



State of West Virginia
 Department of Administration
 Purchasing Division
 2019 Washington Street East
 Post Office Box 50130
 Charleston, WV 25305-0130

Solicitation

NUMBER
COR61453

PAGE
1

ADDRESS CORRESPONDENCE TO ATTENTION OF:
TARA LYLE 304-558-2544

RFQ COPY
 TYPE NAME/ADDRESS HERE

VENDOR

SHIP TO

DIVISION OF CORRECTIONS
 1409 GREENBRIER ST
 CHARLESTON, WV
 25311 304-558-8045

DATE PRINTED
06/30/2014

BID OPENING DATE: 07/10/2014 BID OPENING TIME 1:30PM

LINE	QUANTITY	UOP	CAT NO.	ITEM NUMBER	UNIT PRICE	AMOUNT
				ADDENDUM NO. 16		
				SEE ATTACHED PAGES.		
				END OF ADDENDUM NO. 16		
0001	1	LS		915-77		
				DIVISION WIDE INMATE TELEPHONE SYSTEM & SERVICE		
				***** THIS IS THE END OF RFQ COR61453 ***** TOTAL:		

SIGNATURE		TELEPHONE	DATE
TITLE	FEIN	ADDRESS CHANGES TO BE NOTED ABOVE	

WHEN RESPONDING TO SOLICITATION, INSERT NAME AND ADDRESS IN SPACE ABOVE LABELED 'VENDOR'

SOLICITATION NUMBER: COR61453

000002

Addendum Number: 16

The purpose of this addendum is to modify the solicitation identified as COR61453 ("Solicitation") to reflect the change(s) identified and described below.

Applicable Addendum Category:

- Modify bid opening date and time
- Modify specifications of product or service being sought
- Attachment of vendor questions and responses
- Attachment of pre-bid sign-in sheet
- Correction of error
- Other

Description of Modification to Solicitation:

1. Responses to vendor questions attached.
2. Revised Attachment C – Cost Sheet attached.
3. The bid opening remains 07/10/2014 at 1:30 pm.
4. No additional questions will be accepted on this RFP.

Additional Documentation: Documentation related to this Addendum (if any) has been included herewith as Attachment A and is specifically incorporated herein by reference.

Terms and Conditions:

1. All provisions of the Solicitation and other addenda not modified herein shall remain in full force and effect.
2. Vendor should acknowledge receipt of all addenda issued for this Solicitation by completing an Addendum Acknowledgment, a copy of which is included herewith. Failure to acknowledge addenda may result in bid disqualification. The addendum acknowledgement should be submitted with the bid to expedite document processing.

ATTACHMENT A

000003

QUESTIONS:

Q1: Regarding Q&A #5 -Were any additional fees submitted by the 5/22 deadline that would be added to Attachment C Cost Sheet?

A1: Due to much confusion about the price sheet, the Agency researched other states and considered all Vendor comments/concerns and decided no fees will be allowed with the exception of government mandated taxes and regulatory fees that are allowed to be charged at a pass-through rate. We strive to offer the lowest possible pricing to the inmates and the inmate's family so they may have continued communication without paying exorbitant costs for telephone calls.

See revised Attachment C – Cost Sheet.

Q2: Regarding Q&A #12, 16, and 17 - We recognize and respect what WV DOC is trying to accomplish by scoring rates and fees. Unfortunately, though, the current structure for disclosing and scoring additional fees will lead to a situation where total costs to family members are very high due to add-on fees, although published calling rates are very low:

- In general, the Estimated Annual Quantities in Attachment C are much lower than what happens in practice and can lead to gaming.

A vendor could charge a per-call fee of \$5.00 but call it a non-subscriber line charge and only be 'penalized' in the scoring for 5,000 transactions, when they should be penalized for 2,000,000 transactions.

In addition, the split between collect, prepaid, and debit calls (items #1 - #3) are very different, and treating them as equal will lead to skewed scoring. There are any number of other ways to game the scoring.

- Also very important, there is no current regulation of billing and other ancillary fees at the federal or state level.

While inmate providers can not violate their filed WV state tariffs, they are filed by the providers NOT the state, can be easily revised, and are all over the board in terms of fees and amounts. Some tariffs also include per-call fees, which is the same thing as an unreported calling rate increase.

Recommendation: We strongly and respectfully recommend that the itemized worksheet in Attachment C be eliminated, and in its place a simplified worksheet be included that requires:

- (1) A single per-minute rate for all calls – collect/prepaid/debit and local/intraLATA/interLATA AND interstate (any competitive pricing offer will be much lower than the FCC rate caps on interstate). This is the only item which would be scored.

- (2) Discretionary fees set by DOC, not bidders, noting that violation of these rules would be grounds for immediate contract termination. We recommend:
- a. A Single Bill Fee of \$2.49 for traditional collect (NOT direct bill), charged per bill regardless of the number of calls made per month. This would offset the high cost of traditional collect billing.
 - b. A Prepaid Account Funding Fee using a credit/debit card of \$4.50. This would offset bank charges.
 - c. For third-party cash vendors (e.g. Western Union or Moneygram), bidders should state their negotiated rates and commit that they will not add any additional fees on top of those charged by the third-party vendor.
 - d. NO other vendor-discretionary fees would be allowed, including but not limited to transaction fees, billing fees, regulatory "cost recovery" fees, or any charges other than government-mandated taxes and regulatory fees (charged at a pass-through rate).

In the alternative all fees except government-mandated taxes and regulatory fees should be forbidden.

A2: See Agency response to Question #1.

Q3: With regard to Addendum 13, Q&A # 5"

- a. Were there any additional fees submitted by the 5/22 required deadline which were reviewed and approved by the Agency and therefore will be added to Attachment C Cost Sheet?
- b. If no, please confirm that no other fees or charges can be included in a resulting contract.

A3: See Agency response to Question #1.

Q4: With regard to Addendum 13, Q&A # 6 and Attachment C Cost Sheet:

- a) Would the Agency consider removing the three separate line items for Instate Collect, Instate Prepaid, and Instate Debit which currently allows for three different prices to be bid and, instead, combine them into one single line item which must be bid for all Instate calling, irrespective of payment type (Collect, Prepaid, Debit)? The quantity of minutes could also be combined from 3,816,322 per each separate line item to 11,448,966 for the combined three. We believe this would benefit the DOC in achieving the same price for all Instate calls, irrespective of payment type. In addition, doing so would remove any incentive by a vendor to bid low on a particular individual line item to gain additional points, only to suppress that option by enforcing additional restrictions such as low monthly limits on collect calling, increased credit requirements to qualify for

collect calling, etc. We believe that in allowing for these items to be bid in three separate lines, the DOC will receive three drastically different prices and vendors could set requirements thereafter to restrict and suppress options for which they bid lower rates. Combining these into one single line item requiring a single price would eliminate such exposure and would seem to better serve the DOC in achieving the same price for all Instate calls, irrespective of payment method.

A4a: See Agency's response to Question #1.

- b) Same request as above, but for the three separate line items for Interstate calling (combine Interstate Collect, Interstate Prepaid, and Interstate Debit into a single line item with 1,050,000 total minutes).

A4b: See Agency's response to Question #1.

- c) It is also possible for the Agency to achieve a single calling price for all calls, both Instate and Interstate, by combining the six separate line items and their minutes, above, into a single line item requiring one single price for all calls (both Instate and Interstate for all three payment types Collect, Prepaid, and Debit, with 12,498,966 total minutes). We request that the Agency consider this option as the all-encompassing solution.

A4c: See Agency's response to Question #1.

Q5: For "# 10. Western Union Payment Fee" in Attachment C - Cost Sheet, if the bidder does not charge any fees in addition to whatever Western Union will charge to accept any such deposits, should the bidder input a \$0 or no fee in the submission? Otherwise, the bidder cannot control what Western Union will charge for any such deposits and, as long as the bidder would not charge a fee in addition, inputting \$0 would seem to be the correct submission.

A5: See Agency's response to Question #1.

Q6: We have many concerns with the fees allowed in Cost Sheet as follows:

The fees are only named and not clearly defined as to specifically what they are, what they can be charged for, what they cannot be charged for, etc. Thus, vendors can interpret them in any way they desire and, once awarded, can start instituting such fees without any predetermined definitions, rules, restrictions, etc. For example, a vendor could bid a low per-minute rate such as \$.03. Then, after award, the vendor could start charging every phone call a fee such as \$5.00 and call the fee whatever they desire from the Cost Sheet (e.g., Account Maintenance Fee). Because there are no predetermined definitions, rules, restrictions, etc., it would seem difficult for the DOC to prohibit.

The estimated annual quantity for the fees does not seem to be in line with what can really be expected. For example, the funding fee is estimated at 25,000/year or 2,083/month. With 93% of the current calls from prepaid, which require funding fees to be paid just to put money into the account, it is expected that the number of funding fees is and will continue to be much higher than 2,083. Thus, a vendor can propose artificially low rates, high rates on the fees to make up the revenue, and maximize their scoring. This can result in awarding more points to a vendor whose real overall costs to the consumers is higher than other proposals which would provide lower overall costs.

To correct the potential issues above, we recommend that the Agency either completely eliminate all fees or other charges leaving the evaluation only to the proposed phone rate, or that the Agency clearly define the fees and set the maximum prices that can be charged for such fees, leaving the evaluation only to the proposed phone rate. Both solutions would remove the ambiguity by clearly defining fees, putting all the vendors on a level playing field, and simplifying the Agency's evaluation by reducing the effort to just the phone rates.

- A6: See Agency's response to Question #1.**
- Q7: Please confirm that at least three of the five required references must be from three separate State Departments of Corrections.**
- A7. Yes, the Vendor shall provide five references, three of which must be from State Department/Division of Corrections.**

Additional Provisions/Amendments to COR61453:

1. Vendor shall provide a solution for inmates to purchase debit and/or prepaid calling minutes through the inmate trustee account/software. Our inmate trustee software is Lockdown, maintained by Tech Friends. Vendor must be able to interface with current Lockdown software.
2. Vendor shall offer prepaid services purchased by inmates; prepay services purchased by inmate's family/friends; and collect call services. No fees will be charged by the Vendor with exception of government mandated taxes and regulatory fees and these fees will be charged to consumer as a pass-through and no commission will be paid to the Agency on said taxes and/or fees.
3. Vendor shall allow international calls on prepaid only and shall be subject to the same restrictions and functions, including monitoring/recording and onsite reporting, as domestic calls. International calls shall not require any assistance from a third party. International call rates are not included in the scoring of Vendor's bid.
4. Vendor shall establish a single, blended rate per minute, inclusive of all surcharge/connect fees, for all inmate telephone calls to include all local, IntraLata, InterLata and Interstate calls, while attempting to keep rates lower than current rates charged for inmate telephone calls. For international calls, the Vendor will be permitted to charge the tariffed per minute rate and per call surcharge in effect during the contract term for each international location.
5. Vendor shall not increase inmate collect, prepaid or prepay telephone rates for the life of the contract. In the event inmate telephone rates are modified by any Federal or State regulations or legislative actions, Vendor agrees to amend said contract rates in accordance with regulatory directives.

OTHER INFORMATION:

1. The bid opening remains on July 10, 2014 at 1:30 pm.
2. **No additional questions will be accepted for this RFP.**

000008

ATTACHMENT C - Cost Sheet - Revised by Addendum #16
COR61453 - Inmate Telephone System

Vendors must submit an itemized cost proposal as identified below. The Agency will evaluate the proposed costs and apply the evaluation formula to determine the relative score. Proposals must include sufficient, detailed information to support the offered costs.

Vendor shall quote a blended rate for all local, IntraLata, and InterLata calls that includes collect, prepaid/debit, or prepay, with all call rates remaining consistent during any time of the day or day of the week. Interstate call rates shall be quoted separately.

The Agency understands that the rates shown below are exclusive of Federal, State, Local Taxes, Tariffs and Regulatory Fees. It is understood that these taxes/fees will be charged as a pass-through from the taxing/regulating agency to the called party and that no commission shall be paid on these taxes/fees.

Item #	Description	Unit of Measure	Estimated Annual Quantity * (Minutes)	Unit Price	Extended Amount
1	Blended Per Minute Rate for all Intrastate Calls (Local, Interlata, Intralata)	Minute	11,500,000		
2	Interstate Calls - Per Minute Rate	Minute	360,000		

Grand Total

Commission Percentage Paid to Agency - Will not be used in cost evaluation	%
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Bidder/Vendor Information:
Name:
Address:
Phone No.:
Fax No.:
Email Address:
Authorized Signature

* Estimated quantities are for bidding purposes only. More or less may be utilized by the Agency.
Failure to use this form may result in disqualification

ADDENDUM ACKNOWLEDGEMENT FORM
SOLICITATION NO.: COR61453

Instructions: Please acknowledge receipt of all addenda issued with this solicitation by completing this addendum acknowledgment form. Check the box next to each addendum received and sign below. Failure to acknowledge addenda may result in bid disqualification.

Acknowledgment: I hereby acknowledge receipt of the following addenda and have made the necessary revisions to my proposal, plans and/or specification, etc.

Addendum Numbers Received:

(Check the box next to each addendum received)

<input type="checkbox"/> Addendum No. 1	<input type="checkbox"/> Addendum No. 6	<input type="checkbox"/> Addendum No. 11	<input type="checkbox"/> Addendum No. 16
<input type="checkbox"/> Addendum No. 2	<input type="checkbox"/> Addendum No. 7	<input type="checkbox"/> Addendum No. 12	<input type="checkbox"/> Addendum No.17
<input type="checkbox"/> Addendum No. 3	<input type="checkbox"/> Addendum No. 8	<input type="checkbox"/> Addendum No. 13	<input type="checkbox"/> Addendum No.18
<input type="checkbox"/> Addendum No. 4	<input type="checkbox"/> Addendum No. 9	<input type="checkbox"/> Addendum No. 14	<input type="checkbox"/> Addendum No.19
<input type="checkbox"/> Addendum No. 5	<input type="checkbox"/> Addendum No. 10	<input type="checkbox"/> Addendum No. 15	<input type="checkbox"/> Addendum No.20

I understand that failure to confirm the receipt of addenda may be cause for rejection of this bid. I further understand that that any verbal representation made or assumed to be made during any oral discussion held between Vendor's representatives and any state personnel is not binding. Only the information issued in writing and added to the specifications by an official addendum is binding.

Company

Authorized Signature

Date

NOTE: This addendum acknowledgment should be submitted with the bid to expedite document processing.