Charge	Property (Premise) Imposed Fee (aka PIF)	Non-Mandated Governmental Fees	Bill Statement Fees	Proposed Commission Rate (%)
Local	\$3.15	N/A	The "Connect Rates" include the Payphone Usage Charge.	<i>Not Allowed</i>	<i>Not Allowed</i>	<i>Not Allowed</i>	50.00%
Intra-Lata	\$2.80	\$0.12					50.00%
Intra-State	\$2.80	\$0.12					50.00%
Inter-State	\$3.00	\$0.45					50.00%

Inmate Debit or Pre-Paid Card

Calling Area	Connect Rate	Per Minute Rate	Payphone Usage Charge	Property (Premise) Imposed Fee (aka PIF)	Non-Mandated Governmental Fees	Bill Statement Fees	Proposed Commission Rate (%)
Local	\$2.50	N/A	The "Connect Rates" include the Payphone Usage Charge.	<i>Not Allowed</i>	<i>Not Allowed</i>	<i>Not Allowed</i>	50.00%
Intra-Lata	\$2.25	\$0.10					50.00%
Intra-State	\$2.25	\$0.10					50.00%
Inter-State	\$2.55	\$0.35					50.00%
Mexico	\$2.55	\$0.75					50.00%
All Other Countries	\$3.55	\$1.00					50.00%

Attachment VI - Call Cost and Commission Calculation

Date: 1-9-2008

Inmate Collect or Advance Pay Assumption: Going forward, 80% of the calls placed during a 12-month period will be Inmate Collect or Advance Pay. The below minutes and messages represent calls placed during the time period February 2006 - January 2007.							
Calling Area	Local Minutes	Local Messages	Average Call Length (Minutes)	Connect Rate	Per Minute Rate	Proposed Commission Rate (%)	Commission Payment Based Upon Total Call Cost
Local	2,889,497	129,269	22.35	\$3.15	N/A	50.00%	\$203,598.36
Intra-Lata	2,854,122	136,927	20.84	\$2.80	\$0.12	50.00%	\$362,945.38
Intra-State	1,570	83	18.88	\$2.80	\$0.12	50.00%	\$210.70
Inter-State	521,345	28,618	18.22	\$3.00	\$0.45	50.00%	\$160,228.98
Inmate Collect or Advance Pay Total =							\$726,983.42
Inmate Debit or Pre-Paid Card Assumption: Going forward, 20% of the calls placed during a 12-month period will be Inmate Debit or Pre-Paid Card. The below minutes and messages represent calls placed during the time period February 2006 - January 2007.							
Calling Area	Local Minutes	Local Messages	Average Call Length (Minutes)	Connect Rate	Per Minute Rate	Proposed Commission Rate (%)	Commission Payment Based Upon Total Call Cost
Local	722,374	32,317	22.35	\$2.50	N/A	50.00%	\$40,396.50
Intra-Lata	713,530	34,232	20.84	\$2.25	\$0.10	50.00%	\$74,187.30
Intra-State	393	21	18.88	\$2.25	\$0.10	50.00%	\$43.03
Inter-State	130,336	7,154	18.22	\$2.55	\$0.35	50.00%	\$31,930.70
Mexico	***	***	***	\$2.55	\$0.75	50.00%	***
All Other Countries	1,214	55	22.07	\$3.55	\$1.00	50.00%	\$704.63
Inmate Debit or Pre-Paid Card Total =							\$147,262.15
Inmate Collect or Advance Pay Total =							\$726,983.42
Inmate Debit or Pre-Paid Card Total =							\$147,262.15
12-Month Grand Total =							\$874,245.57

Attachment VI - Call Cost and Commission Calculation

Date: 1-9-2008

Small Correctional Facilities (< 500 Inmates) Served by Premise-Based Communication Systems

1) Offerors must state their proposed "Small Correctional Facilities (< 500 Inmates) Served by Premise-Based Communication Systems" commission rate. 43%

Payphone (Electronic Payphone)

Payphones (electronic payphones) can only be used at State of Utah, Department of Corrections facilities, e.g., Community Correctional Centers, Adult Probation & Parole locations, the Salt Lake Transition Facility, the Fred House Training Academy and in public-access (administrative) areas at any UDC site.

1) Offerors must state their proposed payphone call cost. \$.50 Local flat rate long distance 4 minutes for \$1.00 (delineate/explain as needed)
2) Offerors must state their proposed payphone commission rate. 38%

Remarks:

1) The successful contractor cannot decrease their proposed commission rates (large correctional facilities, small correctional facilities and/or payphone) at any time throughout the term of the contract without the State's approval.

2) The successful contractor cannot increase their proposed payphone call cost at any time throughout the term of the contract without the State's approval.

3) "Attachment VI - Call Cost and Commission Calculation" will yield 250 of the 300 possible "Commission Rate(s)" evaluation points. Attachment VI evaluation points (250 possible) will be awarded as follows:

- "Inmate Collect or Advance Pay" and "Inmate Debit or Pre-Paid Card"; large correctional facilities (≥ 500 inmates) served by premise-based communication systems - 200 points
- "Small Correctional Facilities (< 500 Inmates) Served by Premise-Based Communication Systems" - 40 points
- "Payphone (Electronic Payphone)" - 10 points

Two hundred (200) evaluation points have been assigned to "large correctional facilities (≥ 500 inmates) served by premise-based communication systems" because that reflects the State's (UDC) reality with the Draper Prison housing approximately 4,000 inmates and the Central Utah Correctional Facility (Gunnison) housing approximately 1,500 inmates. Maximum Attachment VI evaluation points (250 possible) will be assigned to the offeror whose proposed inmate (large and small correctional facilities) and payphone commission rates yield the highest inmate/payphone commission payments and the lowest payphone call cost. All other offerors will be assigned Attachment VI evaluation points in proportion to the offeror with the highest inmate/payphone commission payments and the lowest payphone call cost. The balance of "Commission Rate(s)" evaluation points (50 possible) are assigned to paragraphs 4.6.2, 4.6.3 and 4.6.5.

4) Total call cost is before federal, state and local taxes.

5) Per minute rates do not/cannot include mileage and/or time-of-day variations.



April 24, 2008

Debbie Gundersen C.P.M.
Purchasing Agent
Division of Purchasing
State of Utah

Dear Ms. Gundersen,

Attached herein is FSH Communications response to the State of Utah's request for a 5th Best and Final Offer (BAFO) - Solicitation DG8013, to include Inmate Comm. RFP DG8013 Attachment IV.

Our first BAFO included Voice Print Technology and no changes were required at that time. The optional features we offered in our RFP response are either available at no additional charge or would require additional information in order to put together a pricing plan.

As requested, we are submitting our response and agreement to the specific requirements stated in the State's BAFO # 5 as follows.

Item #1:

To clarify any misinformation, false assumptions and/or confusion between the State and offerors regarding the inmate communication systems/service that must be implemented by the successful contractor to serve the needs of UDC inmates located at the Draper Prison and at the Central Utah Correctional Facility (CUCF) - Gunnison, be aware that the communication systems/service installed by the successful contractor must include voice print technology, or an alternative, UDC approved, bio-based verification system. Commission/cost scoring will not take into account value-added enhancements and/or "new" technologies over and above voice print technology, or an alternative, UDC approved, bio-based verification system.

Mandatory: Acknowledge your understanding of and confirm your agreement with the State's requirement that the communication systems/service installed by the successful contractor at Draper and at Gunnison must include voice print technology, or an alternative UDC approved bio-based verification system. You cannot take exception to this requirement.

FSH Communications Response:

Understands and agrees with the requirements in Item #1 without exception.

Item #2:

As stated in paragraph 4.6.1, "The State of Utah is interested in reducing inmate call costs. To that end, the State has defined call rates. The rates cannot be increased at any point during the six-year term of the contract unless the State (UDC) chooses to do so."

BAFOs #3 and #4 were cancelled because of the need to better communicate the State's position regarding the "Payphone Usage Charge", also known as "Payphone Surcharge" and/or "Pay Telephone Surcharge". Only "Payphone Usage Charge" will be used throughout the remainder of this BAFO. Be aware that "Payphone Surcharge" and/or "Pay Telephone Surcharge" are synonymous with "Payphone Usage Charge".

The "Maximum Call Charge (Excluding the Associated Per Minute Rate Charge)" and the "Maximum Per Minute Rate Charge" delineated in the below table cannot be increased at any point during the six-year term of the contract unless the State (UDC) chooses to do so.

Explain / Describe / Answer the following:

a. Do you charge (assess) the "Payphone Usage Charge"?

FSH Communications Response:

FSH contracts with Qwest Communications to carry all local and intraLata (in-state) call traffic. Qwest incorporates the Payphone Usage Charge as part of the amount billed for calls placed from the inmate phone system and not as a separate charge. FSH currently contracts with ILD to carry all interLata (long distance) call traffic. FSH may or may not continue with ILD as the contracted carrier if FSH is the successful bidder. The payphone usage charge (if charged) will be included as part of the billed charges as required by the State of Utah.

If there is any change to FSH's contracted call traffic providers we will 1) notify the State in advance of any change to obtain their consent; and 2) any change in carrier will NOT change the mandated call rates.

b. If so, do you include the "Payphone Usage Charge" as part of the "Maximum Call Charge (Excluding the Associated Per Minute Rate Charge)"?

FSH Communications Response:

As described above the "Payphone Usage Charge" is included as part of the Maximum Call Charge (Excluding the Associated Per Minute Rate Charge)".

c. If the answer to b. is "No", then do you charge (assess) the "Payphone Usage Charge" over and above (in addition to) the "Maximum Call Charge (Excluding the Associated Per Minute Rate Charge)"?

FSH Communications Response:

Not applicable. Please refer to our answers to 'a.' and 'b.' above.

Be Aware: If you charge the "Payphone Usage Charge" over and above (in addition to) the "Maximum Call Charge (Excluding the Associated Per Minute Rate Charge)", then the "Maximum Call Charge (Excluding the Associated Per Minute Rate Charge)" must be reduced so that the "Maximum Call Charge (Excluding the Associated Per Minute Rate Charge)" plus your "Payphone Usage Charge" does not exceed the following:

Inmate Collect or Advance Pay:

Local = \$3.15; Intra-Lata = \$2.80; Intra-State = \$2.80; Inter-State = \$3.00

Inmate Debit or Pre-Paid Card:

Local = \$2.50; Intra-Lata = \$2.25; Intra-State = \$2.25; Inter-State = \$2.55; Mexico = \$2.55; All Other Countries = \$3.55

For Example: If you charge the "Payphone Usage Charge" over and above (in addition to) the "Maximum Call Charge (Excluding the Associated Per Minute Rate Charge)" and if (for example) your "Payphone Usage Charge" equals \$.57 per call, then the "Maximum Call Charge (Excluding the Associated Per Minute Rate Charge)" for an "Inmate Collect or Advance Pay" Local call would be \$2.58 (\$3.15 - \$.57 = \$2.58).

Note: The column heading in the below table that now reads "Maximum Call Charge (Excluding the Associated Per Minute Rate Charge)" use to read "Connect Rate" in the original RFP and in BAFOs #3 and #4.

<u>Inmate Collect or Advance Pay</u>	<u>Maximum Call Charge (Excluding the Associated Per Minute Rate Charge)</u>	<u>Maximum Per Minute Rate Charge</u>
Local	\$3.15	No Local Message Charge
Intra-Lata	\$2.80	\$0.12
Intra-State	\$2.80	\$0.12
Inter-State	\$3.00	\$0.45

<u>Inmate Debit or Pre-Paid Card</u>	<u>Maximum Call Charge (Excluding the Associated Per Minute Rate Charge)</u>	<u>Maximum Per Minute Rate Charge</u>
Local	\$2.50	No Local Message Charge
Intra-Lata	\$2.25	\$0.10
Intra-State	\$2.25	\$0.10
Inter-State	\$2.55	\$0.35
Mexico	\$2.55	\$0.75
All Other Countries	\$3.55	\$1.00

To emphasize the importance of reducing inmate call costs (holding the line on inmate call costs), paragraph 4.6.1 Item #13 states: "Any deviation from the rate and commission rules specified in this RFP shall be cause for immediate contract default. Such a default may include one, or all, of the following consequences:

- a. Contract termination
- b. Mandatory refunding of any/all overcharges to the billed party
- c. Forfeiture of performance bond"

Mandatory: Explain/describe/answer the above Item #2 questions/issues. Acknowledge your understanding of and confirm your agreement with the statements and requirements contained in Item #2. You cannot take exception to Item #2 statements, requirements and/or specifications.

FSH Communications Response:

FSH understands and agrees with the statements in Item #2 without exception. The rates charged by FSH include the payphone usage charge and will not exceed the rates as specified in Item #2.

Item #3:

BAFO #3 erroneously stated, "Point of Clarification: Commission need not be paid on the "Payphone Usage Charge", also known as "Payphone Surcharge" and/or "Pay Telephone Surcharge". In fact, commission must be paid on the "Payphone Usage Charge".

Mandatory: Acknowledge your understanding of and confirm your agreement with the State's requirement that commission must be paid on the "Payphone Usage Charge". You cannot take exception to this requirement.

FSH Communications Response:

FSH understands and agrees with the statements in Item #3 without exception.

FSH has always paid commission on the Payphone Usage Charge revenue and will continue to do so if FSH is the successful bidder.

Item #4:

As part of this BAFO, you must redo "Attachment VI - Call Cost and Commission Calculation" (attached) in compliance with the clarification instructions (language) contained in this BAFO. Your completion and submission of Attachment VI, as required by this BAFO, will supersede the various Attachment VI that you submitted in response to the original RFP, BAFO #1 and/or BAFO #2 (BAFOs #3 and #4 do not apply since they were cancelled).

Your BAFO #5 commission rate offer must take into consideration that the Draper Prison and the Central Utah Correctional Facility (CUCF) - Gunnison inmate communication systems/service includes voice print technology, or an alternative, UDC approved, bio-based verification system. As part of this BAFO, you may adjust your commission rate offer.

Mandatory: Complete (fill in) Attachment VI (attached) in its entirety; the below information must be provided (filled in). If any of these entries are left blank, then you will be disqualified:

- the spreadsheet (yellow cells)
- the \$ ____ entries
- the ____% entries

Be aware, you will be disqualified if you:

- leave blank any spreadsheet (yellow cells), \$ ____ entries and/or ____% entries
- qualify your response to, or take exception with, Attachment VI in any way (Note 1)
- fail to complete and return Attachment VI by noon on Tuesday, April 29, 2008

Note 1: The only permissible "qualification" (exception), more a "clarification", may be your need to clarify your payphone-related cost information, e.g., any/all payphone local and long distance cost(s). If evaluators require such information to clearly understand your payphone-related call cost(s), then provide such information.

Provide your answers, responses, etc. to the above mandatory items and provide your redo of Attachment VI to Debbie Gundersen by reply e-mail: DGUNDERSEN@utah.gov

FSH Communications Response:

FSH understands and agrees with the statements in Item #4 without exception. As part of our response FSH is resubmitting the "Attachment VI – Call Cost and Commission Calculation".

Attachment VI - Call Cost and Commission Calculation

Date: 1-9-2008

Offerors must complete (fill-in) the "Proposed Commission Rate (%)" column (yellow cells). Offerors who fail to do so will be removed from further evaluation/award consideration.

Do not, under any circumstance, alter the format, formulas, rates, minute/message quantities (or whatever) of this spreadsheet. Again, you need only fill-in the "Proposed Commission Rate (%)" column (yellow cells).

Inmate Collect or Advance Pay

Calling Area	Connect Rate	Per Minute Rate	Payphone Usage Charge	Property (Premise) Imposed Fee (aka PIF)	Non-Mandated Governmental Fees	Bill Statement Fees	Proposed Commission Rate (%)
Local	\$3.15	N/A	The "Connect Rates" include the Payphone Usage Charge.	Not Allowed	Not Allowed	Not Allowed	55.00%
Intra-Lata	\$2.80	\$0.12					55.00%
Intra-State	\$2.80	\$0.12					55.00%
Inter-State	\$3.00	\$0.45					55.00%

Inmate Debit or Pre-Paid Card

Calling Area	Connect Rate	Per Minute Rate	Payphone Usage Charge	Property (Premise) Imposed Fee (aka PIF)	Non-Mandated Governmental Fees	Bill Statement Fees	Proposed Commission Rate (%)
Local	\$2.50	N/A	The "Connect Rates" include the Payphone Usage Charge.	Not Allowed	Not Allowed	Not Allowed	55.00%
Intra-Lata	\$2.25	\$0.10					55.00%
Intra-State	\$2.25	\$0.10					55.00%
Inter-State	\$2.55	\$0.35					55.00%
Mexico	\$2.55	\$0.75					55.00%
All Other Countries	\$3.55	\$1.00					55.00%

Attachment VI - Call Cost and Commission Calculation

Date: 1-9-2008

Inmate Collect or Advance Pay

Assumption: Going forward, 80% of the calls placed during a 12-month period will be Inmate Collect or Advance Pay. The below minutes and messages represent calls placed during the time period February 2006 - January 2007.

Calling Area	Local Minutes	Local Messages	Average Call Length (Minutes)	Connect Rate	Per Minute Rate	Proposed Commission Rate (%)	Commission Payment Based Upon Total Call Cost
Local	2,889,497	129,269	22.35	\$3.15	N/A	55.00%	\$223,958.20
Intra-Lata	2,854,122	136,927	20.84	\$2.80	\$0.12	55.00%	\$399,239.91
Intra-State	1,570	83	18.88	\$2.80	\$0.12	55.00%	\$231.77
Inter-State	521,345	28,618	18.22	\$3.00	\$0.45	55.00%	\$176,251.88

Inmate Collect or Advance Pay Total = \$799,681.76

Inmate Debit or Pre-Paid Card

Assumption: Going forward, 20% of the calls placed during a 12-month period will be Inmate Debit or Pre-Paid Card. The below minutes and messages represent calls placed during the time period February 2006 - January 2007.

Calling Area	Local Minutes	Local Messages	Average Call Length (Minutes)	Connect Rate	Per Minute Rate	Proposed Commission Rate (%)	Commission Payment Based Upon Total Call Cost
Local	722,374	32,317	22.35	\$2.50	N/A	55.00%	\$44,436.15
Intra-Lata	713,530	34,232	20.84	\$2.25	\$0.10	55.00%	\$81,606.02
Intra-State	393	21	18.88	\$2.25	\$0.10	55.00%	\$47.33
Inter-State	130,336	7,154	18.22	\$2.55	\$0.35	55.00%	\$35,123.76
Mexico	***	***	***	\$2.55	\$0.75	55.00%	***
All Other Countries	1,214	55	22.07	\$3.55	\$1.00	55.00%	\$775.09

Inmate Debit or Pre-Paid Card Total = \$161,988.36

Inmate Collect or Advance Pay Total = \$799,681.76

Inmate Debit or Pre-Paid Card Total = \$161,988.36

12-Month Grand Total = \$961,670.12

Attachment VI - Call Cost and Commission Calculation

Date: 1-9-2008

Small Correctional Facilities (< 500 Inmates) Served by Premise-Based Communication Systems

1) Offerors must state their proposed "Small Correctional Facilities (< 500 Inmates) Served by Premise-Based Communication Systems" commission rate. 45 %

Payphone (Electronic Payphone)

Payphones (electronic payphones) can only be used at State of Utah, Department of Corrections facilities, e.g., Community Correctional Centers, Adult Probation & Parole locations, the Salt Lake Transition Facility, the Fred House Training Academy and in public-access (administrative) areas at any UDC site.

- 1) Offerors must state their proposed payphone call cost. \$.50 Local flat rate long distance 4 minutes for \$1.00
- 2) Offerors must state their proposed payphone commission rate. 45 %

Remarks:

- 1) The successful contractor cannot decrease their proposed commission rates (large correctional facilities, small correctional facilities and/or payphone) at any time throughout the term of the contract without the State's approval.
- 2) The successful contractor cannot increase their proposed payphone call cost at any time throughout the term of the contract without the State's approval.
- 3) "Attachment VI - Call Cost and Commission Calculation" will yield 250 of the 300 possible "Commission Rate(s)" evaluation points. Attachment VI evaluation points (250 possible) will be awarded as follows:

- "Inmate Collect or Advance Pay" and "Inmate Debit or Pre-Paid Card"; large correctional facilities (≥ 500 inmates) served by premise-based communication systems - 200 points
- "Small Correctional Facilities (< 500 Inmates) Served by Premise-Based Communication Systems" - 40 points
- "Payphone (Electronic Payphone)" - 10 points

Two hundred (200) evaluation points have been assigned to "large correctional facilities (≥ 500 inmates) served by premise-based communication systems" because that reflects the State's (UDC) reality with the Draper Prison housing approximately 4,000 inmates and the Central Utah Correctional Facility (Gunnison) housing approximately 1,500 inmates. Maximum Attachment VI evaluation points (250 possible) will be assigned to the offeror whose proposed inmate (large and small correctional facilities) and payphone commission rates yield the highest inmate/payphone commission payments and the lowest payphone call cost. All other offerors will be assigned Attachment VI evaluation points in proportion to the offeror with the highest inmate/payphone commission payments and the lowest payphone call cost. The balance of "Commission Rate(s)" evaluation points (50 possible) are assigned to paragraphs 4.6.2, 4.6.3 and 4.6.5.

- 4) Total call cost is before federal, state and local taxes.
- 5) Per minute rates do not/cannot include mileage and/or time-of-day variations.



March 24, 2008

Debbie Gundersen C.P.M.
Purchasing Agent
Division of Purchasing
State of Utah

Dear Ms. Gundersen,

In response to your request for a Best and Final Offer (BAFO) – Solicitation DG8013, FSH Communications is submitting an amended Attachment VI as requested.

Our amended offer increases the FSH Communications commission offer to 50% of gross revenue for large correctional facilities (over 500 inmates). Our commission offer for small correctional facilities (under 500 inmates) and payphones at the Community Correctional Facilities remain unchanged from our previous offer.

Please let me know if you require any additional information

Dale Cherrington
Account Executive
FSH Communications LLC

Attachment VI - Call Cost and Commission Calculation

Date: 1-9-2008

Offerors must complete (fill-in) the "Proposed Commission Rate (%)" column (yellow cells). Offerors who fail to do so will be removed from further evaluation/award consideration.

Do not, under any circumstance, alter the format, formulas, rates, minute/message quantities (or whatever) of this spreadsheet. Again, you need only fill-in the "Proposed Commission Rate (%)" column (yellow cells).

Inmate Collect or Advance Pay

Calling Area	Connect Rate	Per Minute Rate	Payphone Usage Charge	Property (Premise) Imposed Fee (aka PIF)	Non-Mandated Governmental Fees	Bill Statement Fees	Proposed Commission Rate (%)
Local	\$3.15	N/A	The "Connect Rates" include the Payphone Usage Charge.	<i>Not Allowed</i>	<i>Not Allowed</i>	<i>Not Allowed</i>	50.00%
Intra-Lata	\$2.80	\$0.12					50.00%
Intra-State	\$2.80	\$0.12					50.00%
Inter-State	\$3.00	\$0.45					50.00%

Inmate Debit or Pre-Paid Card

Calling Area	Connect Rate	Per Minute Rate	Payphone Usage Charge	Property (Premise) Imposed Fee (aka PIF)	Non-Mandated Governmental Fees	Bill Statement Fees	Proposed Commission Rate (%)
Local	\$2.50	N/A	The "Connect Rates" include the Payphone Usage Charge.	<i>Not Allowed</i>	<i>Not Allowed</i>	<i>Not Allowed</i>	50.00%
Intra-Lata	\$2.25	\$0.10					50.00%
Intra-State	\$2.25	\$0.10					50.00%
Inter-State	\$2.55	\$0.35					50.00%
Mexico	\$2.55	\$0.75					50.00%
All Other Countries	\$3.55	\$1.00					50.00%

Attachment VI - Call Cost and Commission Calculation

Date: 1-9-2008

Inmate Collect or Advance Pay

Assumption: Going forward, 80% of the calls placed during a 12-month period will be Inmate Collect or Advance Pay. The below minutes and messages represent calls placed during the time period February 2006 - January 2007.

Calling Area	Local Minutes	Local Messages	Average Call Length (Minutes)	Connect Rate	Per Minute Rate	Proposed Commission Rate (%)	Commission Payment Based Upon Total Call Cost
Local	2,889,497	129,269	22.35	\$3.15	N/A	50.00%	\$203,598.36
Intra-Lata	2,854,122	136,927	20.84	\$2.80	\$0.12	50.00%	\$362,945.38
Intra-State	1,570	83	18.88	\$2.80	\$0.12	50.00%	\$210.70
Inter-State	521,345	28,618	18.22	\$3.00	\$0.45	50.00%	\$160,228.98

Inmate Collect or Advance Pay Total = \$726,983.42

Inmate Debit or Pre-Paid Card

Assumption: Going forward, 20% of the calls placed during a 12-month period will be Inmate Debit or Pre-Paid Card. The below minutes and messages represent calls placed during the time period February 2006 - January 2007.

Calling Area	Local Minutes	Local Messages	Average Call Length (Minutes)	Connect Rate	Per Minute Rate	Proposed Commission Rate (%)	Commission Payment Based Upon Total Call Cost
Local	722,374	32,317	22.35	\$2.50	N/A	50.00%	\$40,396.50
Intra-Lata	713,530	34,232	20.84	\$2.25	\$0.10	50.00%	\$74,187.30
Intra-State	393	21	18.88	\$2.25	\$0.10	50.00%	\$43.03
Inter-State	130,336	7,154	18.22	\$2.55	\$0.35	50.00%	\$31,930.70
Mexico	***	***	***	\$2.55	\$0.75	50.00%	***
All Other Countries	1,214	55	22.07	\$3.55	\$1.00	50.00%	\$704.63

Inmate Debit or Pre-Paid Card Total = \$147,262.15

Inmate Collect or Advance Pay Total = \$726,983.42

Inmate Debit or Pre-Paid Card Total = \$147,262.15

12-Month Grand Total = \$874,245.57

Attachment VI - Call Cost and Commission Calculation

Date: 1-9-2008

Small Correctional Facilities (< 500 Inmates) Served by Premise-Based Communication Systems

1) Offerors must state their proposed "Small Correctional Facilities (< 500 Inmates) Served by Premise-Based Communication Systems" commission rate. 43%

Payphone (Electronic Payphone)

Payphones (electronic payphones) can only be used at State of Utah, Department of Corrections facilities, e.g., Community Correctional Centers, Adult Probation & Parole locations, the Salt Lake Transition Facility, the Fred House Training Academy and in public-access (administrative) areas at any UDC site.

1) Offerors must state their proposed payphone call cost. \$.50 local calls flat rate long distance 4 minutes for \$1.00

2) Offerors must state their proposed payphone commission rate. 38%

Remarks:

1) The successful contractor cannot decrease their proposed commission rates (large correctional facilities, small correctional facilities and/or payphone) at any time throughout the term of the contract without the State's approval.

2) The successful contractor cannot increase their proposed payphone call cost at any time throughout the term of the contract without the State's approval.

3) "Attachment VI - Call Cost and Commission Calculation" will yield 250 of the 300 possible "Commission Rate(s)" evaluation points. Attachment VI evaluation points (250 possible) will be awarded as follows:

- "Inmate Collect or Advance Pay" and "Inmate Debit or Pre-Paid Card"; large correctional facilities (≥ 500 inmates) served by premise-based communication systems - 200 points
- "Small Correctional Facilities (< 500 Inmates) Served by Premise-Based Communication Systems" - 40 points
- "Payphone (Electronic Payphone)" - 10 points

Two hundred (200) evaluation points have been assigned to "large correctional facilities (≥ 500 inmates) served by premise-based communication systems" because that reflects the State's (UDC) reality with the Draper Prison housing approximately 4,000 inmates and the Central Utah Correctional Facility (Gunnison) housing approximately 1,500 inmates. Maximum Attachment VI evaluation points (250 possible) will be assigned to the offeror whose proposed inmate (large and small correctional facilities) and payphone commission rates yield the highest inmate/payphone commission payments and the lowest payphone call cost. All other offerors will be assigned Attachment VI evaluation points in proportion to the offeror with the highest inmate/payphone commission payments and the lowest payphone call cost. The balance of "Commission Rate(s)" evaluation points (50 possible) are assigned to paragraphs 4.6.2, 4.6.3 and 4.6.5.

4) Total call cost is before federal, state and local taxes.

5) Per minute rates do not/cannot include mileage and/or time-of-day variations.



March 27, 2008

Debbie Gundersen C.P.M.
Purchasing Agent
Division of Purchasing
State of Utah

Dear Ms. Gundersen,

In response to your request for a 2nd Best and Final Offer (BAFO) -- Solicitation DG8013, FSH Communications is re-submitting our 1st BAFO Attachment VI without changes.

Our first BAFO included Voice Print Technology so no changes were required. The optional features we offered in our RFP response are either available at no additional charge or would require additional information in order to put together a pricing plan.

Please let me know if you require any additional information

Dale Cherrington
Account Executive
FSH Communications LLC

Attachment VI - Call Cost and Commission Calculation

Date: 1-9-2008

Offerors must complete (fill-in) the "Proposed Commission Rate (%)" column (yellow cells). Offerors who fail to do so will be removed from further evaluation/award consideration.

Do not, under any circumstance, alter the format, formulas, rates, minute/message quantities (or whatever) of this spreadsheet. Again, you need only fill-in the "Proposed Commission Rate (%)" column (yellow cells).

Inmate Collect or Advance Pay

Calling Area	Connect Rate	Per Minute Rate	Payphone Usage Charge	Property (Premise) Imposed Fee (aka PIF)	Non-Mandated Governmental Fees	Bill Statement Fees	Proposed Commission Rate (%)
Local	\$3.15	N/A	The "Connect Rates" include the Payphone Usage Charge.	<i>Not Allowed</i>	<i>Not Allowed</i>	<i>Not Allowed</i>	50.00%
Intra-Lata	\$2.80	\$0.12					50.00%
Intra-State	\$2.80	\$0.12					50.00%
Inter-State	\$3.00	\$0.45					50.00%

Inmate Debit or Pre-Paid Card

Calling Area	Connect Rate	Per Minute Rate	Payphone Usage Charge	Property (Premise) Imposed Fee (aka PIF)	Non-Mandated Governmental Fees	Bill Statement Fees	Proposed Commission Rate (%)
Local	\$2.50	N/A	The "Connect Rates" include the Payphone Usage Charge.	<i>Not Allowed</i>	<i>Not Allowed</i>	<i>Not Allowed</i>	50.00%
Intra-Lata	\$2.25	\$0.10					50.00%
Intra-State	\$2.25	\$0.10					50.00%
Inter-State	\$2.55	\$0.35					50.00%
Mexico	\$2.55	\$0.75					50.00%
All Other Countries	\$3.55	\$1.00					50.00%

Attachment VI - Call Cost and Commission Calculation

Date: 1-9-2008

Inmate Collect or Advance Pay

Assumption: Going forward, 80% of the calls placed during a 12-month period will be Inmate Collect or Advance Pay. The below minutes and messages represent calls placed during the time period February 2006 - January 2007.

Calling Area	Local Minutes	Local Messages	Average Call Length (Minutes)	Connect Rate	Per Minute Rate	Proposed Commission Rate (%)	Commission Payment Based Upon Total Call Cost
Local	2,889,497	129,269	22.35	\$3.15	N/A	50.00%	\$203,598.36
Intra-Lata	2,854,122	136,927	20.84	\$2.80	\$0.12	50.00%	\$362,945.38
Intra-State	1,570	83	18.88	\$2.80	\$0.12	50.00%	\$210.70
Inter-State	521,345	28,618	18.22	\$3.00	\$0.45	50.00%	\$160,228.98

Inmate Collect or Advance Pay Total = \$726,983.42

Inmate Debit or Pre-Paid Card

Assumption: Going forward, 20% of the calls placed during a 12-month period will be Inmate Debit or Pre-Paid Card. The below minutes and messages represent calls placed during the time period February 2006 - January 2007.

Calling Area	Local Minutes	Local Messages	Average Call Length (Minutes)	Connect Rate	Per Minute Rate	Proposed Commission Rate (%)	Commission Payment Based Upon Total Call Cost
Local	722,374	32,317	22.35	\$2.50	N/A	50.00%	\$40,396.50
Intra-Lata	713,530	34,232	20.84	\$2.25	\$0.10	50.00%	\$74,187.30
Intra-State	393	21	18.88	\$2.25	\$0.10	50.00%	\$43.03
Inter-State	130,336	7,154	18.22	\$2.55	\$0.35	50.00%	\$31,930.70
Mexico	***	***	***	\$2.55	\$0.75	50.00%	***
All Other Countries	1,214	55	22.07	\$3.55	\$1.00	50.00%	\$704.63

Inmate Debit or Pre-Paid Card Total = \$147,262.15

Inmate Collect or Advance Pay Total = \$726,983.42

Inmate Debit or Pre-Paid Card Total = \$147,262.15

12-Month Grand Total = \$874,245.57

Attachment VI - Call Cost and Commission Calculation

Date: 1-9-2008

Small Correctional Facilities (< 500 Inmates) Served by Premise-Based Communication Systems

1) Offerors must state their proposed "Small Correctional Facilities (< 500 Inmates) Served by Premise-Based Communication Systems" commission rate. 43%

Payphone (Electronic Payphone)

Payphones (electronic payphones) can only be used at State of Utah, Department of Corrections facilities, e.g., Community Correctional Centers, Adult Probation & Parole locations, the Salt Lake Transition Facility, the Fred House Training Academy and in public-access (administrative) areas at any UDC site.

1) Offerors must state their proposed payphone call cost. \$.50 local calls flat rate long distance 4 minutes for \$1.00

2) Offerors must state their proposed payphone commission rate. 38%

Remarks:

1) The successful contractor cannot decrease their proposed commission rates (large correctional facilities, small correctional facilities and/or payphone) at any time throughout the term of the contract without the State's approval.

2) The successful contractor cannot increase their proposed payphone call cost at any time throughout the term of the contract without the State's approval.

3) "Attachment VI - Call Cost and Commission Calculation" will yield 250 of the 300 possible "Commission Rate(s)" evaluation points. Attachment VI evaluation points (250 possible) will be awarded as follows:

- "Inmate Collect or Advance Pay" and "Inmate Debit or Pre-Paid Card"; large correctional facilities (≥ 500 inmates) served by premise-based communication systems - 200 points
- "Small Correctional Facilities (< 500 Inmates) Served by Premise-Based Communication Systems" - 40 points
- "Payphone (Electronic Payphone)" - 10 points

Two hundred (200) evaluation points have been assigned to "large correctional facilities (≥ 500 inmates) served by premise-based communication systems" because that reflects the State's (UDC) reality with the Draper Prison housing approximately 4,000 inmates and the Central Utah Correctional Facility (Gunnison) housing approximately 1,500 inmates. Maximum Attachment VI evaluation points (250 possible) will be assigned to the offeror whose proposed inmate (large and small correctional facilities) and payphone commission rates yield the highest inmate/payphone commission payments and the lowest payphone call cost. All other offerors will be assigned Attachment VI evaluation points in proportion to the offeror with the highest inmate/payphone commission payments and the lowest payphone call cost. The balance of "Commission Rate(s)" evaluation points (50 possible) are assigned to paragraphs 4.6.2, 4.6.3 and 4.6.5.

4) Total call cost is before federal, state and local taxes.

5) Per minute rates do not/cannot include mileage and/or time-of-day variations.



April 11, 2008

Debbie Gundersen C.P.M.
Purchasing Agent
Division of Purchasing
State of Utah

Dear Ms. Gundersen,

In response to your request for a 4th Best and Final Offer (BAFO) – Solicitation DG8013, FSH Communications is re-submitting our 1st & 2nd BAFO Attachment VI without changes.

Our first BAFO included Voice Print Technology so no changes were required. The optional features we offered in our RFP response are either available at no additional charge or would require additional information in order to put together a pricing plan.

Please let me know if you require any additional information

Dale Cherrington
Account Executive
FSH Communications LLC

Attachment VI - Call Cost and Commission Calculation

Date: 1-9-2008

Offerors must complete (fill-in) the "Proposed Commission Rate (%)" column (yellow cells). Offerors who fail to do so will be removed from further evaluation/award consideration.

Do not, under any circumstance, alter the format, formulas, rates, minute/message quantities (or whatever) of this spreadsheet. Again, you need only fill-in the "Proposed Commission Rate (%)" column (yellow cells).

Inmate Collect or Advance Pay

Calling Area	Connect Rate	Per Minute Rate	Payphone Usage Charge	Property (Premise) Imposed Fee (aka PIF)	Non-Mandated Governmental Fees	Bill Statement Fees	Proposed Commission Rate (%)
Local	\$3.15	N/A	The "Connect Rates" include the Payphone Usage Charge.	<i>Not Allowed</i>	<i>Not Allowed</i>	<i>Not Allowed</i>	50.00%
Intra-Lata	\$2.80	\$0.12					50.00%
Intra-State	\$2.80	\$0.12					50.00%
Inter-State	\$3.00	\$0.45					50.00%

Inmate Debit or Pre-Paid Card

Calling Area	Connect Rate	Per Minute Rate	Payphone Usage Charge	Property (Premise) Imposed Fee (aka PIF)	Non-Mandated Governmental Fees	Bill Statement Fees	Proposed Commission Rate (%)
Local	\$2.50	N/A	The "Connect Rates" include the Payphone Usage Charge.	<i>Not Allowed</i>	<i>Not Allowed</i>	<i>Not Allowed</i>	50.00%
Intra-Lata	\$2.25	\$0.10					50.00%
Intra-State	\$2.25	\$0.10					50.00%
Inter-State	\$2.55	\$0.35					50.00%
Mexico	\$2.55	\$0.75					50.00%
All Other Countries	\$3.55	\$1.00					50.00%

Attachment VI - Call Cost and Commission Calculation

Date: 1-9-2008

Inmate Collect or Advance Pay							
Assumption: Going forward, 80% of the calls placed during a 12-month period will be Inmate Collect or Advance Pay. The below minutes and messages represent calls placed during the time period February 2006 - January 2007.							
Calling Area	Local Minutes	Local Messages	Average Call Length (Minutes)	Connect Rate	Per Minute Rate	Proposed Commission Rate (%)	Commission Payment Based Upon Total Call Cost
Local	2,889,497	129,269	22.35	\$3.15	N/A	50.00%	\$203,598.36
Intra-Lata	2,854,122	136,927	20.84	\$2.80	\$0.12	50.00%	\$362,945.38
Intra-State	1,570	83	18.88	\$2.80	\$0.12	50.00%	\$210.70
Inter-State	521,345	28,618	18.22	\$3.00	\$0.45	50.00%	\$160,228.98
Inmate Collect or Advance Pay Total =							\$726,983.42
Inmate Debit or Pre-Paid Card							
Assumption: Going forward, 20% of the calls placed during a 12-month period will be Inmate Debit or Pre-Paid Card. The below minutes and messages represent calls placed during the time period February 2006 - January 2007.							
Calling Area	Local Minutes	Local Messages	Average Call Length (Minutes)	Connect Rate	Per Minute Rate	Proposed Commission Rate (%)	Commission Payment Based Upon Total Call Cost
Local	722,374	32,317	22.35	\$2.50	N/A	50.00%	\$40,396.50
Intra-Lata	713,530	34,232	20.84	\$2.25	\$0.10	50.00%	\$74,187.30
Intra-State	393	21	18.88	\$2.25	\$0.10	50.00%	\$43.03
Inter-State	130,336	7,154	18.22	\$2.55	\$0.35	50.00%	\$31,930.70
Mexico	***	***	***	\$2.55	\$0.75	50.00%	***
All Other Countries	1,214	55	22.07	\$3.55	\$1.00	50.00%	\$704.63
Inmate Debit or Pre-Paid Card Total =							\$147,262.15
Inmate Collect or Advance Pay Total =							\$726,983.42
Inmate Debit or Pre-Paid Card Total =							\$147,262.15
12-Month Grand Total =							\$874,245.57

Attachment VI - Call Cost and Commission Calculation

Date: 1-9-2008

Small Correctional Facilities (< 500 Inmates) Served by Premise-Based Communication Systems

1) Offerors must state their proposed "Small Correctional Facilities (< 500 Inmates) Served by Premise-Based Communication Systems" commission rate. 43%

Payphone (Electronic Payphone)

Payphones (electronic payphones) can only be used at State of Utah, Department of Corrections facilities, e.g., Community Correctional Centers, Adult Probation & Parole locations, the Salt Lake Transition Facility, the Fred House Training Academy and in public-access (administrative) areas at any UDC site.

1) Offerors must state their proposed payphone call cost. \$.50 Local flat rate long distance 4 minutes for \$1.00 (delineate/explain as necessary)
2) Offerors must state their proposed payphone commission rate. 38%

Remarks:

1) The successful contractor cannot decrease their proposed commission rates (large correctional facilities, small correctional facilities and/or payphone) at any time throughout the term of the contract without the State's approval.
2) The successful contractor cannot increase their proposed payphone call cost at any time throughout the term of the contract without the State's approval.

3) "Attachment VI - Call Cost and Commission Calculation" will yield 250 of the 300 possible "Commission Rate(s)" evaluation points. Attachment VI evaluation points (250 possible) will be awarded as follows:

- "Inmate Collect or Advance Pay" and "Inmate Debit or Pre-Paid Card"; large correctional facilities (≥ 500 inmates) served by premise-based communication systems - 200 points
- "Small Correctional Facilities (< 500 Inmates) Served by Premise-Based Communication Systems" - 40 points
- "Payphone (Electronic Payphone)" - 10 points

Two hundred (200) evaluation points have been assigned to "large correctional facilities (≥ 500 inmates) served by premise-based communication systems" because that reflects the State's (UDC) reality with the Draper Prison housing approximately 4,000 inmates and the Central Utah Correctional Facility (Gunnison) housing approximately 1,500 inmates. Maximum Attachment VI evaluation points (250 possible) will be assigned to the offeror whose proposed inmate (large and small correctional facilities) and payphone commission rates yield the highest inmate/payphone commission payments and the lowest payphone call cost. All other offerors will be assigned Attachment VI evaluation points in proportion to the offeror with the highest inmate/payphone commission payments and the lowest payphone call cost. The balance of "Commission Rate(s)" evaluation points (50 possible) are assigned to paragraphs 4.6.2, 4.6.3 and 4.6.5.

4) Total call cost is before federal, state and local taxes.
5) Per minute rates do not/cannot include mileage and/or time-of-day variations.



April 11, 2008

Debbie Gundersen C.P.M.
Purchasing Agent
Division of Purchasing
State of Utah

Dear Ms. Gundersen,

In response to your request for a 4th Best and Final Offer (BAFO) – Solicitation DG8013, FSH Communications is submitting our response to BAFO #4 Attachment VI.

Our first BAFP included Voice Print Technology so no changes were required. The optional features we offered in our RFP response are either available at no additional charge or would require additional information in order to put together a pricing plan.

As requested, we are submitting our response and agreement to the specific requirements required in the State's BAFO # 4 As follows.

Item #1:

In part, the purpose of this BAFO #4 is to clarify any misinformation, false assumptions and/or confusion between the State and offerors, regarding the inmate communication systems/service that must be implemented by the successful contractor to serve the needs of UDC inmates located at the Draper Prison and at the Central Utah Correctional Facility (CUCF) - Gunnison; more specifically, the communication systems/service installed by the successful contractor must include voice print technology, or an alternative, UDC approved, bio-based verification system.

Mandatory: Acknowledge your understanding of and confirm your agreement with this Item #1 requirement (you cannot take exception to this requirement).

With regard to "Attachment VI - Call Cost and Commission Calculation" (attached), the State will base commission/cost scoring (250 of the 300 possible "Commission Rate(s)" evaluation points) exclusively on your completion of Attachment VI that reflects your commission/cost information that has only to do with the implementation of inmate communication systems/service that include voice print technology, or an alternative, UDC approved, bio-based verification system, at the Draper Prison and at the Central Utah Correctional Facility (CUCF) - Gunnison. Commission/cost scoring will not take into account value-added enhancements and/or "new" technologies.

FSH Communications Understands and complies with the statements in Item #1 without exception

FSH Communications Response
BAFO #4 - Inmate Communication Systems/Service RFP DG8013

Item #2:

As stated in paragraph 4.6.1, "The State of Utah is interested in reducing inmate call costs. To that end, the State has defined call rates. The rates cannot be increased at any point during the six-year term of the contract unless the State (UDC) chooses to do so."

BAFO #3 was cancelled because of the need to better communicate the State's position regarding the "Payphone Usage Charge", also known as "Payphone Surcharge" and/or "Pay Telephone Surcharge". BAFO #3 erroneously stated, "Point of Clarification: Commission need not be paid on the "Payphone Usage Charge", also known as "Payphone Surcharge" and/or "Pay Telephone Surcharge". Whether or not you consider the "Payphone Usage Charge" to be a federally mandated fee and/or surcharge, in fact, commission must be paid on the "Payphone Usage Charge" because the charge (currently \$.55 per call) is included in the State's RFP specified inmate calling rates; refer to the below "modified" rate table. FSH Communications, the State's incumbent inmate communication systems/service provider, has adhered to this requirement throughout the term of their statewide contract. It is imperative that you understand that the "Payphone Usage Charge" (abbreviated PUC for purposes of this BAFO) is included in the State's defined "Connect Rates" and therefore commission must be paid on the "Payphone Usage Charge". So that there is no confusion now or in the future, the below "modified" (mandatory) rate table

is provided:

Inmate Collect or

Advance Pay Connect Rate Per Minute Rate

Local \$2.60 + \$.55 (PUC) = \$3.15 No Local Message Charge
Intra-Lata \$2.25 + \$.55 (PUC) = \$2.80 \$0.12
Intra-State \$2.25 + \$.55 (PUC) = \$2.80 \$0.12
Inter-State \$2.45 + \$.55 (PUC) = \$3.00 \$0.45

Inmate Debit or

Pre-Paid Card Connect Rate Per Minute Rate

Local \$1.95 + \$.55 (PUC) = \$2.50 No Local Message Charge
Intra-Lata \$1.70 + \$.55 (PUC) = \$2.25 \$0.10
Intra-State \$1.70 + \$.55 (PUC) = \$2.25 \$0.10
Inter-State \$2.00 + \$.55 (PUC) = \$2.55 \$0.35
Mexico \$2.00 + \$.55 (PUC) = \$2.55 \$0.75
All Other Countries \$3.00 + \$.55 (PUC) = \$3.55 \$1.00

To emphasize the State's interest in reducing inmate call costs, various RFP excerpts follow:

1.5 Contract Period: "Renewal terms will be subject to mutual agreement with specific exceptions, e.g., not to exceed call rates (costs) cannot be increased throughout the (potential) six-year contract term unless the State chooses to do so."

4.6.1 Item #2: "The State of Utah is specifying the exact call charges to be charged on both collect and debit rates. There will be no exception(s) to these specified rates. Offerors will be disqualified if they propose higher than stated (defined) call rates."

4.6.1 Item #2: "Any taxes, fees and/or surcharges charged to the end-user shall be rated as pass-through. This includes any local, state and/or federally mandated taxes, fees and/or surcharges."

FSH Communications Response

BAFO #4 - Inmate Communication Systems/Service RFP DG8013

4.6.1 Item #6: "The State of Utah is specifying inmate calling rates. At no time during the term of the contract will the contractor vary from these rates without the explicit written authorization from the State of Utah."

4.6.1 Item #13: "Any deviation from the rate and commission rules specified in this RFP shall be cause for immediate contract default. Such a default may include one, or all, of the following consequences:

- a. Contract termination
- b. Mandatory refunding of any/all overcharges to the billed party
- c. Forfeiture of performance bond"

4.6.4: "Without exclusion or exception, commission revenue must be computed and paid on any and all inmate telephone call charge(s), rate(s) and/or cost element(s)."

Mandatory: Acknowledge your understanding of and confirm your agreement with this Item #2 requirement (you cannot take exception to this requirement).

FSH Communications Understands and complies with the statements in Item #2 without exception

Item #3:

As part of this BAFO, you must redo "Attachment VI - Call Cost and Commission Calculation" (attached) in compliance with the clarification instructions (language) contained in this BAFO. Your completion and submission of Attachment VI, as required by BAFO #4, will supersede the Attachment VI that you submitted in response to the original RFP, BAFO #1 and/or BAFO #2 (BAFO #3 does not apply since it was cancelled).

Your BAFO #4 commission rate offer must take into consideration that the Draper Prison and the Central Utah Correctional Facility (CUCF) - Gunnison inmate communication systems/service includes voice print technology, or an alternative, UDC approved, bio-based verification system. As part of this BAFO, you may adjust your commission rate offer.

Mandatory: Complete (fill in) Attachment VI (attached) in its entirety; the below information must be provided (filled in); if any of these entries are left blank, then you will be disqualified:

- o the spreadsheet (yellow cells)
- o the \$ ____ entries
- o the ____% entries

Be aware, you will be disqualified if you:

- o leave blank any: spreadsheet (yellow cells); \$ ____ entries; ____% entries
- o qualify your response to, or take exception with, Attachment VI in any way (Note 1)
- o fail to complete and return Attachment VI by noon on Tuesday, April 15, 2008

Note 1: The only permissible "qualification" (exception), more a "clarification", may be your need to clarify your payphone-related cost information, e.g., any/all payphone local and long distance cost(s). If evaluators require such information to clearly understand your payphone-related call cost(s), then provide such information.

Provide your responses to the mandatory Item numbers 1 and 2 "Acknowledge your understanding of and confirm your agreement" statements, and provide your redo of Attachment VI to Debbie Gundersen by reply e-mail: DGUNDERSEN@utah.gov

Please let me know if you require any additional information

FSH Communications Response

BAFO #4 - Inmate Communication Systems/Service RFP DG8013

FSH Communications Understands and complies with the statements in Item #3 without exception and has resubmitted Attachment VI Call Cost and Commission Calculation as part of our response to BAFO#4

Dale Cherrington
Account Executive
FSH Communications LLC

Attachment VI - Call Cost and Commission Calculation

Date: 1-9-2008

Offerors must complete (fill-in) the "Proposed Commission Rate (%)" column (yellow cells). Offerors who fail to do so will be removed from further evaluation/award consideration.

Do not, under any circumstance, alter the format, formulas, rates, minute/message quantities (or whatever) of this spreadsheet. Again, you need only fill-in the "Proposed Commission Rate (%)" column (yellow cells).

Inmate Collect or Advance Pay

Calling Area	Connect Rate	Per Minute Rate	Payphone Usage Charge	Property (Premise) Imposed Fee (aka PIF)	Non-Mandated Governmental Fees	Bill Statement Fees	Proposed Commission Rate (%)
Local	\$3.15	N/A	The "Connect Rates" include the Payphone Usage Charge.	<i>Not Allowed</i>	<i>Not Allowed</i>	<i>Not Allowed</i>	50.00%
Intra-Lata	\$2.80	\$0.12					50.00%
Intra-State	\$2.80	\$0.12					50.00%
Inter-State	\$3.00	\$0.45					50.00%

Inmate Debit or Pre-Paid Card

Calling Area	Connect Rate	Per Minute Rate	Payphone Usage Charge	Property (Premise) Imposed Fee (aka PIF)	Non-Mandated Governmental Fees	Bill Statement Fees	Proposed Commission Rate (%)
Local	\$2.50	N/A	The "Connect Rates" include the Payphone Usage Charge.	<i>Not Allowed</i>	<i>Not Allowed</i>	<i>Not Allowed</i>	50.00%
Intra-Lata	\$2.25	\$0.10					50.00%
Intra-State	\$2.25	\$0.10					50.00%
Inter-State	\$2.55	\$0.35					50.00%
Mexico	\$2.55	\$0.75					50.00%
All Other Countries	\$3.55	\$1.00					50.00%

Attachment VI - Call Cost and Commission Calculation

Date: 1-9-2008

Inmate Collect or Advance Pay Assumption: Going forward, 80% of the calls placed during a 12-month period will be Inmate Collect or Advance Pay. The below minutes and messages represent calls placed during the time period February 2006 - January 2007.							
Calling Area	Local Minutes	Local Messages	Average Call Length (Minutes)	Connect Rate	Per Minute Rate	Proposed Commission Rate (%)	Commission Payment Based Upon Total Call Cost
Local	2,889,497	129,269	22.35	\$3.15	N/A	50.00%	\$203,598.36
Intra-Lata	2,854,122	136,927	20.84	\$2.80	\$0.12	50.00%	\$362,945.38
Intra-State	1,570	83	18.88	\$2.80	\$0.12	50.00%	\$210.70
Inter-State	521,345	28,618	18.22	\$3.00	\$0.45	50.00%	\$160,228.98
Inmate Collect or Advance Pay Total =							\$726,983.42
Inmate Debit or Pre-Paid Card Assumption: Going forward, 20% of the calls placed during a 12-month period will be Inmate Debit or Pre-Paid Card. The below minutes and messages represent calls placed during the time period February 2006 - January 2007.							
Calling Area	Local Minutes	Local Messages	Average Call Length (Minutes)	Connect Rate	Per Minute Rate	Proposed Commission Rate (%)	Commission Payment Based Upon Total Call Cost
Local	722,374	32,317	22.35	\$2.50	N/A	50.00%	\$40,396.50
Intra-Lata	713,530	34,232	20.84	\$2.25	\$0.10	50.00%	\$74,187.30
Intra-State	393	21	18.88	\$2.25	\$0.10	50.00%	\$43.03
Inter-State	130,336	7,154	18.22	\$2.55	\$0.35	50.00%	\$31,930.70
Mexico	***	***	***	\$2.55	\$0.75	50.00%	***
All Other Countries	1,214	55	22.07	\$3.55	\$1.00	50.00%	\$704.63
Inmate Debit or Pre-Paid Card Total =							\$147,262.15
Inmate Collect or Advance Pay Total =							\$726,983.42
Inmate Debit or Pre-Paid Card Total =							\$147,262.15
12-Month Grand Total =							\$874,245.57

Attachment VI - Call Cost and Commission Calculation

Date: 1-9-2008

Small Correctional Facilities (< 500 Inmates) Served by Premise-Based Communication Systems

1) Offerors must state their proposed "Small Correctional Facilities (< 500 Inmates) Served by Premise-Based Communication Systems" commission rate. 43%

Payphone (Electronic Payphone)

Payphones (electronic payphones) can only be used at State of Utah, Department of Corrections facilities, e.g., Community Correctional Centers, Adult Probation & Parole locations, the Salt Lake Transition Facility, the Fred House Training Academy and in public-access (administrative) areas at any UDC site.

1) Offerors must state their proposed payphone call cost. \$.50 Local flat rate long distance 4 minutes for \$1.00 (delineate/explain as necessary)
2) Offerors must state their proposed payphone commission rate. 38%

Remarks:

1) The successful contractor cannot decrease their proposed commission rates (large correctional facilities, small correctional facilities and/or payphone) at any time throughout the term of the contract without the State's approval.

2) The successful contractor cannot increase their proposed payphone call cost at any time throughout the term of the contract without the State's approval.

3) "Attachment VI - Call Cost and Commission Calculation" will yield 250 of the 300 possible "Commission Rate(s)" evaluation points. Attachment VI evaluation points (250 possible) will be awarded as follows:

- "Inmate Collect or Advance Pay" and "Inmate Debit or Pre-Paid Card"; large correctional facilities (≥ 500 inmates) served by premise-based communication systems - 200 points
- "Small Correctional Facilities (< 500 Inmates) Served by Premise-Based Communication Systems" - 40 points
- "Payphone (Electronic Payphone)" - 10 points

Two hundred (200) evaluation points have been assigned to "large correctional facilities (≥ 500 inmates) served by premise-based communication systems" because that reflects the State's (UDC) reality with the Draper Prison housing approximately 4,000 inmates and the Central Utah Correctional Facility (Gunnison) housing approximately 1,500 inmates. Maximum Attachment VI evaluation points (250 possible) will be assigned to the offeror whose proposed inmate (large and small correctional facilities) and payphone commission rates yield the highest inmate/payphone commission payments and the lowest payphone call cost. All other offerors will be assigned Attachment VI evaluation points in proportion to the offeror with the highest inmate/payphone commission payments and the lowest payphone call cost. The balance of "Commission Rate(s)" evaluation points (50 possible) are assigned to paragraphs 4.6.2, 4.6.3 and 4.6.5.

4) Total call cost is before federal, state and local taxes.

5) Per minute rates do not/cannot include mileage and/or time-of-day variations.



Debbie Gundersen C.P.M.
Purchasing Agent
Division of Purchasing
State of Utah

April 24, 2008

Dear Ms. Gundersen,

Attached herein is FSH Communications response to the State of Utah's request for a 5th Best and Final Offer (BAFO) - Solicitation DG8013, to include Inmate Comm. RFP DG8013 Attachment IV.

Our first BAFO included Voice Print Technology and no changes were required at that time. The optional features we offered in our RFP response are either available at no additional charge or would require additional information in order to put together a pricing plan.

As requested, we are submitting our response and agreement to the specific requirements stated in the State's BAFO # 5 as follows.

Item #1:

To clarify any misinformation, false assumptions and/or confusion between the State and offerors regarding the inmate communication systems/service that must be implemented by the successful contractor to serve the needs of UDC inmates located at the Draper Prison and at the Central Utah Correctional Facility (CUCF) - Gunnison, be aware that the communication systems/service installed by the successful contractor must include voice print technology, or an alternative, UDC approved, bio-based verification system. Commission/cost scoring will not take into account value-added enhancements and/or "new" technologies over and above voice print technology, or an alternative, UDC approved, bio-based verification system.

Mandatory: Acknowledge your understanding of and confirm your agreement with the State's requirement that the communication systems/service installed by the successful contractor at Draper and at Gunnison must include voice print technology, or an alternative UDC approved bio-based verification system. You cannot take exception to this requirement.

FSH Communications Response:

Understands and agrees with the requirements in Item #1 without exception.

Item #2:

As stated in paragraph 4.6.1, "The State of Utah is interested in reducing inmate call costs. To that end, the State has defined call rates. The rates cannot be increased at any point during the six-year term of the contract unless the State (UDC) chooses to do so."

BAFOs #3 and #4 were cancelled because of the need to better communicate the State's position regarding the "Payphone Usage Charge", also known as "Payphone Surcharge" and/or "Pay Telephone Surcharge". Only "Payphone Usage Charge" will be used throughout the remainder of this BAFO. Be aware that "Payphone Surcharge" and/or "Pay Telephone Surcharge" are synonymous with "Payphone Usage Charge".

The "Maximum Call Charge (Excluding the Associated Per Minute Rate Charge)" and the "Maximum Per Minute Rate Charge" delineated in the below table cannot be increased at any point during the six-year term of the contract unless the State (UDC) chooses to do so.

Explain / Describe / Answer the following:

a. Do you charge (assess) the "Payphone Usage Charge"?

FSH Communications Response:

FSH contracts with Qwest Communications to carry all local and intraLata (in-state) call traffic. Qwest incorporates the Payphone Usage Charge as part of the amount billed for calls placed from the inmate phone system and not as a separate charge. FSH currently contracts with ILD to carry all interLata (long distance) call traffic. FSH may or may not continue with ILD as the contracted carrier if FSH is the successful bidder. The payphone usage charge (if charged) will be included as part of the billed charges as required by the State of Utah.

If there is any change to FSH's contracted call traffic providers we will 1) notify the State in advance of any change to obtain their consent; and 2) any change in carrier will NOT change the mandated call rates.

b. If so, do you include the "Payphone Usage Charge" as part of the "Maximum Call Charge (Excluding the Associated Per Minute Rate Charge)"?

FSH Communications Response:

As described above the "Payphone Usage Charge" is included as part of the Maximum Call Charge (Excluding the Associated Per Minute Rate Charge)".

c. If the answer to b. is "No", then do you charge (assess) the "Payphone Usage Charge" over and above (in addition to) the "Maximum Call Charge (Excluding the Associated Per Minute Rate Charge)"?

FSH Communications Response:

Not applicable. Please refer to our answers to 'a.' and 'b.' above.

Be Aware: If you charge the "Payphone Usage Charge" over and above (in addition to) the "Maximum Call Charge (Excluding the Associated Per Minute Rate Charge)", then the "Maximum Call Charge (Excluding the Associated Per Minute Rate Charge)" must be reduced so that the "Maximum Call Charge (Excluding the Associated Per Minute Rate Charge)" plus your "Payphone Usage Charge" does not exceed the following:

Inmate Collect or Advance Pay:

Local = \$3.15; Intra-Lata = \$2.80; Intra-State = \$2.80; Inter-State = \$3.00

Inmate Debit or Pre-Paid Card:

Local = \$2.50; Intra-Lata = \$2.25; Intra-State = \$2.25; Inter-State = \$2.55; Mexico = \$2.55; All Other Countries = \$3.55

For Example: If you charge the "Payphone Usage Charge" over and above (in addition to) the "Maximum Call Charge (Excluding the Associated Per Minute Rate Charge)" and if (for example) your "Payphone Usage Charge" equals \$.57 per call, then the "Maximum Call Charge (Excluding the Associated Per Minute Rate Charge)" for an "Inmate Collect or Advance Pay" Local call would be \$2.58 (\$3.15 - \$.57 = \$2.58).

Note: The column heading in the below table that now reads "Maximum Call Charge (Excluding the Associated Per Minute Rate Charge)" use to read "Connect Rate" in the original RFP and in BAFOs #3 and #4.

<u>Inmate Collect or Advance Pay</u>	<u>Maximum Call Charge (Excluding the Associated Per Minute Rate Charge)</u>	<u>Maximum Per Minute Rate Charge</u>
Local	\$3.15	No Local Message Charge
Intra-Lata	\$2.80	\$0.12
Intra-State	\$2.80	\$0.12
Inter-State	\$3.00	\$0.45

<u>Inmate Debit or Pre-Paid Card</u>	<u>Maximum Call Charge (Excluding the Associated Per Minute Rate Charge)</u>	<u>Maximum Per Minute Rate Charge</u>
Local	\$2.50	No Local Message Charge
Intra-Lata	\$2.25	\$0.10
Intra-State	\$2.25	\$0.10
Inter-State	\$2.55	\$0.35
Mexico	\$2.55	\$0.75
All Other Countries	\$3.55	\$1.00

To emphasize the importance of reducing inmate call costs (holding the line on inmate call costs), paragraph 4.6.1 Item #13 states: "Any deviation from the rate and commission rules specified in this RFP shall be cause for immediate contract default. Such a default may include one, or all, of the following consequences:

- a. Contract termination
- b. Mandatory refunding of any/all overcharges to the billed party
- c. Forfeiture of performance bond"

Mandatory: Explain/describe/answer the above Item #2 questions/issues. Acknowledge your understanding of and confirm your agreement with the statements and requirements contained in Item #2. You cannot take exception to Item #2 statements, requirements and/or specifications.

FSH Communications Response:

FSH understands and agrees with the statements in Item #2 without exception. The rates charged by FSH include the payphone usage charge and will not exceed the rates as specified in Item #2.

Item #3:

BAFO #3 erroneously stated, "Point of Clarification: Commission need not be paid on the "Payphone Usage Charge", also known as "Payphone Surcharge" and/or "Pay Telephone Surcharge". In fact, commission must be paid on the "Payphone Usage Charge".

Mandatory: Acknowledge your understanding of and confirm your agreement with the State's requirement that commission must be paid on the "Payphone Usage Charge". You cannot take exception to this requirement.

FSH Communications Response:

FSH understands and agrees with the statements in Item #3 without exception.

FSH has always paid commission on the Payphone Usage Charge revenue and will continue to do so if FSH is the successful bidder.

Item #4:

As part of this BAFO, you must redo "Attachment VI - Call Cost and Commission Calculation" (attached) in compliance with the clarification instructions (language) contained in this BAFO. Your completion and submission of Attachment VI, as required by this BAFO, will supersede the various Attachment VI that you submitted in response to the original RFP, BAFO #1 and/or BAFO #2 (BAFOs #3 and #4 do not apply since they were cancelled).

Your BAFO #5 commission rate offer must take into consideration that the Draper Prison and the Central Utah Correctional Facility (CUCF) - Gunnison inmate communication systems/service includes voice print technology, or an alternative, UDC approved, bio-based verification system. As part of this BAFO, you may adjust your commission rate offer.

Mandatory: Complete (fill in) Attachment VI (attached) in its entirety; the below information must be provided (filled in). If any of these entries are left blank, then you will be disqualified:

- o the spreadsheet (yellow cells)
- o the \$ ____ entries
- o the ____% entries

Be aware, you will be disqualified if you:

- o leave blank any spreadsheet (yellow cells), \$ ____ entries and/or ____% entries
- o qualify your response to, or take exception with, Attachment VI in any way (Note 1)
- o fail to complete and return Attachment VI by noon on Tuesday, April 29, 2008

Note 1: The only permissible "qualification" (exception), more a "clarification", may be your need to clarify your payphone-related cost information, e.g., any/all payphone local and long distance cost(s). If evaluators require such information to clearly understand your payphone-related call cost(s), then provide such information.

Provide your answers, responses, etc. to the above mandatory items and provide your redo of Attachment VI to Debbie Gundersen by reply e-mail: DGUNDERSEN@utah.gov

FSH Communications Response:

FSH understands and agrees with the statements in Item #4 without exception. As part of our response FSH is resubmitting the "Attachment VI – Call Cost and Commission Calculation".

Attachment VI - Call Cost and Commission Calculation

Date: 1-9-2008

Offerors must complete (fill-in) the "Proposed Commission Rate (%)" column (yellow cells). Offerors who fail to do so will be removed from further evaluation/award consideration.

Do not, under any circumstance, alter the format, formulas, rates, minute/message quantities (or whatever) of this spreadsheet. Again, you need only fill-in the "Proposed Commission Rate (%)" column (yellow cells).

Inmate Collect or Advance Pay

Calling Area	Connect Rate	Per Minute Rate	Payphone Usage Charge	Property (Premise) Imposed Fee (aka PIF)	Non-Mandated Governmental Fees	Bill Statement Fees	Proposed Commission Rate (%)
Local	\$3.15	N/A	The "Connect Rates" include the Payphone Usage Charge.	<i>Not Allowed</i>	<i>Not Allowed</i>	<i>Not Allowed</i>	55.00%
Intra-Lata	\$2.80	\$0.12					55.00%
Intra-State	\$2.80	\$0.12					55.00%
Inter-State	\$3.00	\$0.45					55.00%

Inmate Debit or Pre-Paid Card

Calling Area	Connect Rate	Per Minute Rate	Payphone Usage Charge	Property (Premise) Imposed Fee (aka PIF)	Non-Mandated Governmental Fees	Bill Statement Fees	Proposed Commission Rate (%)
Local	\$2.50	N/A	The "Connect Rates" include the Payphone Usage Charge.	<i>Not Allowed</i>	<i>Not Allowed</i>	<i>Not Allowed</i>	55.00%
Intra-Lata	\$2.25	\$0.10					55.00%
Intra-State	\$2.25	\$0.10					55.00%
Inter-State	\$2.55	\$0.35					55.00%
Mexico	\$2.55	\$0.75					55.00%
All Other Countries	\$3.55	\$1.00					55.00%

Attachment VI - Call Cost and Commission Calculation

Date: 1-9-2008

Inmate Collect or Advance Pay							
Assumption: Going forward, 80% of the calls placed during a 12-month period will be Inmate Collect or Advance Pay. The below minutes and messages represent calls placed during the time period February 2006 - January 2007.							
Calling Area	Local Minutes	Local Messages	Average Call Length (Minutes)	Connect Rate	Per Minute Rate	Proposed Commission Rate (%)	Commission Payment Based Upon Total Call Cost
Local	2,889,497	129,269	22.35	\$3.15	N/A	55.00%	\$223,958.20
Intra-Lata	2,854,122	136,927	20.84	\$2.80	\$0.12	55.00%	\$399,239.91
Intra-State	1,570	83	18.88	\$2.80	\$0.12	55.00%	\$231.77
Inter-State	521,345	28,618	18.22	\$3.00	\$0.45	55.00%	\$176,251.88
Inmate Collect or Advance Pay Total =							\$799,681.76
Inmate Debit or Pre-Paid Card							
Assumption: Going forward, 20% of the calls placed during a 12-month period will be Inmate Debit or Pre-Paid Card. The below minutes and messages represent calls placed during the time period February 2006 - January 2007.							
Calling Area	Local Minutes	Local Messages	Average Call Length (Minutes)	Connect Rate	Per Minute Rate	Proposed Commission Rate (%)	Commission Payment Based Upon Total Call Cost
Local	722,374	32,317	22.35	\$2.50	N/A	55.00%	\$44,436.15
Intra-Lata	713,530	34,232	20.84	\$2.25	\$0.10	55.00%	\$81,606.02
Intra-State	393	21	18.88	\$2.25	\$0.10	55.00%	\$47.33
Inter-State	130,336	7,154	18.22	\$2.55	\$0.35	55.00%	\$35,123.76
Mexico	***	***	***	\$2.55	\$0.75	55.00%	***
All Other Countries	1,214	55	22.07	\$3.55	\$1.00	55.00%	\$775.09
Inmate Debit or Pre-Paid Card Total =							\$161,988.36
Inmate Collect or Advance Pay Total =							\$799,681.76
Inmate Debit or Pre-Paid Card Total =							\$161,988.36
12-Month Grand Total =							\$961,670.12

Continued on Inmate Debit or Pre-Paid Card

Attachment VI - Call Cost and Commission Calculation

Date: 1-9-2008

Small Correctional Facilities (< 500 Inmates) Served by Premise-Based Communication Systems

1) Offerors must state their proposed "Small Correctional Facilities (< 500 Inmates) Served by Premise-Based Communication Systems" commission rate. 45 %

Payphone (Electronic Payphone)

Payphones (electronic payphones) can only be used at State of Utah, Department of Corrections facilities, e.g., Community Correctional Centers, Adult Probation & Parole locations, the Salt Lake Transition Facility, the Fred House Training Academy and in public-access (administrative) areas at any UDC site.

- 1) Offerors must state their proposed payphone call cost. \$.50 Local flat rate long distance 4 minutes for \$1.00
2) Offerors must state their proposed payphone commission rate. 45 %

Remarks:

- 1) The successful contractor cannot decrease their proposed commission rates (large correctional facilities, small correctional facilities and/or payphone) at any time throughout the term of the contract without the State's approval.
- 2) The successful contractor cannot increase their proposed payphone call cost at any time throughout the term of the contract without the State's approval.
- 3) "Attachment VI - Call Cost and Commission Calculation" will yield 250 of the 300 possible "Commission Rate(s)" evaluation points. Attachment VI evaluation points (250 possible) will be awarded as follows:

- "Inmate Collect or Advance Pay" and "Inmate Debit or Pre-Paid Card"; large correctional facilities (≥ 500 inmates) served by premise-based communication systems - 200 points
- "Small Correctional Facilities (< 500 Inmates) Served by Premise-Based Communication Systems" - 40 points
- "Payphone (Electronic Payphone)" - 10 points

Two hundred (200) evaluation points have been assigned to "large correctional facilities (≥ 500 inmates) served by premise-based communication systems" because that reflects the State's (UDC) reality with the Draper Prison housing approximately 4,000 inmates and the Central Utah Correctional Facility (Gunnison) housing approximately 1,500 inmates. Maximum Attachment VI evaluation points (250 possible) will be assigned to the offeror whose proposed inmate (large and small correctional facilities) and payphone commission rates yield the highest inmate/payphone commission payments and the lowest payphone call cost. All other offerors will be assigned Attachment VI evaluation points in proportion to the offeror with the highest inmate/payphone commission payments and the lowest payphone call cost. The balance of "Commission Rate(s)" evaluation points (50 possible) are assigned to paragraphs 4.6.2, 4.6.3 and 4.6.5.

- 4) Total call cost is before federal, state and local taxes.
- 5) Per minute rates do not/cannot include mileage and/or time-of-day variations.