

REQUEST FOR PROPOSAL
COR61453 -Inmate Telephone System

000056

Attachment C: Cost Sheet

Cost information below as detailed in the Request for Proposal and submitted in a separate sealed envelope. Cost should be clearly marked

Legacy has acknowledged, agreed and will comply.



COST PROPOSAL

Legacy's approach in providing an optimal financial solution for the West Virginia Department of Administration Correction Facilities is to leverage our state-of-the-art technology, effective rates for inmate friends and family, and modern equipment to maximize revenue for the Agency. We strive to achieve the finite balance between revenue generation and the technology needs of Clients while maintaining an industry leading carrier grade network with favorable rates to connect inmates with friends and family as often as possible.

The Company has routinely transitioned large detention facilities from competitors, producing a substantial increases in revenue and call volume for the Client, all while lowering or maintaining current call rates. Legacy is one of the fastest growing inmate communications company in the industry because our competitors have been unable to match our inherent ability to connect more calls and maximize revenue.

Legacy's Offer Has The Following Objectives:

1. Attain the highest possible revenue realized by the Agency.
2. Employ our single source network, superior service and state-of-the-art technology at no cost to Agency which will enhance system efficiency, investigative capabilities, staff productivity and call connection.
3. Provide the West Virginia facilities, staff, and friends and family with enhanced services, more calling options to connect the most inmate calls, and 24/7/365 live customer service call center.

OPTIMAL CALL RATES & COMMISSION

After analyzing the Agency's current call volume, commission revenue, and the current West Virginia inmate communications market, Legacy has developed a competitive call rate and generous commission structure, which will provide a favorable rate structure for friends and family and improve call revenue for the facilities. Legacy also has the capacity to further tailor a rate plan to meet the exact needs of the Agency which will balance technology, revenue and constituent needs. Legacy consults with its Clients to design bespoke call rates that satisfy the individual Client's needs. The Company will offer comparable commission programs based on the personalized rate plan should the Agency desire such an adjustment in our proposed rate plan and commission structure.



Inmate Telephone Rates – West Virginia

Call Type	Connection	Day	Evening	Night / Weekend
Local	N/A	\$0.25	\$0.25	\$0.25
Intralata	N/A	\$0.25	\$0.25	\$0.25
Interlata	N/A	\$0.25	\$0.25	\$0.25
Interstate*	N/A	\$0.25	\$0.25	\$0.25

* Per Federal Communications Commission (FCC) Notice of Proposed Rule Making (FCC 13-113)- August 9, 2013

West Virginia's Guaranteed Phone Commission: 68%



Pre-Paid / Debit Card Rates – West Virginia

Bill Type	Connection	Per Minute - Day	Per Minute - Evening
Local	N/A	\$0.21	\$0.21
IntraLata	N/A	\$0.21	\$0.21
InterLata	N/A	\$0.21	\$0.21
Interstate*	N/A	\$0.21	\$0.21

* Per Federal Communications Commission (FCC) Notice of Proposed Rule Making (FCC 13-113)- August 9, 2013

West Virginia’s Guaranteed Phone Commission: 68%

Legacy does not charge friends and family’s hidden fees, billing fees, payment processing fees, fees to fund an account, fees to maintain an account, refund fees, cost recovery fees, and are proud to offer the lowest account set-up fee in the industry.

REVENUE GENERATING SOLUTIONS AND EFFICIENCY

Increasing West Virginia's Commission Revenue - Legacy continually succeeds at generating substantial increases in Clients revenue by tapping into its core competencies and filling the often overlooked gaps in the Client's current inmate communication package. The company has built a true single source inmate communication system that delivers increased call volume and operational efficiency. We combine that superior telecommunication infrastructure with our ability to provide numerous revenue generating programs, such as: pre-paid debit cards / cardless debit, allowing calls to non-billable accounts as well as cable and VOIP providers, completing calls to cellular phones and international destinations, a friends and family program commission that matches the standard collect commission, and a variety of value added services to generate an industry leading revenue stream that is unmatched by any of our competitors.

- **Elimination of excessively high non-commissionable fees** – Legacy understands that everyone lives their life on a financial budget and there is a limited amount of money constituents are willing to dedicate to inmate phone calls. That is why one of the first things Legacy accomplishes when we take over an account is the elimination of high monthly non-commissionable fees charged by the incumbent which allows your constituents to communicate with their incarcerated friend or family member more frequently. This increased communication also means an increase in the Agency’s commission revenue.

The intention of companies that charge high non-commissionable fees is to skim as much money from your constituents as they can prior to ever accepting a phone call. Once your constituents are squeezed to their limits by fees, then they are left to use what little funds that remain to talk with an inmate. **That meager leftover is your piece of the pie.**

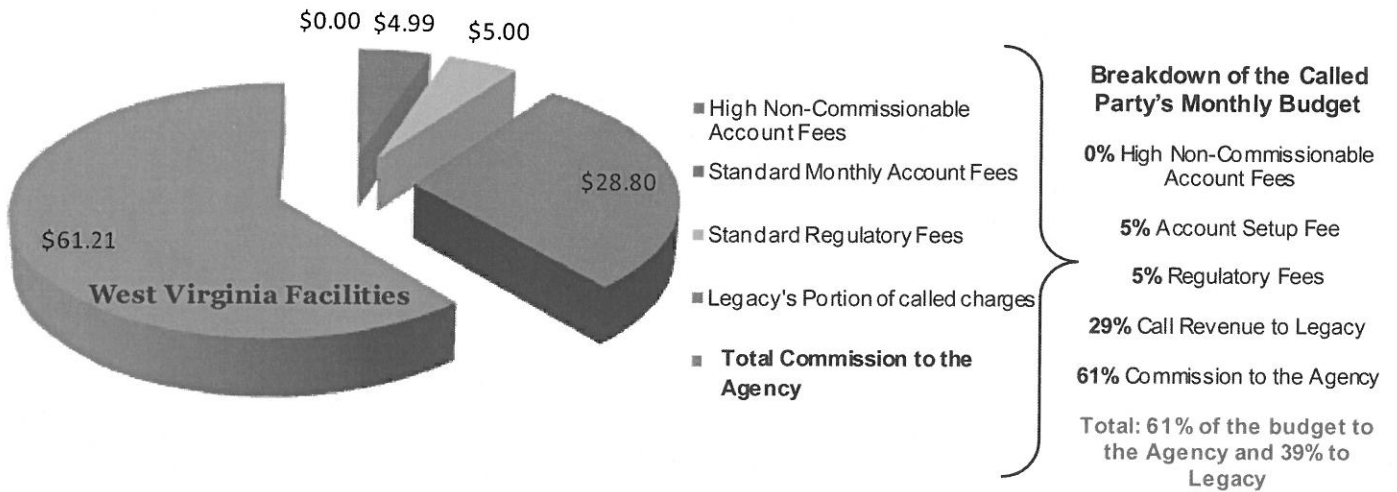
Please refer to the following example of how excessive fees can negatively affect your commission.



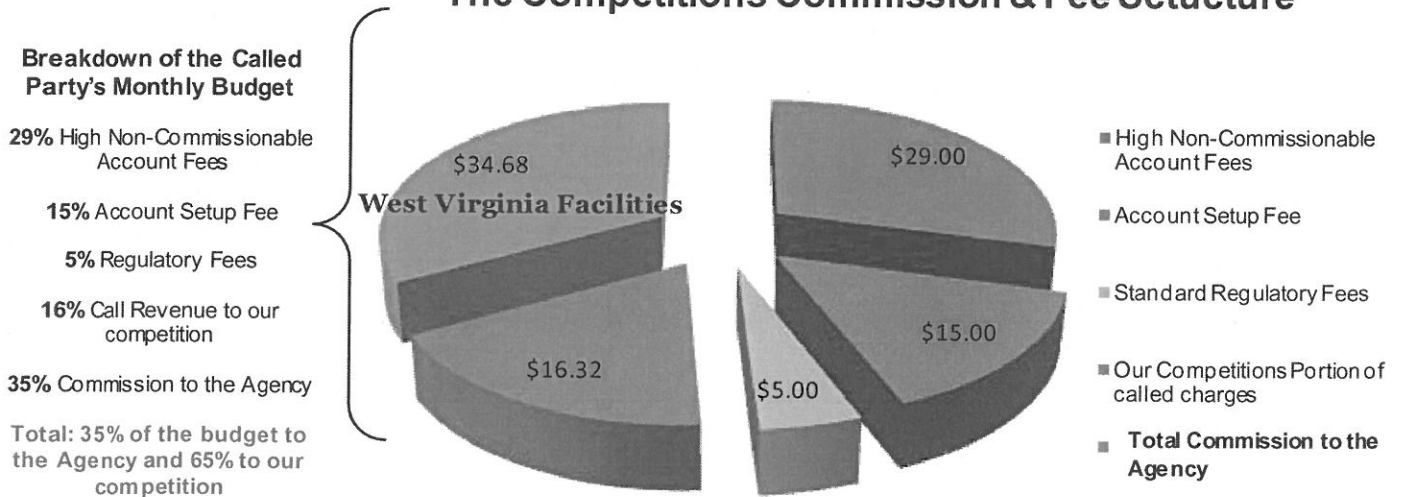


	Legacy	The Competition
Called Party's Average Calling Budget per month	\$1.00	\$1.00
Monthly Recurring Non-Commissionable Account Fees (Typical fees include account setup fees, replenishment fees, maintenance fee, mobile phone fee, multi phone fee, etc. These fees vary between companies, can have different names and can be much higher depending on facility location.)	\$0	\$29
One Time Account Setup Fee	\$4.99	\$15
Standard Monthly Regulatory Fees	\$5	\$5
Funds Remaining to Communicate with Inmate (Commissionable Charges)	\$90.01	\$51
Commission Percentage	68%	68%
Total Commission to the Jail	\$61.21	\$34.68

Legacy's Commission & Fee Structure



The Competitions Commission & Fee Structure





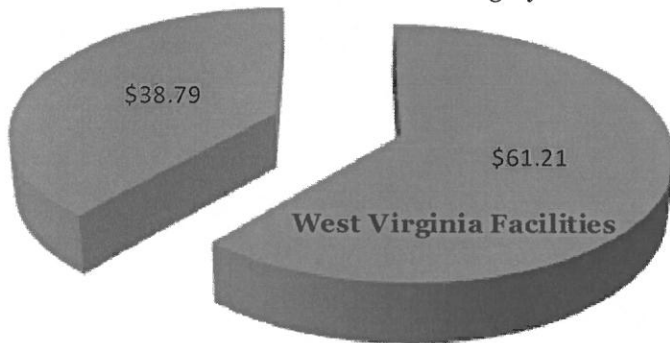
This deceiving non-commissionable fee gambit has lead to **the 80% commission myth**. An 80% commission (or higher) looks impressive on paper. But what is it a percentage of? Vendors typically increase fees even higher when they introduce an 80%+ commission structure, which decreases call volume even more and further reduces the total dollar amount the Agency will receive as a commission. Please refer to the example below.

The fact is that Legacy will produce higher revenue for the Agency at a 68% commission than our competition ever could regardless of how high their offer goes. In theory they could offer a 100% commission and it would still produce less revenue for the Agency than Legacy’s commission structure since there is only \$38 remaining in the called party’s monthly budget (see below).

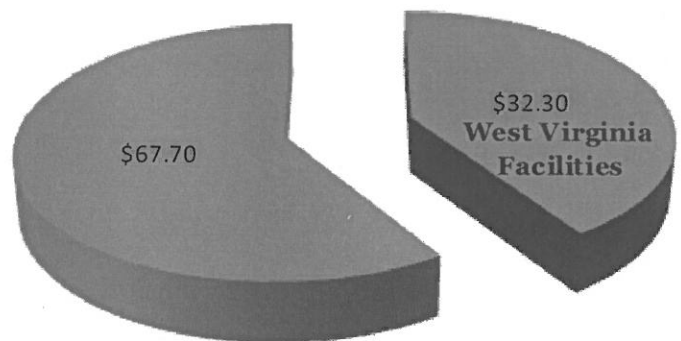
	Legacy	The Competition
Called Party's Average Calling Budget per month	\$1 00	\$1 00
Monthly Recurring Non-Commissionable Account Fees (Typical fees include account setup fees, replenishment fees, maintenance fee, mobile phone fee, multi phone fee, etc. These fees vary between companies, can have different names and can be much higher depending on facility location.)	\$0	\$42 <small>*Increased due to a higher commission offer</small>
One Time Account Setup Fee	\$4.99	\$15
Standard Monthly Regulatory Fees	\$5	\$5
Funds Remaining to Communicate with Inmate (Commissionable Charges)	\$90.01	\$38
Commission Percentage	68%	85%
Total Commission to the Jail	\$61.21	\$32.30

Which Piece of the Pie would you prefer?

Your Commission at 68% with Legacy



Your Commission at 85% with a competitor



- **Single Source Provider** - Legacy provides control over the entire telecommunications and billing process; as a Public Service Commission of West Virginia certified interexchange carrier, local exchange carrier and operator service provider we will provide the origination and termination of all inmate calls. As a single source network and system provider Legacy is in unique position to meet all of the Agency’s needs today, tomorrow, and well into the future. Legacy has made the investment in all aspects of delivering and managing every component of our clients’ entire inmate communication service. **This unparalleled level of control allows Legacy to deliver greater efficiencies in overall performance and service delivery.** Our proven network efficiency results in more connected calls, the elimination of dropped calls, quicker connected calls, and ultimately an increase in call volume resulting in added revenue every month to the West Virginia Agency.



- Standard Commission Match** - Legacy's prepaid friends and family program commission matches the proposed standard collect commission offer. Traditional vendors will normally offer a higher competitive commission on collect calls and a much lower commission on pre-paid calls. The purpose of this multi-level commission structure is to swindle the Client out of a higher amount of collectable commissions because prepaid services generally represent over 65% of the inmate telephone calling. Legacy ensures that the Agency will receive the same commission percentage on all calls from the facilities guaranteeing the Agency is optimizing their revenue stream. Please see the following example of a real facility's call volume, but with a difference in commission structure.

Traditional Vendor Commission Structure								Legacy Standard Commission Structure							
Prepaid 40%				Collect 68%				Prepaid 68%				Collect 68%			
Calls	Minutes	Revenue	Comm.	Calls	Minutes	Revenue	Comm.	Calls	Minutes	Revenue	Comm.	Calls	Minutes	Revenue	Comm.
10,937	225,800	\$13,671.25	\$5,468.50	594	8,748	\$742.50	\$504.90	10,937	225,800	\$13,671.25	\$9,296.45	594	8,748	\$742.50	\$504.90
Total Monthly Revenue = \$5,973.40								Total Monthly Revenue = \$9,801.35							
A difference of \$45,935.40 Annually and \$3,827.95 a Month															

- International, Un-billable and Cellular Calls** - Over the past decade, many facilities nationwide have seen a dramatic increase in Spanish speaking inmates. This increase involves a fair percentage of inmates that may have friends or family residing in Mexico. The Legacy iCON platform provides collect and pre-paid collect call service to Mexico giving inmates the ability to place collect calls to most destinations within that Country. Legacy also offers services to allow traditional inmate collect calling to Canada, the United Kingdom, Japan, Germany, and the Caribbean Islands. Where traditional collect calls cannot be made, **virtually any destination point in the entire World can be called utilizing any one of Legacy's prepaid calling options.** The ability to connect inmates to international destinations at a higher calling rate than a traditional local or domestic call will provide the Agency with a substantial increase in revenue.



In addition to international calling, one of the major headaches facility administrators face is inmates not having the ability to call cell phones. Today's communication market actually distributes more cell phones than land lines which severely limit the ability of collect calling. **Legacy offers collect calling to all cellular telephones** ensuring that every call place from the facilities is connected and generates revenue for the Agency.

TECHNOLOGY OPTIONS

Inmate Automated Information System - Legacy can provide an "Inmate Automated Information" request system as part of the proposal to the Agency. Unlike our competitors whom charge monthly maintenance fees, there will be no cost to the Agency for the establishment of this service. The information system can be utilized from any inmate telephone for inmates to access the JMS supplied and facility designated information including but not limited to; Visitation Hours Remaining, Court Date Information, Commissary Balances, Release Date(s), and bail amounts. The inmate telephones will carry posting instructions that indicate that the phone is also designated for Inmate Information Services and hours of operation for the services. Facility employees take thousands of calls from friends and family seeking details surrounding inmates. The information system will automate up to 90% of these calls increasing personnel productivity by focusing on more important task. The Agency will save thousands of dollars annually in fees and productivity alone by utilizing Legacy's Automated Information System.

Bid Bond

CONTRACTOR:

(Name, legal status and address)

Legacy Long Distance International, Inc.
10833 Valley View St., Suite 150
Cypress, CA 90630

SURETY:

(Name, legal status and principal place of business)

Fidelity and Deposit Company of Maryland
C/O Zurich Surety
600 Red Brook Blvd., 4th Floor
Owings Mills, MD 21117

This document has important legal consequences. Consultation with an attorney is encouraged with respect to its completion or modification. Any singular reference to Contractor, Surety, Owner or other party shall be considered plural where applicable.

OWNER:

(Name, legal status and address)

State of Virginia, Department of Corrections
1409 Greenbrier Street
Charleston, WV 25311

BOND AMOUNT: Five Percent (5%) of the Total Amount Bid

PROJECT:

(Name, location or address, and Project number, if any)

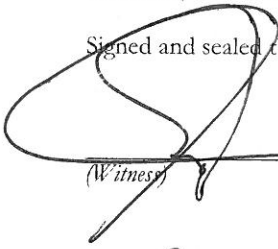
RFP No. COR61453 - Providing Inmate Telephone System with service to all West Virginia DOC Facilities throughout the state. Project Number, if any:

The Contractor and Surety are bound to the Owner in the amount set forth above, for the payment of which the Contractor and Surety bind themselves, their heirs, executors, administrators, successors and assigns, jointly and severally, as provided herein. The conditions of this Bond are such that if the Owner accepts the bid of the Contractor within the time specified in the bid documents, or within such time period as may be agreed to by the Owner and Contractor, and the Contractor either (1) enters into a contract with the Owner in accordance with the terms of such bid, and gives such bond or bonds as may be specified in the bidding or Contract Documents, with a surety admitted in the jurisdiction of the Project and otherwise acceptable to the Owner, for the faithful performance of such Contract and for the prompt payment of labor and material furnished in the prosecution thereof; or (2) pays to the Owner the difference, not to exceed the amount of this Bond, between the amount specified in said bid and such larger amount for which the Owner may in good faith contract with another party to perform the work covered by said bid, then this obligation shall be null and void, otherwise to remain in full force and effect. The Surety hereby waives any notice of an agreement between the Owner and Contractor to extend the time in which the Owner may accept the bid. Waiver of notice by the Surety shall not apply to any extension exceeding sixty (60) days in the aggregate beyond the time for acceptance of bids specified in the bid documents, and the Owner and Contractor shall obtain the Surety's consent for an extension beyond sixty (60) days.

If this Bond is issued in connection with a subcontractor's bid to a Contractor, the term Contractor in this Bond shall be deemed to be Subcontractor and the term Owner shall be deemed to be Contractor.

When this Bond has been furnished to comply with a statutory or other legal requirement in the location of the Project, any provision in this Bond conflicting with said statutory or legal requirement shall be deemed deleted herefrom and provisions conforming to such statutory or other legal requirement shall be deemed incorporated herein. When so furnished, the intent is that this Bond shall be construed as a statutory bond and not as a common law bond.

Signed and sealed this 1st day of October 2013



(Witness)

Legacy Long Distance International, Inc.

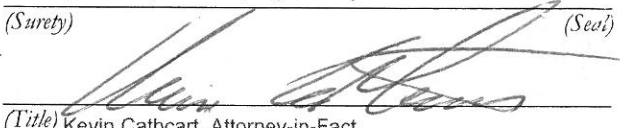
(Principal) (Seal)

(Title)



(Witness)

Fidelity and Deposit Company of Maryland

(Surety) (Seal)


(Title) Kevin Cathcart, Attorney-in-Fact



By arrangement with the American Institute of Architects, the National Association of Surety Bond Producers (NASBP) (www.nasbp.org) makes this form document available to its members, affiliates, and associates in Microsoft Word format for use in the regular course of surety business. NASBP vouches that the original text of this document conforms exactly to the text in AIA Document A310-2010, Bid Bond. Subsequent modifications may be made to the original text of this document by users, so careful review of its wording and consultation with an attorney are encouraged before its completion, execution or acceptance.

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

STATE OF CALIFORNIA

County of Orange }

On October 1, 2013
Date

before me, Lorie Mandel, Notary Public
Here Insert Name and Title of the Officer

personally appeared Kevin Cathcart

Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

Witness my hand and official seal.

Signature Lorie Mandel
Signature of Notary Public



Place Notary Seal Above

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: Bid Bond

Document Date: October 1, 2013

Number of Pages: _____

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: Kevin Cathcart

- Individual
 Corporate Officer — Title(s): _____
 Partner — Limited General
 Attorney in Fact
 Trustee
 Guardian or Conservator
 Other: _____

**RIGHT THUMBPRINT
OF SIGNER**

Top of thumb here

Signer Is Representing:
Fidelity and Deposit Company
of Maryland

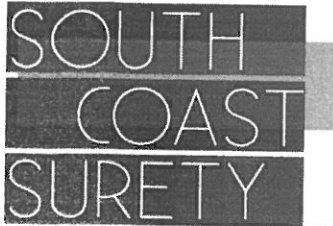
Signer's Name: _____

- Individual
 Corporate Officer — Title(s): _____
 Partner — Limited General
 Attorney in Fact
 Trustee
 Guardian or Conservator
 Other: _____

**RIGHT THUMBPRINT
OF SIGNER**

Top of thumb here

Signer Is Representing:



Insurance Services Inc.

Bid Results

1100 Via Callejon, Suite A
San Clemente, CA 92673
surety@southcoastsurety.com
http://www.southcoastsurety.com
(949) 361-1692 Fax (949) 361-9926

DOI Lic#

Contractor: _____

Bid Date: _____

Obligee: _____

Project: _____

Bond No.: _____

PLEASE FILL IN THE FIRM NAME AND THEIR RESPECTIVE BIDS FOR THIS PROJECT

Bid Results:

	Name of Firm	Bid
Low	_____	\$ _____
2nd	_____	\$ _____
3rd	_____	\$ _____
High	_____	\$ _____

If your bid is not listed above, what was your bid price? \$ _____

Bid Position? _____ out of _____ (eg: 3rd out of 20)

Government Estimate: \$ _____

Remarks: _____

**PLEASE COMPLETE & RETURN BY FAX TO: 949-361-9926
OR EMAIL TO: terahj@SOUTHCOASTSURETY.COM**

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

STATE OF CALIFORNIA

County of Orange }

On October 1, 2013
Date

before me, Lorie Mandel, Notary Public

Here Insert Name and Title of the Officer

personally appeared Kevin Cathcart

Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

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Signature

Signature of Notary Public



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- Other: _____

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OF SIGNER

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Fidelity and Deposit Company
of Maryland

Signer's Name: _____

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- Guardian or Conservator
- Other: _____

RIGHT THUMBPRINT
OF SIGNER

Top of thumb here

Signer Is Representing:

