

File No. 100442

Committee Item No. 1

Board Item No. _____

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Sub - Committee: Budget and Finance

Date: May 12, 2010

Board of Supervisors Meeting

Date: _____

Cmte Board

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Completed by: Andrea S. Ausberry

Date Friday, May 7, 2010

Completed by: _____

Date _____

An asterisked item represents the cover sheet to a document that exceeds 25 pages. The complete document is in the file.

1 [Contract Approval with Global Tel*Link for Inmate Telephone Services]

2 **Resolution approving a contract for operating the Sheriff's Inmate Telephone Services,**
3 **between GLOBAL TEL*LINK and the City and County of San Francisco, acting by and**
4 **through the Sheriff's Department.**

5
6 WHEREAS, The San Francisco Sheriff's Department requested bids for Inmate
7 Telephone Services; and,

8 WHEREAS, A five member panel evaluated and scored the written proposals in
9 accordance with the City approved selection criteria; and,

10 WHEREAS, The Human Rights Commission determined DBE/LBE subcontracting
11 goals do not apply; and,

12 WHEREAS, The five member panel determined Global Tel*Link is the best responsive
13 and responsible proposer; and,

14 WHEREAS, Charter Section 9.118, "Contract and Lease Limitations", Subsection (a)
15 requires Board of Supervisors' approval of any contract which, when entered into, has
16 anticipated revenue of one million dollars or more; and,

17 WHEREAS, The Sheriff's Department has an Inmate Welfare Fund, as provided for in
18 California Penal Code Section 5000-5030.1; and,

19 WHEREAS, Global Tel*Link shall pay to the Sheriff's Inmate Welfare Fund a
20 percentage commission of 60% of gross revenue sales; and,

21 WHEREAS, Global Tel*Link shall pay to the Sheriff's Inmate Welfare Fund an
22 additional \$100,000 payable thirty days from contract execution, and \$100,000 annually thirty
23 days after the contract anniversary date; and,

1 WHEREAS, The proposed contract agreement is on file with the Clerk of the Board of
2 Supervisors in File No. 100442, which is hereby declared to be a part of this resolution
3 as if set forth fully herein; now, therefore be it

4 RESOLVED, That the Board of Supervisors hereby approves the Inmate Telephone
5 Services Agreement by and between Global Tel*Link, and the City and County of San
6 Francisco, acting by and through its Sheriff's Department, for a three-year term beginning
7 April 1, 2010, with two one-year options exercisable by the Sheriff's Department.
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Item 1 File 10-0442	Department(s): Sheriff's Department
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EXECUTIVE SUMMARY**Legislative Objective**

- The proposed resolution would approve a new inmate telephone services agreement between the Sheriff's Department and Global Tel*Link for a three-year period from April 1, 2010 through March 31, 2013, with two one-year options to extend.

Key Points

- Under California Penal Code Section 4205(d), all commissions and monies from inmate telephone services agreements must be deposited into a separate account used exclusively for the benefit of inmates. In accordance with this State Code provision, the Sheriff's Department administers the City's Inmate Welfare Fund.
- In 1999, the Sheriff's Department awarded a sole source agreement to Public Communications Services (PCS) to provide telephone inmate services until January 2004. This initial five-year agreement was subsequently extended by the Sheriff's Department (a) until 2006, (b) again through December 31, 2009, and (c) continues on a month-to-month basis, without competitive bids. Although this PCS agreement has continued for over ten years, with estimated revenues realized by the Sheriff's Department of \$6,745,437, the PCS agreements were never submitted to the Board of Supervisors for approval.
- At the request of the Sheriff's Department, in 2007, the Controller issued a financial audit of the Inmate Welfare Fund and found that the Sheriff's Department was owed an estimated additional \$1,921,589 of commission revenues from PCS. The Controller recommended that the Sheriff's Department (a) work with the City Attorney to collect payments owed by PCS, (b) solicit competitive bids for inmate telephone services and (c) obtain Board of Supervisor approval of future inmate telephone service agreements.
- In November, 2009, the Sheriff's Department issued a Request for Proposals for inmate telephone services. Global Tel*Link was selected by an evaluation panel from the six proposals received.

Fiscal Impacts

- The proposed new agreement with Global Tel*Link increases the (a) commissions on gross revenue sales to 60 percent from the current range of 30 to 40 percent, and (b) annual payments to \$100,000 from \$5,000. The proposed Global Tel*Link agreement is estimated to generate \$913,960 of revenues for the Sheriff's Department for the one-year period from June 1, 2010 through May 31, 2011.

Policy Issues

- The Sheriff's Department has retained the professional services of a third party administrator on a sole source basis to (a) collect funds owed by PCS to the Sheriff's Department for a 33.3 percent commission, and (b) manage the existing PCS agreement and the proposed new inmate telephone services agreement with Global Tel*link for a 10.57 percent commission of gross telephone charges.

Recommendations

- Amend the proposed resolution to reflect an anticipated June 1, 2010 commencement date, instead of April 1, 2010. Approve the proposed resolution, as amended.

MANDATE STATEMENT AND BACKGROUND**Mandate Statement**

Charter Section 9.118(a) requires that any contract having anticipated revenues to the City of \$1,000,000 or more be approved by the Board of Supervisors.

California Penal Code Section 4205 requires that any money, refund, rebate, or commission received from a telephone company from the use of telephones by confined inmates be deposited into a separate account that is used exclusively for the benefit of inmates. The Sheriff's Department administers the City's Inmate Welfare Fund, into which all revenues received from inmates' use of telephones are deposited. In accordance with Section 10.100-329 of the City's Administrative Code, the Sheriff's Department uses the revenues from the Inmate Welfare Fund to provide educational, vocational, recreational, medical, dental and legal supplies, facilities and equipment for the use and benefit for inmates confined in San Francisco's jails.

Background

Inmates housed in San Francisco's jails are permitted to make personal telephone calls, at their own expense, with certain restrictions¹. To provide personal telephone services for inmates, the Sheriff's Department contracts with an outside firm to provide the necessary telephone equipment, calling services and charges for inmates. Individual inmates pay the outside firm for their telephone calls, with cash, debit cards, prepaid accounts or collect charges, based on specified rates. The outside firm collects the inmate call revenues and then pays an agreed upon commission back to the Sheriff's Department. The Sheriff's Department deposits such commission revenues into the City's Inmate Welfare Fund, which is used for services that directly benefit the inmates. All revenues deposited into the City's Inmate Welfare Fund are subject to appropriation approval by the Board of Supervisors.

Existing Public Communications Services (PCS) Agreement with Sheriff

In 1999, the Sheriff's Department awarded a five-year sole source agreement to Public Communications Services (PCS) to provide telephone equipment and services for inmates in San Francisco's jails from 1999 through January 1, 2004, without conducting a competitive bid process. According to Ms. Maureen Gannon, Chief Financial Officer for the Sheriff's Department, the Sheriff's Department selected PCS, on a sole-source basis, because (a) PCS was the vendor who maintained the pay telephones in the jails, and (b) the Sheriff wanted to offer the option for inmates to make debit card calls and in 1999, PCS was the only vendor that provided that option.

Although the initial PCS agreement expired in 2004, PCS continued to provide inmate telephone services under a verbal agreement with the Sheriff's Department until January 1, 2006. Again, without securing competitive proposals, in January of 2006, the Sheriff signed a new sole source agreement with PCS to extend the same terms of the prior agreement for an additional three years, or through December 31, 2009. Therefore, the PCS agreement, initiated in 1999, was

¹ Inmates may not place calls to public parties who have requested a blocked telephone number or have obtained a restraining order against the inmate. In addition, all inmate phone calls are recorded for security of Sheriff's Department staff and for certain legal agencies. Inmates are allowed to make free calls to the public defender, private attorneys and certain community-based organizations and governmental agencies.

never subject to competitive bid. Since January 1, 2010, the agreement with PCS has continued on a month-to-month basis, pending award of a new agreement to a new vendor, which is the subject of the proposed resolution.

Under the existing PCS agreement, the Sheriff’s Department received commissions based on (a) 30 percent of the local debit charged calls, (b) 35 percent of the charges for the local pre-paid account calls, collect calls and coin-operated telephone calls, and (c) 40 percent of the charges for long-distance telephone calls. In addition, PCS agreed to pay the Sheriff’s Department \$5,000 within three months of the commencement of the agreement and \$5,000 each year during the term of the agreement.

As shown in Table 1 below, the City has received \$6,745,437 in revenues from PCS over the ten-year period under the existing agreements with PCS. As noted above, all of these revenues are deposited into the Sheriff’s Inmate Welfare Fund, for expenditures exclusively for the benefit of inmates.

Table 1: Annual Revenues Paid to the Sheriff’s Department under its Agreements With PCS

Fiscal Years	Annual Revenues Received
FY 2000 - 2001	\$ 947,547.84
FY 2001 - 2002	\$ 717,741.34
FY 2002 - 2003	\$ 836,649.52
FY 2003 - 2004	\$ 545,469.05
FY 2004 - 2005	\$ 672,658.08
FY 2005 - 2006	\$ 613,892.54
FY 2006 - 2007	\$ 707,524.24
FY 2007 - 2008	\$ 774,607.90
FY 2008 - 2009	\$ 565,812.73
FY 2009 - to April 2010	\$ 363,533.63
Total	\$ 6,745,436.87

Source: Sheriff’s Department

Given that the initial agreement with PCS commenced in 1999 and has been extended by the Sheriff’s Department into May, 2010, this agreement has now extended over ten years on a sole-source basis, and should have been subject to Board of Supervisors approval, in accordance with Charter Section 9.118(b). In addition, Charter Section 9.118(a) requires that any contract which will result in revenues to the City in excess of \$1,000,000 be subject to approval by the Board of Supervisors. As shown in Table 1 above, by the second year of the original PCS agreement, the Sheriff’s Department received in excess of \$1,000,000. However, as previously noted, this PCS agreement has never been submitted for the Board of Supervisors approval.

City Controller’s 2007 Financial Audit and 2010 Follow-up Review

At the request of the Sheriff's Department in 2007, the Controller's Office completed a financial audit of the period between July 1, 2003 and June 30, 2005 to determine whether the Inmate Welfare Fund was properly administered. As part of that audit, the Controller evaluated the telephone payments made by PCS to the Sheriff and PCS's procedures for reporting gross telephone revenue charges and commissions to the Sheriff's Department under the previous and existing agreements with PCS. On March 16, 2007, the Controller issued their audit report, which contained six primary recommendations.

The Controller's Office found that PCS owed the Sheriff's Department up to \$1,921,589, including \$1,309,535 in retroactive commissions and \$612,054 in late charges because PCS did not increase their commission rates commensurate with the higher rates charged to other prison facilities as was required by the "Most Favored Customer" clause in both the 1999 and 2006 PCS agreements with the Sheriff. Based on that finding, the Controller recommended that the Sheriff's Department (a) work with the City Attorney's Office to bill and collect from PCS the \$1,921,589 owed by PCS to the Sheriff's Department for the period from June 2000 through March 2006 and (b) determine if there were additional amounts owed by PCS for the months after March 2006. In addition, the Controller's audit recommended that the Sheriff's Department solicit competitive bids for inmate telephone services and obtain Board of Supervisors approval of future inmate telephone service agreements.

Based on a March, 2010 follow-up review to the financial audit that was issued by the Controller's Office in 2007, the Controller found that the Sheriff had not implemented the recommendation to work with the City Attorney and determine if additional amounts are owed to the Sheriff's Department. The Attachment to this report, which was contained in the Controller's 2010 follow-up report, summarizes the Controller's primary audit recommendations, and the status of each recommendation, based on the Controller's 2010 follow-up review.

In response to the Controller's 2007 audit, Ms. Gannon advises that the Sheriff's Department initially referred the past due commission and collection matter with PCS to the City Attorney's Office. Ms. Gannon further advises that the City Attorney's Office indicated that the PCS past due commissions were not a legal, but rather a financial collections issue.

Request for Proposals for Inmate Telephone Service Provider

In November 2009, the Sheriff's Department issued a Request for Proposals (RFP) for a new agreement for Inmate Telephone Services. According to Ms. Gannon, the Sheriff's Department received six responses, including a bid from the current telephone service provider, PCS. All six proposals were evaluated for (a) project approach, (b) commission percentages, (c) financial incentives, and (d) calling rates. Ms. Gannon advises that a five-person Sheriff's staff panel was created to evaluate the six proposals. Global Tel*Link received the most points under the scoring criteria and was selected for award of the new Inmate Telephone Services agreement. Although PCS protested this award on the grounds that PCS had offered the best price to the City, Ms. Gannon advises that this protest was reviewed by the City's Office of Contract Administration and the City Attorney's Office and was not found to have merit.

DETAILS OF PROPOSED LEGISLATION

The proposed resolution would approve a new three-year agreement between the City and County of San Francisco, acting on behalf of the Sheriff's Department, and Global Tel*Link to provide inmate telephone services from April 1, 2010 through March 31, 2013, with two one-year options to extend the term, for a not-to-exceed total of five years, or through March 31, 2015.

FISCAL ANALYSIS

Under the proposed inmate telephone services agreement, Global Tel*Link would be required to pay the Sheriff (a) a 60 percent commission on gross revenue telephone sales, and (b) an additional \$100,000 payment within 30 days of the execution of the agreement and \$100,000 each year thereafter for the term of the agreement. Gross revenue telephone sales are defined as the revenues charged for all calls placed, whether or not the revenues were actually collected by Global Tel*Link.

In comparison to Global Tel*Link's proposed 60 percent commission on all gross revenue telephone sales, under the existing PCS agreement, PCS pays the Sheriff's Department commissions of (a) 30 percent for local debit charged calls, (b) 35 percent for local pre-paid account calls, collect calls and coin-operated calls, and (c) 40 percent for long-distance calls. In addition, Global Tel*Link's proposed \$100,000 annual payments are \$95,000 more annually than PCS current \$5,000 annual payments to the Sheriff's Department.

Under the proposed agreement, Global Tel*Link charges inmates for telephone calls at different rates, depending on the type and length of the telephone call made, as shown in Table 2 below.

Table 2 – Inmate Telephone Call Rates in the Proposed Global Tel*Link Agreement

Call Types	Collect		Pre-Paid Collect		Debit and/or Inmate Pre-Paid	
	<u>Initial Surcharge Per Call</u>	<u>Per Minute Rates</u>	<u>Initial Surcharge Per Call</u>	<u>Per Minute Rates</u>	<u>Initial Surcharge Per Call</u>	<u>Per Minute Rates</u>
Local	\$2.80	\$0.11	\$2.80	\$0.11	\$1.25	\$0.10
Intralata/Intrastate ²	\$2.80	\$0.15	\$2.80	\$0.15	\$2.53	\$0.10
Interlata/Intrastate ³	\$3.00	\$0.69	\$3.00	\$0.69	\$2.83	\$0.21
Interlata/Interstate ⁴	\$3.95	\$0.69	\$3.95	\$0.69	\$3.60	\$0.52
International	n/a	n/a	n/a	n/a	\$3.95	\$1.60

Based on the above rates and the number of projected inmates, Ms. Gannon currently estimates the proposed agreement with Global Tel*Link will generate an estimated \$113,050 of monthly

² Intralata/Intrastate calls are within one local access transport area (lata) within the State of California, such as a call from San Francisco to Crescent City.

³ Interlata/Intrastate calls are between two latas within the State, such as a call from San Francisco to Los Angeles.

⁴ Interlata/Interstate calls are between two latas from different states, such as a call from San Francisco to Chicago.

gross revenues or \$1,356,600 in annual gross revenues for the one-year period from June 1, 2010 through May 31, 2011. As shown in Table 3 below, such gross revenues at the agreed upon 60 percent commission, together with the annual \$100,000 payment are estimated to generate approximately \$913,960 of revenues for the Sheriff's Inmate Welfare Fund in the one year period from June 1, 2010 through May 31, 2010.

Table 3 – Inmate Telephone Services Agreement Projected Revenue

Projected Revenue Payable to the Sheriff's Department from the Proposed Inmate Telephone Services Agreement From June 1, 2010 through May 30, 2011			
	Estimated Monthly Gross Telephone Calls Revenue Sales Charged by Global Tel*Link	Estimated Annual Gross Revenue Sales Charged by Global Tel*Link	Estimated Annual Commissions @ 60 percent of Gross Revenues Plus Incentive Payment
Inmate Call Revenue	\$113,050	\$1,356,600	\$813,960
Annual Payments ⁵	n/a	n/a	\$100,000
TOTAL	\$113,050	\$1,356,600	\$913,960

Ms. Gannon notes that the revenue estimates shown above reflect an approximate 15 percent reduction from previous estimates since there are significantly fewer inmates currently in San Francisco's jails.⁶ Ms. Gannon attributes the reduction in the inmate population to the (a) release of inmates on drug charges, and (b) reduction of new drug arrests. According to Ms. Gannon, the inmate population is anticipated to return to its former levels, resulting in a greater number of inmate telephone calls and increased revenues for the Sheriff's Department's Inmate Welfare Fund in future years.

Even with the reduction in the current inmate population, the anticipated \$913,960 annual revenues under the proposed Global Tel*Link agreement, are higher than the annual revenues received from PCS in any of the prior ten years, except for FY 2000-2001, as shown in Table 1 above.

POLICY ISSUES

¹ The first annual payment of \$100,000 is due within 30 days of the execution of the new agreement (May 2010) and future annual \$100,000 payments are due within 30 days of the anniversary of the agreement execution date.

⁶ Ms. Gannon notes that as of April 29, 2010, the average inmate population was 1,595. In comparison, over the prior five years, or from March of 2005 through March of 2010, San Francisco's inmate population averaged approximately 2,000, reflecting a current 20.3 percent reduction in the current inmate population.

Term of the Proposed Agreement

As noted above, the proposed resolution would approve a new inmate telephone services agreement between the Sheriff's Department, and Global Tel*Link for a three-year period from April 1, 2010 through March 31, 2013, with two one-year options to extend through March 31, 2015. However, because the Board of Supervisors has not yet approved the proposed resolution, Ms. Gannon advises that the subject Global Tel*Link agreement did not commence on April 1, 2010. Ms. Gannon now anticipates a June 1, 2010 commencement of the proposed agreement. Therefore, the Budget and Legislative Analyst recommends that the proposed resolution be amended to include an anticipated commencement date of June 1, 2010.

Third Party Agreement With Praesus, LLC.

In response to the Controller's audit and the City Attorney's determination that the Sheriff's recovery of PCS past due commissions owed to the Sheriff's Department was a financial collections issue, Ms. Gannon advises that the Sheriff's Department, without using the City's competitive bidding procedures, entered into a sole source professional services agreement with Praesus, LLC (Praesus), on May 20, 2009 for four years⁷. Under this agreement, Praesus will act as a third-party administrator to provide professional inmate telephone consulting, management and reconciliation services for both the existing PCS agreement and the proposed new Global Tel*Link agreement. According to Ms. Gannon, Praesus is a private firm that specializes in the audit, accounting and management of past due telephone revenues. Ms. Gannon advises that Praesus approached the Sheriff's Department to provide their services, in response to the Controller's finding that the Sheriff's Department should bill and collect retroactive commissions and late charges from PCS.

Under the agreement with Praesus, the Sheriff agreed to pay Praesus a commission of 33.3 percent on all past due compensation recovered by the Sheriff's Department, not to exceed a total payment to Praesus of \$400,000 over the four-year term of the agreement with Praesus. In addition, the Sheriff agreed to pay Praesus a 10.57 percent management fee on all future revenues received by the Sheriff's Department from the inmate telephone service provider, with no limits on total compensation. Ms. Gannon advises that the existing agreement with Praesus was not subject to approval by the Board of Supervisors, because the Sheriff's Department does not anticipate that this agreement will exceed ten years or result in the expenditure of more than \$10,000,000, in accordance with Charter Section 9.118.

Ms. Gannon notes that, to date, Praesus has reported that PCS owes the Sheriff's Department \$3,063,800 in outstanding commissions for the period from January 2006 to February 2010. Based on the \$3,063,800 identified by Praesus at their commission rate of 33.3 percent, if all of these funds are recovered by the Sheriff's Department, Praesus would receive \$1,020,245. However, as noted above, Praesus is limited to receiving \$400,000 of compensation from the historical compensation. Ms. Gannon advises that Praesus is currently analyzing the PCS

⁷ The Praesus, LLC agreement signed on May 20, 2009 extends for three years, with an automatic one year renewal unless specifically terminated, commencing with the delivery of the initial monthly revenue report provided to the Sheriff's Department. Ms. Gannon advises that the initial monthly revenue report was provided to the Sheriff's Department on August 15, 2009, such that the Praesus agreement is anticipated to expire on August 14, 2013, including the one year automatic renewal period.

telephone data from 1999 to 2006 to determine the actual amount of outstanding commissions owed by PCS to the Sheriff for that period of time. To date, Ms. Gannon advises that the Sheriff's Department has not collected any historical compensation revenues from PCS and therefore has not paid Praesus any of the \$400,000 commission.

In addition to the historical analysis of telephone records, Ms. Gannon advises that, based on the Sheriff's Department prior experience, the Sheriff's Department requires the continued assistance of Praesus to audit future monthly telephone records from Global Tel*Link with Praesus' proprietary software in order to determine the accuracy of the reported commission rates and amounts. As noted above, in accordance with the agreement, Praesus would receive a 10.57 percent management fee on all future telephone revenues received by the Sheriff's Department from the inmate telephone service provider, with no limits on total compensation. Such commission payments to Praesus excludes the \$100,000 annual payments from Global Tel*Link.

As shown in Table 4 below, based on the current estimated annual telephone revenues of \$813,960, Praesus would receive an estimated \$86,036 from June 1, 2010 through May 31, 2011. This would result in a net inmate telephone call revenue payment of \$727,924 to the Sheriff's Department.

Table 4 – Inmate Telephone Services Agreement Projected Revenue

Projected Net Revenue from the Proposed Inmate Telephone Services Agreement From June 1, 2010 through May 31, 2011				
	Estimated Gross Telephone Revenue Sales	Estimated Commission @ 60 percent of Gross Revenues Charged by Global Tel*Link	Estimated Third Party Administrator Management Fees Payable to Praesus LLC @ 10.57 percent	Net Estimated Revenue due to Sheriff's Department
Inmate Call Revenue	\$1,356,600	\$813,960	\$86,036	\$727,924

As reflected above in Table 3, the Sheriff's Department would also receive an annual \$100,000 payment from Global Tel*Link, which would not be subject to a commission fee payable to Praesus, such that the Sheriff's Department would receive total estimated net payments of \$827,924 (\$727,924 plus \$100,000) from Global Tel*Link from June 1, 2010 through May 31, 2011.

RECOMMENDATIONS

Amend the proposed resolution to reflect a June 1, 2010 commencement date, instead of an April 1, 2010 commencement date.

Approve the proposed resolution, as amended.

ATTACHMENT: FINDINGS AND RECOMMENDATIONS

Audit Report Rec #	Recommendation	2009 Status per SFSO	Auditor's Follow-up Work	Results
1	<p>Work with the Office of the City Attorney (City Attorney) to bill and collect from PCS the \$1,921,589 in retroactive commissions and late interest charges, under the "Most Favored Customer" contract clause for the period of June 2000, through March 2006. Determine if there are additional amounts owed for months subsequent to March 2006.</p>	<p>On April 17, 2007, the Sheriff sent a letter to the City Attorney (Reference: 2007-068), informing the City Attorney about the audit finding. The Sheriff's letter indicates that it also sent three related documents to the City Attorney: the audit report; the Agreement between PCS and the Sheriff; and the Inmate Telephone Service Agreement.</p> <p>On April 30, 2009, the Sheriff informed CSA that it is "scheduling a meeting with the City Attorney".</p>	<p>Obtained a copy of the Sheriff's April 17, 2007 letter to the City Attorney.</p> <p>Discussed status with Sheriff staff and determined that as of September 9, 2009, the Sheriff had not collected any of these funds. The Sheriff informed CSA that it is working with a third party administrator to collect funds related to its inmate telephone service, at no cost to the Sheriff. The Sheriff also sent CSA a copy of its professional services agreement with the third party.</p>	<p>Not Implemented</p>
2	<p>Solicit competitive bids for inmate telephone services in place of the 2006 contract with PCS. If the PCS contract is selected, obtain Board of Supervisor approval for the 2006 inmate telephone services contract.</p>	<p>In response to CSA's inquiry about this recommendation, the Sheriff stated that it will issue a Request for Proposal (RFP) after July 1, 2009. The Sheriff also noted that its contract with PCS expires on December 31, 2009.</p>	<p>Confirmed that the Sheriff's contract with PCS expired on December 31, 2009.</p> <p>Inquired about the status of the proposed RFP. According to the Sheriff, its contract analyst is in the process of drafting the RFP.</p> <p>Requested that, when available, the Sheriff provide a copy of the contract to CSA, with evidence of the Board's approval.</p>	<p>Partially Implemented</p>

Audit Report Rec #	Recommendation	2009 Status per SFSD	Auditor's Follow-up Work	Results
4	Obtain Board of Supervisor approval for the commissary contract with Carteen Correctional Services, Inc.	On April 13, 2009, the Sheriff sent a proposed resolution to the Board of Supervisors requesting approval of the Sheriff's Contract for Jail Commissary and Inmate Trust Fund Accounting and Management System with ARAMARK Correctional Services, LLC.	Determined that, on Tuesday, May 19, 2009, the Board of Supervisors approved the Sheriff's Contract for Jail Commissary and Inmate Trust Fund Accounting & Management System with ARAMARK Correctional Services, LLC.	Implemented
5	Obtain Board of Supervisor approval for all contracts, contract amendments or modifications, with anticipated revenues over \$1 million, in accordance with the San Francisco Administrative Code requirements.	The Sheriff responded to CSA's inquiry about this recommendation by stating that it will follow the City Administrative Code in the future. In addition, the Sheriff requested a copy of the Administrative Code section referenced in the recommendation, which CSA provided.	The Sheriff noted that it has only two revenue contracts that fall into this category: the Inmate telephone contract and the inmate commissary contract, which are discussed in recommendations 2 and 4. The commissary contract has been approved by the Board as noted under recommendation 4. The telephone contract has not yet been approved by the Board.	Partially Implemented
6	Transfer the \$66,437 in commissary commissions from the City's General Fund into the Inmate Welfare Fund for the period July 1, 2000, through March 31, 2006. Determine whether additional amounts should be transferred subsequent to March 2006.	The Sheriff's Chief Financial Officer provided CSA with copies of entries made in FAMIS, showing the transfer for commissary commissions from the City General Fund into the Inmate Welfare Fund. According to the Sheriff's Chief Financial Officer, the Controller's Accounting Operations & Systems Division (AOSD) will not transfer funds from previous fiscal years. With regard to additional amounts that may need to be transferred, the Sheriff's CFO informed CSA that, after March 2006, the Sheriff put all commissions into the Inmate Welfare Fund. As such, no additional transfers are needed.	Reviewed those entries and determined that only 14.54 percent of the \$66,437 (\$9,659) was transferred into the Inmate Welfare Fund from the City's General Fund. A balance of \$56,778 remained to be transferred into the inmate welfare fund. CSA consulted with the Controller's Budget and Analysis Division (BAD) about this matter. The director of BAD determined that transferring the \$56,778 is a sound use of the City's audit reserve, and that the reserve contains sufficient funds to cover this amount. Amount has been transferred to the Sheriff's Inmate Welfare Fund.	Implemented

FORM SFEC-126:
NOTIFICATION OF CONTRACT APPROVAL
(S.F. Campaign and Governmental Conduct Code § 1.126)

City Elective Officer Information (Please print clearly.)	
Name of City elective officer(s): Michael Hennessey	City elective office(s) held: Sheriff

Contractor Information (Please print clearly.)	
Name of contractor: Global Tel*Link	
Please list the names of (1) members of the contractor's board of directors; (2) the contractor's chief executive officer, chief financial officer and chief operating officer; (3) any person who has an ownership of 20 percent or more in the contractor; (4) any subcontractor listed in the bid or contract; and (5) any political committee sponsored or controlled by the contractor. Use additional pages as necessary.	
Board of Directors: Robert B. McKeon, Chairman Ramzi M. Musallam, Partner Hugh Evans, Partner Jeff Weber, Principle Thomas J. Carella, Vice President, Principal Investment Area Michael J. Meehan, II, Steinberg Asset Management, L.L.C. Ryan Limaye, Managing Director, Goldman, Sachs & Co. Brian Oliver, CEO, Global Tel*Link	CEO: Brian Oliver CFO: Steve Yow COO: Jeff Haidinger Subcontractor: Cooper Communications Group (CCG)
Contractor address: Global Tel*Line 2609 Cameron St. Mobile, AL 36607-0000	
Date that contract was approved: Scheduled for start May 1, 2010.	Amount of contract: Approximately \$3,138,000 in revenue to the Inmate Welfare Fund is expected
Describe the nature of the contract that was approved: The contract is for the Inmate Telephone System. The Sheriff's Department will receive revenue and deposit into the Inmate Welfare Fund on all calls paid for by inmates and their families.	
Comments:	

This contract was approved by (check applicable):

the City elective officer(s) identified on this form.

a board on which the City elective officer(s) serves _____
Print Name of Board

the board of a state agency (Health Authority, Housing Authority Commission, Industrial Development Authority Board, Parking Authority, Redevelopment Agency Commission, Relocation Appeals Board, Treasure Island Development Authority) on which an appointee of the City elective officer(s) identified on this form sits

Print Name of Board

Filer Information (Please print clearly.)

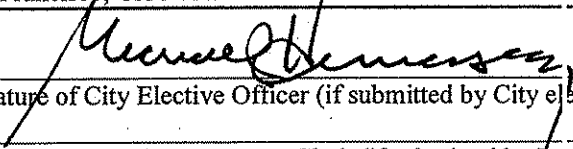
Name of filer:
Michael Hennessey, Sheriff

Contact telephone number:

415 554-7293

Address:
#1 Dr. Carlton B. Goodlett Place, Room 456
San Francisco, CA 94102

E-mail:
michael.hennessey@sfgov.org



Signature of City Elective Officer (if submitted by City elective officer)

Date Signed

Signature of Board Secretary or Clerk (if submitted by Board Secretary or Clerk)

Date Signed

5-7-10

City and County of San Francisco

OFFICE OF THE SHERIFF



Michael Hennessey
SHERIFF

(415) 554-7225

April 2, 2010
Reference: 2010-035

BY _____

RECEIVED
BOARD OF SUPERVISORS
SAN FRANCISCO
2010 APR -2 PM 3:43

Angela Calvillo, Clerk of the Board
Board of Supervisors
1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco, CA 94102-4689

Dear Ms. Calvillo:

Attached please find an original and four copies of a proposed resolution for approval by the Board of Supervisors.

The resolution authorizes the Sheriff's Department to enter into an agreement between the City and County of San Francisco and GLOBAL TEL*LINK for operating the Sheriff's Inmate Telephone Services.

The following is a list of accompanying documents:

- Proposed Resolution
- Agreement between the City and County of San Francisco and GLOBAL TEL*LINK.

Please contact Maureen Gannon at (415) 554-4316 if you require more formation.
Thank you.

Sincerely,



MICHAEL HENNESSEY
Sheriff

City and County of San Francisco
Office of Contract Administration
Purchasing Division
City Hall, Room 430
1 Dr. Carlton B. Goodlett Place
San Francisco, California 94102-4685

Agreement between the City and County of San Francisco and
Global Tel*Link

This Agreement is made this **First day of April, 2010**, in the City and County of San Francisco, State of California, by and between: **GLOBAL TEL*LINK**, 2609 Cameron Street, Mobile, AL 36607, hereinafter referred to as "Contractor," and the City and County of San Francisco, a municipal corporation, hereinafter referred to as "City," acting by and through its Director of the Office of Contract Administration or the Director's designated agent, hereinafter referred to as "Purchasing."

Recitals

WHEREAS, the Sheriff's Department ("Department") wishes to contract for Inmate Telephone Services; and,

WHEREAS, a Request for Proposal ("RFP") was issued on November 2, 2009, and City selected Contractor as the highest qualified scorer pursuant to the RFP; and

WHEREAS, Contractor represents and warrants that it is qualified to perform the services required by City as set forth under this Contract; and,

WHEREAS, approval for this Agreement was obtained from the San Francisco Board of Supervisors on _____, File Number _____;

Now, THEREFORE, the parties agree as follows:

1. Certification of Funds; Budget and Fiscal Provisions; Termination in the Event of Non-Appropriation. This Agreement is subject to the budget and fiscal provisions of the City's Charter. Charges will accrue only after prior written authorization certified by the Controller, and the amount of City's obligation hereunder shall not at any time exceed the amount certified for the purpose and period stated in such advance authorization. This Agreement will terminate without penalty, liability or expense of any kind to City at the end of any fiscal year if funds are not appropriated for the next succeeding fiscal year. If funds are appropriated for a portion of the fiscal year, this Agreement will terminate, without penalty, liability or expense of any kind at the end of the term for which funds are appropriated. City has no obligation to make appropriations for this Agreement in lieu of appropriations for new or other agreements. City budget decisions are subject to the discretion of the Mayor and the Board of Supervisors. Contractor's assumption of risk of possible non-appropriation is part of the consideration for this Agreement.

THIS SECTION CONTROLS AGAINST ANY AND ALL OTHER PROVISIONS OF THIS AGREEMENT.

2. **Term of the Agreement.** Subject to Section 1, the term of this Agreement shall be from April 1, 2010 to March 31, 2013.

In addition, the City shall have two options to extend the term, for a period of one year each, by mutual agreement in writing. The maximum contract period shall not be more than five (5) years.

3. **Effective Date of Agreement.** This Agreement shall become effective when the Controller has certified to the availability of funds and Contractor has been notified in writing.

4. **Services Contractor Agrees to Perform.** The Contractor agrees to perform the services provided for in Appendix A, "Description of Services," attached hereto and incorporated by reference as though fully set forth herein.

5. **Compensation.** The breakdown of costs associated with this Agreement appears in Appendix B, "Calculation of Charges," attached hereto and incorporated by reference as though fully set forth herein.

6. **Guaranteed Maximum Costs.** The City's obligation hereunder shall not at any time exceed the amount certified by the Controller for the purpose and period stated in such certification. Except as may be provided by laws governing emergency procedures, officers and employees of the City are not authorized to request, and the City is not required to reimburse the Contractor for, Commodities or Services beyond the agreed upon contract scope unless the changed scope is authorized by amendment and approved as required by law. Officers and employees of the City are not authorized to offer or promise, nor is the City required to honor, any offered or promised additional funding in excess of the maximum amount of funding for which the contract is certified without certification of the additional amount by the Controller. The Controller is not authorized to make payments on any contract for which funds have not been certified as available in the budget or by supplemental appropriation.

7. **Payment; Invoice Format.** Invoices furnished by Contractor under this Agreement must be in a form acceptable to the Controller, and must include a unique invoice number. All amounts paid by City to Contractor shall be subject to audit by City. Payment shall be made by City to Contractor at the address specified in the section entitled "Notices to the Parties."

8. **Submitting False Claims; Monetary Penalties.** Pursuant to San Francisco Administrative Code §21.35, any contractor, subcontractor or consultant who submits a false claim shall be liable to the City for three times the amount of damages which the City sustains because of the false claim. A contractor, subcontractor or consultant who submits a false claim shall also be liable to the City for the costs, including attorneys' fees, of a civil action brought to recover any of those penalties or damages, and may be liable to the City for a civil penalty of up to \$10,000 for each false claim. A contractor, subcontractor or consultant will be deemed to have submitted a false claim to the City if the contractor, subcontractor or consultant: (a) knowingly presents or causes to be presented to an officer or employee of the City a false claim or request for payment or approval; (b) knowingly makes, uses, or causes to be made or used a false record or statement to get a false claim paid or approved by the City; (c) conspires to defraud the City by getting a false claim allowed or paid by the City; (d) knowingly makes, uses, or causes to be made or used a false record or statement to conceal, avoid, or decrease an obligation to pay or transmit money or property to the City; or (e) is a beneficiary of an inadvertent submission of a false claim to the City, subsequently discovers the falsity of the claim, and fails to disclose the false claim to the City within a reasonable time after discovery of the false claim.

9. Disallowance. "Left blank by agreement of the parties."

10. Taxes. Payment of any taxes, including possessory interest taxes and California sales and use taxes, levied upon or as a result of this Agreement, or the services delivered pursuant hereto, shall be the obligation of Contractor. Contractor recognizes and understands that this Agreement may create a "possessory interest" for property tax purposes. Generally, such a possessory interest is not created unless the Agreement entitles the Contractor to possession, occupancy, or use of City property for private gain. If such a possessory interest is created, then the following shall apply:

(1) Contractor, on behalf of itself and any permitted successors and assigns, recognizes and understands that Contractor, and any permitted successors and assigns, may be subject to real property tax assessments on the possessory interest;

(2) Contractor, on behalf of itself and any permitted successors and assigns, recognizes and understands that the creation, extension, renewal, or assignment of this Agreement may result in a "change in ownership" for purposes of real property taxes, and therefore may result in a revaluation of any possessory interest created by this Agreement. Contractor accordingly agrees on behalf of itself and its permitted successors and assigns to report on behalf of the City to the County Assessor the information required by Revenue and Taxation Code section 480.5, as amended from time to time, and any successor provision.

(3) Contractor, on behalf of itself and any permitted successors and assigns, recognizes and understands that other events also may cause a change of ownership of the possessory interest and result in the revaluation of the possessory interest. (see, e.g., Rev. & Tax. Code section 64, as amended from time to time). Contractor accordingly agrees on behalf of itself and its permitted successors and assigns to report any change in ownership to the County Assessor, the State Board of Equalization or other public agency as required by law.

(4) Contractor further agrees to provide such other information as may be requested by the City to enable the City to comply with any reporting requirements for possessory interests that are imposed by applicable law.

11. Payment Does Not Imply Acceptance of Work. The granting of any payment by City, or the receipt thereof by Contractor, shall in no way lessen the liability of Contractor to replace unsatisfactory work, equipment, or materials, although the unsatisfactory character of such work, equipment or materials may not have been apparent or detected at the time such payment was made. Materials, equipment, components, or workmanship that do not conform to the requirements of this Agreement may be rejected by City and in such case must be replaced by Contractor without delay.

12. Qualified Personnel. Work under this Agreement shall be performed only by competent personnel under the supervision of and in the employment of Contractor. Contractor will comply with City's reasonable requests regarding assignment of personnel, but all personnel, including those assigned at City's request, must be supervised by Contractor. Contractor shall commit adequate resources to complete the project within the project schedule specified in this Agreement.

13. Responsibility for Equipment. City shall not be responsible for any damage to persons or property as a result of the use, misuse or failure of any equipment used by Contractor, or by any of its employees, even though such equipment be furnished, rented or loaned to Contractor by City.

14. Independent Contractor; Payment of Taxes and Other Expenses

a. Independent Contractor. Contractor or any agent or employee of Contractor shall be deemed at all times to be an independent contractor and is wholly responsible for the manner in which it performs the services and work requested by City under this Agreement. Contractor or any agent or employee of Contractor shall not have employee status with City, nor be entitled to participate in any plans, arrangements, or distributions by City pertaining to or in connection with any retirement, health or other benefits that City may offer its employees. Contractor or any agent or employee of Contractor is liable for the acts and omissions of itself, its employees and its agents. Contractor shall be responsible for all obligations and payments, whether imposed by federal, state or local law, including, but not limited to, FICA, income tax withholdings, unemployment compensation, insurance, and other similar responsibilities related to Contractor's performing services and work, or any agent or employee of Contractor providing same. Nothing in this Agreement shall be construed as creating an employment or agency relationship between City and Contractor or any agent or employee of Contractor. Any terms in this Agreement referring to direction from City shall be construed as providing for direction as to policy and the result of Contractor's work only, and not as to the means by which such a result is obtained. City does not retain the right to control the means or the method by which Contractor performs work under this Agreement.

b. Payment of Taxes and Other Expenses. Should City, in its discretion, or a relevant taxing authority such as the Internal Revenue Service or the State Employment Development Division, or both, determine that Contractor is an employee for purposes of collection of any employment taxes, the amounts payable under this Agreement shall be reduced by amounts equal to both the employee and employer portions of the tax due (and offsetting any credits for amounts already paid by Contractor which can be applied against this liability). City shall then forward those amounts to the relevant taxing authority. Should a relevant taxing authority determine a liability for past services performed by Contractor for City, upon notification of such fact by City, Contractor shall promptly remit such amount due or arrange with City to have the amount due withheld from future payments to Contractor under this Agreement (again, offsetting any amounts already paid by Contractor which can be applied as a credit against such liability). A determination of employment status pursuant to the preceding two paragraphs shall be solely for the purposes of the particular tax in question, and for all other purposes of this Agreement, Contractor shall not be considered an employee of City. Notwithstanding the foregoing, should any court, arbitrator, or administrative authority determine that Contractor is an employee for any other purpose, then Contractor agrees to a reduction in City's financial liability so that City's total expenses under this Agreement are not greater than they would have been had the court, arbitrator, or administrative authority determined that Contractor was not an employee.

15. Insurance

a. Without in any way limiting Contractor's liability pursuant to the "Indemnification" section of this Agreement, Contractor must maintain in force, during the full term of the Agreement, insurance in the following amounts and coverages:

(1) Workers' Compensation, in statutory amounts, with Employers' Liability Limits not less than \$1,000,000 each accident, injury, or illness; and

(2) Commercial General Liability Insurance with limits not less than \$1,000,000 each occurrence Combined Single Limit for Bodily Injury and Property Damage, including Contractual Liability, Personal Injury, Products and Completed Operations; and

(3) Commercial Automobile Liability Insurance with limits not less than \$1,000,000 each occurrence Combined Single Limit for Bodily Injury and Property Damage, including Owned, Non-Owned and Hired auto coverage, as applicable.

b. Commercial General Liability and Commercial Automobile Liability Insurance policies must be endorsed to provide:

(1) Name as Additional Insured the City and County of San Francisco, its Officers, Agents, and Employees.

(2) That such policies are primary insurance to any other insurance available to the Additional Insureds, with respect to any claims arising out of this Agreement, and that insurance applies separately to each insured against whom claim is made or suit is brought.

c. Regarding Workers' Compensation, Contractor hereby agrees to waive subrogation which any insurer of Contractor may acquire from Contractor by virtue of the payment of any loss. Contractor agrees to obtain any endorsement that may be necessary to effect this waiver of subrogation. The Workers' Compensation policy shall be endorsed with a waiver of subrogation in favor of the City for all work performed by the Contractor, its employees, agents and subcontractors.

d. All policies shall provide thirty days' advance written notice to the City of reduction or nonrenewal of coverages or cancellation of coverages for any reason. Notices shall be sent to the City address in the "Notices to the Parties" section.

e. Should any of the required insurance be provided under a claims-made form, Contractor shall maintain such coverage continuously throughout the term of this Agreement and, without lapse, for a period of three years beyond the expiration of this Agreement, to the effect that, should occurrences during the contract term give rise to claims made after expiration of the Agreement, such claims shall be covered by such claims-made policies.

f. Should any of the required insurance be provided under a form of coverage that includes a general annual aggregate limit or provides that claims investigation or legal defense costs be included in such general annual aggregate limit, such general annual aggregate limit shall be double the occurrence or claims limits specified above.

g. Should any required insurance lapse during the term of this Agreement, requests for payments originating after such lapse shall not be processed until the City receives satisfactory evidence of reinstated coverage as required by this Agreement, effective as of the lapse date. If insurance is not reinstated, the City may, at its sole option, terminate this Agreement effective on the date of such lapse of insurance.

h. Before commencing any operations under this Agreement, Contractor shall furnish to City certificates of insurance and additional insured policy endorsements with insurers with ratings comparable to A-, VIII or higher, that are authorized to do business in the State of California, and that are satisfactory to City, in form evidencing all coverages set forth above. Failure to maintain insurance shall constitute a material breach of this Agreement.

i. Approval of the insurance by City shall not relieve or decrease the liability of Contractor hereunder.

j. If a subcontractor will be used to complete any portion of this agreement, the Contractor shall ensure that the subcontractor shall provide all necessary insurance and shall name the City and County of San Francisco, its officers, agents and employees and the Contractor listed as additional insureds.

16. Indemnification. Contractor shall indemnify and save harmless City and its officers, agents and employees from, and, if requested, shall defend them against any and all loss, cost, damage, injury, liability, and claims thereof for injury to or death of a person, including employees of Contractor or loss of or damage to property, arising directly or indirectly from Contractor's performance of this Agreement, including, but not limited to, Contractor's use of facilities or equipment provided by City or others, regardless of the negligence of, and regardless of whether liability without fault is imposed or sought to be imposed on City, except to the extent that such indemnity is void or otherwise unenforceable under applicable law in effect on or validly retroactive to the date of this Agreement, and except where such loss, damage, injury, liability or claim is the result of the active negligence or willful misconduct of City and is not contributed to by any act of, or by any omission to perform some duty imposed by law or agreement on Contractor, its subcontractors or either's agent or employee. The foregoing indemnity shall include, without limitation, reasonable fees of attorneys, consultants and experts and related costs and City's costs of investigating any claims against the City. In addition to Contractor's obligation to indemnify City, Contractor specifically acknowledges and agrees that it has an immediate and independent obligation to defend City from any claim which actually or potentially falls within this indemnification provision, even if the allegations are or may be groundless, false or fraudulent, which obligation arises at the time such claim is tendered to Contractor by City and continues at all times thereafter. Contractor shall indemnify and hold City harmless from all loss and liability, including attorneys' fees, court costs and all other litigation expenses for any infringement of the patent rights, copyright, trade secret or any other proprietary right or trademark, and all other intellectual property claims of any person or persons in consequence of the use by City, or any of its officers or agents, of articles or services to be supplied in the performance of this Agreement.

17. Incidental and Consequential Damages. Contractor shall be responsible for incidental and consequential damages resulting in whole or in part from Contractor's acts or omissions. Nothing in this Agreement shall constitute a waiver or limitation of any rights that City may have under applicable law.

18. Liability of City. CITY'S PAYMENT OBLIGATIONS UNDER THIS AGREEMENT SHALL BE LIMITED TO THE PAYMENT OF THE COMPENSATION PROVIDED FOR IN SECTION 5 OF THIS AGREEMENT. NOTWITHSTANDING ANY OTHER PROVISION OF THIS AGREEMENT, IN NO EVENT SHALL CITY BE LIABLE, REGARDLESS OF WHETHER ANY CLAIM IS BASED ON CONTRACT OR TORT, FOR ANY SPECIAL, CONSEQUENTIAL, INDIRECT OR INCIDENTAL DAMAGES, INCLUDING, BUT NOT LIMITED TO, LOST PROFITS, ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT OR THE SERVICES PERFORMED IN CONNECTION WITH THIS AGREEMENT.

19. Liquidated Damages. "Left blank by agreement of the parties."

20. Default; Remedies

a. Each of the following shall constitute an event of default ("Event of Default") under this Agreement:

(1) Contractor fails or refuses to perform or observe any term, covenant or condition contained in any of the following Sections of this Agreement:

- | | |
|---|---------------------------------------|
| 8. Submitting false claims | 37. Drug-free workplace policy, |
| 10. Taxes | 53. Compliance with laws |
| 15. Insurance | 55. Supervision of minors |
| 24. Proprietary or confidential information of City | 57. Protection of private information |
| 30. Assignment | 58. Graffiti removal |

(2) Contractor fails or refuses to perform or observe any other term, covenant or condition contained in this Agreement, and such default continues for a period of ten days after written notice thereof from City to Contractor.

(3) Contractor (a) is generally not paying its debts as they become due, (b) files, or consents by answer or otherwise to the filing against it of, a petition for relief or reorganization or arrangement or any other petition in bankruptcy or for liquidation or to take advantage of any bankruptcy, insolvency or other debtors' relief law of any jurisdiction, (c) makes an assignment for the benefit of its creditors, (d) consents to the appointment of a custodian, receiver, trustee or other officer with similar powers of Contractor or of any substantial part of Contractor's property or (e) takes action for the purpose of any of the foregoing.

(4) A court or government authority enters an order (a) appointing a custodian, receiver, trustee or other officer with similar powers with respect to Contractor or with respect to any substantial part of Contractor's property, (b) constituting an order for relief or approving a petition for relief or reorganization or arrangement or any other petition in bankruptcy or for liquidation or to take advantage of any bankruptcy, insolvency or other debtors' relief law of any jurisdiction or (c) ordering the dissolution, winding-up or liquidation of Contractor.

b. On and after any Event of Default, City shall have the right to exercise its legal and equitable remedies, including, without limitation, the right to terminate this Agreement or to seek specific performance of all or any part of this Agreement. In addition, City shall have the right (but no obligation) to cure (or cause to be cured) on behalf of Contractor any Event of Default; Contractor shall pay to City on demand all costs and expenses incurred by City in effecting such cure, with interest thereon from the date of incurrence at the maximum rate then permitted by law. City shall have the right to offset from any amounts due to Contractor under this Agreement or any other agreement between City and Contractor all damages, losses, costs or expenses incurred by City as a result of such Event of Default and any liquidated damages due from Contractor pursuant to the terms of this Agreement or any other agreement.

c. All remedies provided for in this Agreement may be exercised individually or in combination with any other remedy available hereunder or under applicable laws, rules and regulations. The exercise of any remedy shall not preclude or in any way be deemed to waive any other remedy.

21. Termination for Convenience

a. City shall have the option, in its sole discretion, to terminate this Agreement, at any time during the term hereof, for convenience and without cause. City shall exercise this option by giving Contractor written notice of termination. The notice shall specify the date on which termination shall become effective.

b. Upon receipt of the notice, Contractor shall commence and perform, with diligence, all actions necessary on the part of Contractor to effect the termination of this Agreement on the date specified by City and to minimize the liability of Contractor and City to third parties as a result of termination. All such actions shall be subject to the prior approval of City. Such actions shall include, without limitation:

(1) Halting the performance of all services and other work under this Agreement on the date(s) and in the manner specified by City.

(2) Not placing any further orders or subcontracts for materials, services, equipment or other items.

(3) Terminating all existing orders and subcontracts.

(4) At City's direction, assigning to City any or all of Contractor's right, title, and interest under the orders and subcontracts terminated. Upon such assignment, City shall have the right, in its sole discretion, to settle or pay any or all claims arising out of the termination of such orders and subcontracts.

(5) Subject to City's approval, settling all outstanding liabilities and all claims arising out of the termination of orders and subcontracts.

(6) Completing performance of any services or work that City designates to be completed prior to the date of termination specified by City.

(7) Taking such action as may be necessary, or as the City may direct, for the protection and preservation of any property related to this Agreement which is in the possession of Contractor and in which City has or may acquire an interest.

c. Within 30 days after the specified termination date, Contractor shall submit to City an invoice, which shall set forth each of the following as a separate line item:

(1) The reasonable cost to Contractor, without profit, for all services and other work City directed Contractor to perform prior to the specified termination date, for which services or work City has not already tendered payment. Reasonable costs may include a reasonable allowance for actual overhead, not to exceed a total of 10% of Contractor's direct costs for services or other work. Any overhead allowance shall be separately itemized. Contractor may also recover the reasonable cost of preparing the invoice.

(2) A reasonable allowance for profit on the cost of the services and other work described in the immediately preceding subsection (1), provided that Contractor can establish, to the satisfaction of City, that Contractor would have made a profit had all services and other work under this Agreement been completed, and provided further, that the profit allowed shall in no event exceed 5% of such cost.

(3) The reasonable cost to Contractor of handling material or equipment returned to the vendor, delivered to the City or otherwise disposed of as directed by the City.

(4) A deduction for the cost of materials to be retained by Contractor, amounts realized from the sale of materials and not otherwise recovered by or credited to City, and any other appropriate credits to City against the cost of the services or other work.

d. In no event shall City be liable for costs incurred by Contractor or any of its subcontractors after the termination date specified by City, except for those costs specifically enumerated and described in the immediately preceding subsection (c). Such non-recoverable costs include, but are not limited to, anticipated profits on this Agreement, post-termination employee salaries, post-termination administrative expenses, post-termination overhead or unabsorbed overhead, attorneys' fees or other costs relating to the prosecution of a claim or lawsuit, prejudgment interest, or any other expense which is not reasonable or authorized under such subsection (c).

e. In arriving at the amount due to Contractor under this Section, City may deduct: (1) all payments previously made by City for work or other services covered by Contractor's final invoice; (2) any claim which City may have against Contractor in connection with this Agreement; (3) any invoiced costs or expenses excluded pursuant to the immediately preceding subsection (d); and (4) in instances in which, in the opinion of the City, the cost of any service or other work performed under this Agreement is excessively high due to costs incurred to remedy or replace defective or rejected services or other work, the difference between the invoiced amount and City's estimate of the reasonable cost of performing the invoiced services or other work in compliance with the requirements of this Agreement.

f. City's payment obligation under this Section shall survive termination of this Agreement.

22. Rights and Duties upon Termination or Expiration. This Section and the following Sections of this Agreement shall survive termination or expiration of this Agreement:

- | | |
|---|---|
| 8. Submitting false claims | 24. Proprietary or confidential information of City |
| 9. Disallowance | 26. Ownership of Results |
| 10. Taxes | 27. Works for Hire |
| 11. Payment does not imply acceptance of work | 28. Audit and Inspection of Records |
| 13. Responsibility for equipment | 48. Modification of Agreement. |
| 14. Independent Contractor; Payment of Taxes and Other Expenses | 49. Administrative Remedy for Agreement Interpretation. |
| 15. Insurance | 50. Agreement Made in California; Venue |
| 16. Indemnification | 51. Construction |
| 17. Incidental and Consequential Damages | 52. Entire Agreement |
| 18. Liability of City | 56. Severability |
| | 57. Protection of private information |

Subject to the immediately preceding sentence, upon termination of this Agreement prior to expiration of the term specified in Section 2, this Agreement shall terminate and be of no further force or effect. Contractor shall transfer title to City, and deliver in the manner, at the times, and to the extent, if any, directed by City, any work in progress, completed work, supplies, equipment, and other materials produced as a part of, or acquired in connection with the performance of this Agreement, and any completed or partially completed work which, if this Agreement had been completed, would have been required to be furnished to City. This subsection shall survive termination of this Agreement.

23. Conflict of Interest. Through its execution of this Agreement, Contractor acknowledges that it is familiar with the provision of Section 15.103 of the City's Charter, Article III, Chapter 2 of City's Campaign and Governmental Conduct Code, and Section 87100 et seq. and Section 1090 et seq. of the Government Code of the State of California, and certifies that it does not know of any facts which constitutes a violation of said provisions and agrees that it will immediately notify the City if it becomes aware of any such fact during the term of this Agreement.

24. Proprietary or Confidential Information of City. Contractor understands and agrees that, in the performance of the work or services under this Agreement or in contemplation thereof, Contractor may have access to private or confidential information which may be owned or controlled by City and that such information may contain proprietary or confidential details, the disclosure of which to third parties may be damaging to City. Contractor agrees that all information disclosed by City to Contractor shall be held in confidence and used only in performance of the Agreement. Contractor shall exercise the same standard of care to protect such information as a reasonably prudent contractor would use to protect its own proprietary data.

25. Notices to the Parties. Unless otherwise indicated elsewhere in this Agreement, all written communications sent by the parties may be by U.S. mail, e-mail or by fax, and shall be addressed as follows:

To City: SAN FRANCISCO SHERIFF'S DEPARTMENT
 ATTN: Maureen Gannon, Chief Financial Officer
 #1 Dr. Carlton B. Goodlett Place, Room 456
 San Francisco, CA 94102-4676
 maureen.gannon@sfgov.org
 Fax# 415 554-7050

To Contractor: GLOBAL TEL*LINK (GTL)
 ATTN: Mr. Paul Turner
 2609 Cameron Street
 Mobile, AL

Any notice of default must be sent by registered mail.

26. Ownership of Results. Any interest of Contractor or its Subcontractors, in drawings, plans, specifications, blueprints, studies, reports, memoranda, computation sheets, computer files and media or other documents prepared by Contractor or its subcontractors in connection with services to be performed under this Agreement, shall become the property of and will be transmitted to City. However, Contractor may retain and use copies for reference and as documentation of its experience and capabilities.

27. Works for Hire. If, in connection with services performed under this Agreement, Contractor or its subcontractors create artwork, copy, posters, billboards, photographs, videotapes, audiotapes, systems designs, software, reports, diagrams, surveys, blueprints, source codes or any other original works of authorship, such works of authorship shall be works for hire as defined under Title 17 of the United States Code, and all copyrights in such works are the property of the City. If it is ever determined that any works created by Contractor or its subcontractors under this Agreement are not works for hire under U.S. law, Contractor hereby assigns all copyrights to such works to the City, and agrees to provide any material and execute any documents necessary to effectuate such assignment. With the approval of the City, Contractor may retain and use copies of such works for reference and as documentation of its experience and capabilities.

28. Audit and Inspection of Records. Contractor agrees to maintain and make available to the City, during regular business hours, accurate books and accounting records relating to its work under this Agreement. Contractor will permit City to audit, examine and make excerpts and transcripts from such books and records, and to make audits of all invoices, materials, payrolls, records or personnel and other data related to all other matters covered by this Agreement, whether funded in whole or in part under this Agreement. Contractor shall maintain such data and records in an accessible location and condition for a period of not less than five years after final payment under this Agreement or until after final audit has

been resolved, whichever is later. The State of California or any federal agency having an interest in the subject matter of this Agreement shall have the same rights conferred upon City by this Section.

29. Subcontracting. Contractor is prohibited from subcontracting this Agreement or any part of it unless such subcontracting is first approved by City in writing. Neither party shall, on the basis of this Agreement, contract on behalf of or in the name of the other party. An agreement made in violation of this provision shall confer no rights on any party and shall be null and void.

30. Assignment. The services to be performed by Contractor are personal in character and neither this Agreement nor any duties or obligations hereunder may be assigned or delegated by the Contractor unless first approved by City by written instrument executed and approved in the same manner as this Agreement.

31. Non-Waiver of Rights. The omission by either party at any time to enforce any default or right reserved to it, or to require performance of any of the terms, covenants, or provisions hereof by the other party at the time designated, shall not be a waiver of any such default or right to which the party is entitled, nor shall it in any way affect the right of the party to enforce such provisions thereafter.

32. Earned Income Credit (EIC) Forms. Administrative Code section 12O requires that employers provide their employees with IRS Form W-5 (The Earned Income Credit Advance Payment Certificate) and the IRS EIC Schedule, as set forth below. Employers can locate these forms at the IRS Office, on the Internet, or any where that Federal Tax Forms can be found. Contractor shall provide EIC Forms to each Eligible Employee at each of the following times: (i) within thirty days following the date on which this Agreement becomes effective (unless Contractor has already provided such EIC Forms at least once during the calendar year in which such effective date falls); (ii) promptly after any Eligible Employee is hired by Contractor; and (iii) annually between January 1 and January 31 of each calendar year during the term of this Agreement. Failure to comply with any requirement contained in subparagraph (a) of this Section shall constitute a material breach by Contractor of the terms of this Agreement. If, within thirty days after Contractor receives written notice of such a breach, Contractor fails to cure such breach or, if such breach cannot reasonably be cured within such period of thirty days, Contractor fails to commence efforts to cure within such period or thereafter fails to diligently pursue such cure to completion, the City may pursue any rights or remedies available under this Agreement or under applicable law. Any Subcontract entered into by Contractor shall require the subcontractor to comply, as to the subcontractor's Eligible Employees, with each of the terms of this section. Capitalized terms used in this Section and not defined in this Agreement shall have the meanings assigned to such terms in Section 12O of the San Francisco Administrative Code.

33. Local Business Enterprise Utilization; Liquidated Damages "Left blank by agreement of the parties."

34. Nondiscrimination; Penalties

a. Contractor Shall Not Discriminate. In the performance of this Agreement, Contractor agrees not to discriminate against any employee, City and County employee working with such contractor or subcontractor, applicant for employment with such contractor or subcontractor, or against any person seeking accommodations, advantages, facilities, privileges, services, or membership in all business, social, or other establishments or organizations, on the basis of the fact or perception of a person's race, color, creed, religion, national origin, ancestry, age, height, weight, sex, sexual orientation, gender identity, domestic partner status, marital status, disability or Acquired Immune Deficiency Syndrome or HIV status (AIDS/HIV status), or association with members of such protected classes, or in retaliation for opposition to discrimination against such classes.

b. Subcontracts. Contractor shall incorporate by reference in all subcontracts the provisions of §§12B.2(a), 12B.2(c)-(k), and 12C.3 of the San Francisco Administrative Code (copies of which are available from Purchasing) and shall require all subcontractors to comply with such provisions. Contractor's failure to comply with the obligations in this subsection shall constitute a material breach of this Agreement.

c. Nondiscrimination in Benefits. Contractor does not as of the date of this Agreement and will not during the term of this Agreement, in any of its operations in San Francisco, on real property owned by San Francisco, or where work is being performed for the City elsewhere in the United States, discriminate in the provision of bereavement leave, family medical leave, health benefits, membership or membership discounts, moving expenses, pension and retirement benefits or travel benefits, as well as any benefits other than the benefits specified above, between employees with domestic partners and employees with spouses, and/or between the domestic partners and spouses of such employees, where the domestic partnership has been registered with a governmental entity pursuant to state or local law authorizing such registration, subject to the conditions set forth in §12B.2(b) of the San Francisco Administrative Code.

d. Condition to Contract. As a condition to this Agreement, Contractor shall execute the "Chapter 12B Declaration: Nondiscrimination in Contracts and Benefits" form (form HRC-12B-101) with supporting documentation and secure the approval of the form by the San Francisco Human Rights Commission.

e. Incorporation of Administrative Code Provisions by Reference. The provisions of Chapters 12B and 12C of the San Francisco Administrative Code are incorporated in this Section by reference and made a part of this Agreement as though fully set forth herein. Contractor shall comply fully with and be bound by all of the provisions that apply to this Agreement under such Chapters, including but not limited to the remedies provided in such Chapters. Without limiting the foregoing, Contractor understands that pursuant to §§12B.2(h) and 12C.3(g) of the San Francisco Administrative Code, a penalty of \$50 for each person for each calendar day during which such person was discriminated against in violation of the provisions of this Agreement may be assessed against Contractor and/or deducted from any payments due Contractor.

35. MacBride Principles—Northern Ireland. Pursuant to San Francisco Administrative Code §12F.5, the City and County of San Francisco urges companies doing business in Northern Ireland to move towards resolving employment inequities, and encourages such companies to abide by the MacBride Principles. The City and County of San Francisco urges San Francisco companies to do business with corporations that abide by the MacBride Principles. By signing below, the person executing this agreement on behalf of Contractor acknowledges and agrees that he or she has read and understood this section.

36. Tropical Hardwood and Virgin Redwood Ban. Pursuant to §804(b) of the San Francisco Environment Code, the City and County of San Francisco urges contractors not to import, purchase, obtain, or use for any purpose, any tropical hardwood, tropical hardwood wood product, virgin redwood or virgin redwood wood product.

37. Drug-Free Workplace Policy. Contractor acknowledges that pursuant to the Federal Drug-Free Workplace Act of 1989, the unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance is prohibited on City premises. Contractor agrees that any violation of this prohibition by Contractor, its employees, agents or assigns will be deemed a material breach of this Agreement.

38. Resource Conservation. Chapter 5 of the San Francisco Environment Code ("Resource Conservation") is incorporated herein by reference. Failure by Contractor to comply with any of the applicable requirements of Chapter 5 will be deemed a material breach of contract.

39. Compliance with Americans with Disabilities Act. Contractor acknowledges that, pursuant to the Americans with Disabilities Act (ADA), programs, services and other activities provided by a public entity to the public, whether directly or through a contractor, must be accessible to the disabled public. Contractor shall provide the services specified in this Agreement in a manner that complies with the ADA and any and all other applicable federal, state and local disability rights legislation. Contractor agrees not to discriminate against disabled persons in the provision of services, benefits or activities provided under this Agreement and further agrees that any violation of this prohibition on the part of Contractor, its employees, agents or assigns will constitute a material breach of this Agreement.

40. Sunshine Ordinance. In accordance with San Francisco Administrative Code §67.24(e), contracts, contractors' bids, responses to solicitations and all other records of communications between City and persons or firms seeking contracts, shall be open to inspection immediately after a contract has been awarded. Nothing in this provision requires the disclosure of a private person or organization's net worth or other proprietary financial data submitted for qualification for a contract or other benefit until and unless that person or organization is awarded the contract or benefit. Information provided which is covered by this paragraph will be made available to the public upon request.

41. Public Access to Meetings and Records. If the Contractor receives a cumulative total per year of at least \$250,000 in City funds or City-administered funds and is a non-profit organization as defined in Chapter 12L of the San Francisco Administrative Code, Contractor shall comply with and be bound by all the applicable provisions of that Chapter. By executing this Agreement, the Contractor agrees to open its meetings and records to the public in the manner set forth in §§12L.4 and 12L.5 of the Administrative Code. Contractor further agrees to make-good faith efforts to promote community membership on its Board of Directors in the manner set forth in §12L.6 of the Administrative Code. The Contractor acknowledges that its material failure to comply with any of the provisions of this paragraph shall constitute a material breach of this Agreement. The Contractor further acknowledges that such material breach of the Agreement shall be grounds for the City to terminate and/or not renew the Agreement, partially or in its entirety.

42. Limitations on Contributions. Through execution of this Agreement, Contractor acknowledges that it is familiar with section 1.126 of the City's Campaign and Governmental Conduct Code, which prohibits any person who contracts with the City for the rendition of personal services, for the furnishing of any material, supplies or equipment, for the sale or lease of any land or building, or for a grant, loan or loan guarantee, from making any campaign contribution to (1) an individual holding a City elective office if the contract must be approved by the individual, a board on which that individual serves, or the board of a state agency on which an appointee of that individual serves, (2) a candidate for the office held by such individual, or (3) a committee controlled by such individual, at any time from the commencement of negotiations for the contract until the later of either the termination of negotiations for such contract or six months after the date the contract is approved. Contractor acknowledges that the foregoing restriction applies only if the contract or a combination or series of contracts approved by the same individual or board in a fiscal year have a total anticipated or actual value of \$50,000 or more. Contractor further acknowledges that the prohibition on contributions applies to each prospective party to the contract; each member of Contractor's board of directors; Contractor's chairperson, chief executive officer, chief financial officer and chief operating officer; any person with an ownership interest of more than 20 percent in Contractor; any subcontractor listed in the bid or contract; and any committee that is sponsored or controlled by Contractor. Additionally, Contractor acknowledges that Contractor must inform each of

the persons described in the preceding sentence of the prohibitions contained in Section 1.126. Contractor further agrees to provide to City the names of each person, entity or committee described above.

43. Requiring Minimum Compensation for Covered Employees

a. Contractor agrees to comply fully with and be bound by all of the provisions of the Minimum Compensation Ordinance (MCO), as set forth in San Francisco Administrative Code Chapter 12P (Chapter 12P), including the remedies provided, and implementing guidelines and rules. The provisions of Chapter 12P are incorporated herein by reference and made a part of this Agreement as though fully set forth. The text of the MCO is available on the web at www.sfgov.org/olse/mco. A partial listing of some of Contractor's obligations under the MCO is set forth in this Section. Contractor is required to comply with all the provisions of the MCO, irrespective of the listing of obligations in this Section.

b. The MCO requires Contractor to pay Contractor's employees a minimum hourly gross compensation wage rate and to provide minimum compensated and uncompensated time off. The minimum wage rate may change from year to year and Contractor is obligated to keep informed of the then-current requirements. Any subcontract entered into by Contractor shall require the subcontractor to comply with the requirements of the MCO and shall contain contractual obligations substantially the same as those set forth in this Section. It is Contractor's obligation to ensure that any subcontractors of any tier under this Agreement comply with the requirements of the MCO. If any subcontractor under this Agreement fails to comply, City may pursue any of the remedies set forth in this Section against Contractor.

c. Contractor shall not take adverse action or otherwise discriminate against an employee or other person for the exercise or attempted exercise of rights under the MCO. Such actions, if taken within 90 days of the exercise or attempted exercise of such rights, will be rebuttably presumed to be retaliation prohibited by the MCO.

d. Contractor shall maintain employee and payroll records as required by the MCO. If Contractor fails to do so, it shall be presumed that the Contractor paid no more than the minimum wage required under State law.

e. The City is authorized to inspect Contractor's job sites and conduct interviews with employees and conduct audits of Contractor

f. Contractor's commitment to provide the Minimum Compensation is a material element of the City's consideration for this Agreement. The City in its sole discretion shall determine whether such a breach has occurred. The City and the public will suffer actual damage that will be impractical or extremely difficult to determine if the Contractor fails to comply with these requirements. Contractor agrees that the sums set forth in Section 12P.6.1 of the MCO as liquidated damages are not a penalty, but are reasonable estimates of the loss that the City and the public will incur for Contractor's noncompliance. The procedures governing the assessment of liquidated damages shall be those set forth in Section 12P.6.2 of Chapter 12P.

g. Contractor understands and agrees that if it fails to comply with the requirements of the MCO, the City shall have the right to pursue any rights or remedies available under Chapter 12P (including liquidated damages), under the terms of the contract, and under applicable law. If, within 30 days after receiving written notice of a breach of this Agreement for violating the MCO, Contractor fails to cure such breach or, if such breach cannot reasonably be cured within such period of 30 days, Contractor fails to commence efforts to cure within such period, or thereafter fails diligently to pursue

such cure to completion, the City shall have the right to pursue any rights or remedies available under applicable law, including those set forth in Section 12P.6(c) of Chapter 12P. Each of these remedies shall be exercisable individually or in combination with any other rights or remedies available to the City.

h. Contractor represents and warrants that it is not an entity that was set up, or is being used, for the purpose of evading the intent of the MCO.

i. If Contractor is exempt from the MCO when this Agreement is executed because the cumulative amount of agreements with this department for the fiscal year is less than \$25,000, but Contractor later enters into an agreement or agreements that cause contractor to exceed that amount in a fiscal year, Contractor shall thereafter be required to comply with the MCO under this Agreement. This obligation arises on the effective date of the agreement that causes the cumulative amount of agreements between the Contractor and this department to exceed \$25,000 in the fiscal year.

44. Requiring Health Benefits for Covered Employees. Contractor agrees to comply fully with and be bound by all of the provisions of the Health Care Accountability Ordinance (HCAO), as set forth in San Francisco Administrative Code Chapter 12Q, including the remedies provided, and implementing regulations, as the same may be amended from time to time. The provisions of Chapter 12Q are incorporated by reference and made a part of this Agreement as though fully set forth herein. The text of the HCAO is available on the web at www.sfgov.org/olse. Capitalized terms used in this Section and not defined in this Agreement shall have the meanings assigned to such terms in Chapter 12Q.

a. For each Covered Employee, Contractor shall provide the appropriate health benefit set forth in Section 12Q.3 of the HCAO. If Contractor chooses to offer the health plan option, such health plan shall meet the minimum standards set forth by the San Francisco Health Commission..

b. Notwithstanding the above, if the Contractor is a small business as defined in Section 12Q.3(e) of the HCAO, it shall have no obligation to comply with part (a) above.

c. Contractor's failure to comply with the HCAO shall constitute a material breach of this agreement. City shall notify Contractor if such a breach has occurred. If, within 30 days after receiving City's written notice of a breach of this Agreement for violating the HCAO, Contractor fails to cure such breach or, if such breach cannot reasonably be cured within such period of 30 days, Contractor fails to commence efforts to cure within such period, or thereafter fails diligently to pursue such cure to completion, City shall have the right to pursue the remedies set forth in 12Q.5.1 and 12Q.5(f)(1-6). Each of these remedies shall be exercisable individually or in combination with any other rights or remedies available to City.

d. Any Subcontract entered into by Contractor shall require the Subcontractor to comply with the requirements of the HCAO and shall contain contractual obligations substantially the same as those set forth in this Section. Contractor shall notify City's Office of Contract Administration when it enters into such a Subcontract and shall certify to the Office of Contract Administration that it has notified the Subcontractor of the obligations under the HCAO and has imposed the requirements of the HCAO on Subcontractor through the Subcontract. Each Contractor shall be responsible for its Subcontractors' compliance with this Chapter. If a Subcontractor fails to comply, the City may pursue the remedies set forth in this Section against Contractor based on the Subcontractor's failure to comply, provided that City has first provided Contractor with notice and an opportunity to obtain a cure of the violation.

e. Contractor shall not discharge, reduce in compensation, or otherwise discriminate against any employee for notifying City with regard to Contractor's noncompliance or anticipated noncompliance with the requirements of the HCAO, for opposing any practice proscribed by the HCAO, for participating

in proceedings related to the HCAO, or for seeking to assert or enforce any rights under the HCAO by any lawful means.

f. Contractor represents and warrants that it is not an entity that was set up, or is being used, for the purpose of evading the intent of the HCAO.

g. Contractor shall maintain employee and payroll records in compliance with the California Labor Code and Industrial Welfare Commission orders, including the number of hours each employee has worked on the City Contract.

h. Contractor shall keep itself informed of the current requirements of the HCAO.

i. Contractor shall provide reports to the City in accordance with any reporting standards promulgated by the City under the HCAO, including reports on Subcontractors and Subtenants, as applicable.

j. Contractor shall provide City with access to records pertaining to compliance with HCAO after receiving a written request from City to do so and being provided at least ten business days to respond.

k. Contractor shall allow City to inspect Contractor's job sites and have access to Contractor's employees in order to monitor and determine compliance with HCAO.

l. City may conduct random audits of Contractor to ascertain its compliance with HCAO. Contractor agrees to cooperate with City when it conducts such audits.

m. If Contractor is exempt from the HCAO when this Agreement is executed because its amount is less than \$25,000 (\$50,000 for nonprofits), but Contractor later enters into an agreement or agreements that cause Contractor's aggregate amount of all agreements with City to reach \$75,000, all the agreements shall be thereafter subject to the HCAO. This obligation arises on the effective date of the agreement that causes the cumulative amount of agreements between Contractor and the City to be equal to or greater than \$75,000 in the fiscal year.

45. First Source Hiring Program; "Left blank by agreement of the parties."

46. Prohibition on Political Activity with City Funds. In accordance with San Francisco Administrative Code Chapter 12.G, Contractor may not participate in, support, or attempt to influence any political campaign for a candidate or for a ballot measure (collectively, "Political Activity") in the performance of the services provided under this Agreement. Contractor agrees to comply with San Francisco Administrative Code Chapter 12.G and any implementing rules and regulations promulgated by the City's Controller. The terms and provisions of Chapter 12.G are incorporated herein by this reference. In the event Contractor violates the provisions of this section, the City may, in addition to any other rights or remedies available hereunder, (i) terminate this Agreement, and (ii) prohibit Contractor from bidding on or receiving any new City contract for a period of two (2) years. The Controller will not consider Contractor's use of profit as a violation of this section.

47. Preservative-treated Wood Containing Arsenic. Contractor may not purchase preservative-treated wood products containing arsenic in the performance of this Agreement unless an exemption from the requirements of Chapter 13 of the San Francisco Environment Code is obtained from the Department of the Environment under Section 1304 of the Code. The term "preservative-treated wood containing arsenic" shall mean wood treated with a preservative that contains arsenic, elemental arsenic, or an

arsenic copper combination, including, but not limited to, chromated copper arsenate preservative, ammoniacal copper zinc arsenate preservative, or ammoniacal copper arsenate preservative. Contractor may purchase preservative-treated wood products on the list of environmentally preferable alternatives prepared and adopted by the Department of the Environment. This provision does not preclude Contractor from purchasing preservative-treated wood containing arsenic for saltwater immersion. The term "saltwater immersion" shall mean a pressure-treated wood that is used for construction purposes or facilities that are partially or totally immersed in saltwater.

48. Modification of Agreement. This Agreement may not be modified, nor may compliance with any of its terms be waived, except by written instrument executed and approved in the same manner as this Agreement. Contractor shall cooperate with Department to submit to the Director of HRC any amendment, modification, supplement or change order that would result in a cumulative increase of the original amount of this Agreement by more than 20% (HRC Contract Modification Form).

49. Administrative Remedy for Agreement Interpretation. Should any question arise as to the meaning and intent of this Agreement, the question shall, prior to any other action or resort to any other legal remedy, be referred to Purchasing who shall decide the true meaning and intent of the Agreement.

50. Agreement Made in California; Venue. The formation, interpretation and performance of this Agreement shall be governed by the laws of the State of California. Venue for all litigation relative to the formation, interpretation and performance of this Agreement shall be in San Francisco.

51. Construction. All paragraph captions are for reference only and shall not be considered in construing this Agreement.

52. Entire Agreement. This contract sets forth the entire Agreement between the parties, and supersedes all other oral or written provisions. This contract may be modified only as provided in Section 48, "Modification of Agreement."

53. Compliance with Laws. Contractor shall keep itself fully informed of the City's Charter, codes, ordinances and regulations of the City and of all state, and federal laws in any manner affecting the performance of this Agreement, and must at all times comply with such local codes, ordinances, and regulations and all applicable laws as they may be amended from time to time.

54. Services Provided by Attorneys. Any services to be provided by a law firm or attorney must be reviewed and approved in writing in advance by the City Attorney. No invoices for services provided by law firms or attorneys, including, without limitation, as subcontractors of Contractor, will be paid unless the provider received advance written approval from the City Attorney.

55. Supervision of Minors. "Left blank by agreement of the parties."

56. Severability. Should the application of any provision of this Agreement to any particular facts or circumstances be found by a court of competent jurisdiction to be invalid or unenforceable, then (a) the validity of other provisions of this Agreement shall not be affected or impaired thereby, and (b) such provision shall be enforced to the maximum extent possible so as to effect the intent of the parties and shall be reformed without further action by the parties to the extent necessary to make such provision valid and enforceable.

57. Protection of Private Information. Contractor has read and agrees to the terms set forth in San Francisco Administrative Code Sections 12M.2, "Nondisclosure of Private Information," and 12M.3, "Enforcement" of Administrative Code Chapter 12M, "Protection of Private Information," which are

incorporated herein as if fully set forth. Contractor agrees that any failure of Contractor to comply with the requirements of Section 12M.2 of this Chapter shall be a material breach of the Contract. In such an event, in addition to any other remedies available to it under equity or law, the City may terminate the Contract, bring a false claim action against the Contractor pursuant to Chapter 6 or Chapter 21 of the Administrative Code, or debar the Contractor.

58. Graffiti Removal. Graffiti is detrimental to the health, safety and welfare of the community in that it promotes a perception in the community that the laws protecting public and private property can be disregarded with impunity. This perception fosters a sense of disrespect of the law that results in an increase in crime; degrades the community and leads to urban blight; is detrimental to property values, business opportunities and the enjoyment of life; is inconsistent with the City's property maintenance goals and aesthetic standards; and results in additional graffiti and in other properties becoming the target of graffiti unless it is quickly removed from public and private property. Graffiti results in visual pollution and is a public nuisance. Graffiti must be abated as quickly as possible to avoid detrimental impacts on the City and County and its residents, and to prevent the further spread of graffiti. Contractor shall remove all graffiti from any real property owned or leased by Contractor in the City and County of San Francisco within forty eight (48) hours of the earlier of Contractor's (a) discovery or notification of the graffiti or (b) receipt of notification of the graffiti from the Department of Public Works. This section is not intended to require a Contractor to breach any lease or other agreement that it may have concerning its use of the real property. The term "graffiti" means any inscription, word, figure, marking or design that is affixed, marked, etched, scratched, drawn or painted on any building, structure, fixture or other improvement, whether permanent or temporary, including by way of example only and without limitation, signs, banners, billboards and fencing surrounding construction sites, whether public or private, without the consent of the owner of the property or the owner's authorized agent, and which is visible from the public right-of-way. "Graffiti" shall not include: (1) any sign or banner that is authorized by, and in compliance with, the applicable requirements of the San Francisco Public Works Code, the San Francisco Planning Code or the San Francisco Building Code; or (2) any mural or other painting or marking on the property that is protected as a work of fine art under the California Art Preservation Act (California Civil Code Sections 987 et seq.) or as a work of visual art under the Federal Visual Artists Rights Act of 1990 (17 U.S.C. §§ 101 et seq.).

Any failure of Contractor to comply with this section of this Agreement shall constitute an Event of Default of this Agreement.

59. Food Service Waste Reduction Requirements. Contractor agrees to comply fully with and be bound by all of the provisions of the Food Service Waste Reduction Ordinance, as set forth in San Francisco Environment Code Chapter 16, including the remedies provided, and implementing guidelines and rules. The provisions of Chapter 16 are incorporated herein by reference and made a part of this Agreement as though fully set forth. This provision is a material term of this Agreement. By entering into this Agreement, Contractor agrees that if it breaches this provision, City will suffer actual damages that will be impractical or extremely difficult to determine; further, Contractor agrees that the sum of one hundred dollars (\$100) liquidated damages for the first breach, two hundred dollars (\$200) liquidated damages for the second breach in the same year, and five hundred dollars (\$500) liquidated damages for subsequent breaches in the same year is reasonable estimate of the damage that City will incur based on the violation, established in light of the circumstances existing at the time this Agreement was made. Such amount shall not be considered a penalty, but rather agreed monetary damages sustained by City because of Contractor's failure to comply with this provision.

60. Slavery Era Disclosure; “Left blank by agreement of the parties.”

61. Cooperative Drafting. This Agreement has been drafted through a cooperative effort of both parties, and both parties have had an opportunity to have the Agreement reviewed and revised by legal counsel. No party shall be considered the drafter of this Agreement, and no presumption or rule that an ambiguity shall be construed against the party drafting the clause shall apply to the interpretation or enforcement of this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day first mentioned above.

CITY	CONTRACTOR
Recommended by:	Global Tel*Link
_____ Michael Hennessey Sheriff San Francisco Sheriff's Department	By signing this Agreement, I certify that I comply with the requirements of the Minimum Compensation Ordinance, which entitle Covered Employees to certain minimum hourly wages and compensated and uncompensated time off.
Approved as to Form: Dennis J. Herrera City Attorney	I have read and understood paragraph 35, the City's statement urging companies doing business in Northern Ireland to move towards resolving employment inequities, encouraging compliance with the MacBride Principles, and urging San Francisco companies to do business with corporations that abide by the MacBride Principles.
By: _____ Sallie Gibson Deputy City Attorney	_____ [name of authorized representative] _____ [title] 2609 Cameron Street Mobile, AL 36607 City vendor number: 32285

Appendices

- A: Services to be provided by Contractor
- B: Calculation of Charges
- C; Subcontractor

Appendix A
Services to be provided by Contractor

1. Description of Services

This Contract is made by and between the San Francisco Sheriff's Department, (hereafter, "Sheriff's Department") and Global Tel*Link (hereafter, "Contractor").

Contractor agrees to perform the following services:

A. Scope

- 1) Provide a fully operational, secure, flexible and reliable inmate communications systems. Essential administrative functions are to include monitoring and recording ("M&R"). The Inmate Telephone System (ITS) shall be capable of data/ record-keeping, archiving and custom data retrieval. The accounting system for generated revenue tracking shall be user friendly, clear, concise, and well documented.
- 2) The Contractor shall install, operate and maintain at its own expense The ITS, inclusive but not limited to all related hardware, software, and firmware to enable inmates to make auto-collect local, long distance, debit local, long distance and international calls and/or pre-paid local, long distance and international calls from the facilities. Select Phones at the booking center shall not be counted in the revenue stream (or otherwise considered as free). The single prime Contractor shall remain solely responsible for the performance and reliability of the system.
- 3) The Contractor's ITS is to ensure; lawful and legitimate use of the system, user friendly interfaces, a restricted environment accountability and maximum revenue generation.

B. Transition/Operations Plan

- 1) 30-day Final Completion: A 30 day debugging/fine-tuning period shall begin upon completion of the 60 day installation completion period. Following 30 day period, and upon final review and approval by the Sheriff's Department, full commencement of the system will begin.
- 2) Documentation/Project Manual: All system documentation, including but not limited to tables, addresses, passwords, flowcharts, identifiers, phone numbers are to be provided in hard copy/ electronic versions. The ITS Contractor shall publish a confidential project manual for reference to the entirety of ITS. This manual will have all approved form blanks, system architecture, templates, matrixes, flowcharts, telephone numbers system guidelines, rules and all other project data for reference. The Manual shall be continuously updated.
- 3) Transitional down time shall be as approved in the Joint Transition Team meetings, but in no case shall any portion of the ITS lose it intended usage capability for more than one day. There shall be no loss of service for intake phones at CJ#9.

C. Components

The Contractor shall provide all components for the ITS, including a sufficient, quality/quantity of communication capacity to the ITS to allow background recording, monitoring and downloading with no effect on system performance. The system is inclusive of equipment and services required to provide the services, along with future growth, pursuant to the entirety of this contract read as a whole.

- 1) Components include but are not limited to; new telephones, conduit, lines, conductors, terminal strips, telephone cutoff switches (one per each phone), secure switch panels, backboards, pedestals, cabinets, enclosures, racks, along with any other miscellaneous appurtenances. Electronics, utilities, electrical interfaces as required: power supplies, uninterruptible power supplies: all for a complete system monitoring, recording and administration of the ITS.
- 2) The Sheriff's Department administrative interfaces: Install work stations at the designated facilities as directed by the Sheriff's Department for a secure, confidential, password protected recording/ monitoring system. The ITS shall provide for "state of the art"/proven redundant data storage/archiving, playback capability. Archiving is to safely meet 3-year capacity to sort via various parameters inclusive but not limited to: time/date, location, phone source, facility, telephone numbers, inmate identifier, password access code, etc. Any and all loaded programs are to be as approved by the Sheriff's Department.
- 3) The system shall have the capacity to expand. All critical administrative and Monitoring and Recording (herein to be called M&R) equipment is to be continuously monitored for functional operation. Reports on regular system checks and diagnostics are to be provided.

D. Lines

- 1) Reception quality: Contractor shall provide ITS reception quality at least equal to the toll quality offered to the general public and shall meet telecommunication industry standards for service quality. The Sheriff's Department shall be the final determiner as to whether reception quality is adequate.
- 2) Provide "Channel Banks" for breakout of T-1 lines at each location.
- 3) Contractor must provide a sufficient number of telephone/trunk lines to the ITS to allow inmates the opportunity to place calls at least 99.5% of the allowable time. The Sheriff's Department shall be the final determiner as to whether the frequency of dropped calls is acceptable. Keep busy signals to a 5 minute maximum. System design shall meet capacity demands, and have growth potential.
- 4) Redundancy: Provide sufficient, redundant; trunk, feeder, T-1, data lines and alternate data paths for potential losses as required for this ITS.
- 5) Provide outside/offsite test-lines for system checks as required.

E. Electronics: Electronic component failures shall not cause system failures.

Contractor shall:

- 1) Provide computers, file-servers, modems M&R stations, firewalls, security measures and communications instruments as required.
- 2) Provide redundant measures, hot swappable and by-passable components and RAIDed arrays as required for reliable operation.
- 3) Provide diagnostic field tools as required to efficiently resolve issues.

F. Existing Infrastructure: The Contractor may, with the permission of the Sheriff's Department utilize conduit and wire or other components that are currently part of the existing system.

G. Debit Card Application: The current Commissary Provider ("CP") is administering the distribution/selling of the debit cards sold to the inmates. The CP shall purchase the cards from the ITS Contractor for resale to the inmate. Inmates may purchase debit cards once a week (presently on Tuesdays) by selection from the CP menu. Delivery of the debit card and operational ITS service for the inmate occurs approximately one day later. Each card

has unique identifiers to code the card. ITS contractor is to sell the cards at a fixed cost to the CP. There shall be no changes to this charge without the Sheriff's Department approval.

- 1) The ITS shall provide the inmate with the balance of their debit and/or pre-paid account at the time of the call. The pre-paid and/or debit application shall allow international calls.
- 2) Debit Cards are available in \$10.00 denominations at the facilities through the Jail Commissary provider. Contractor shall observe the following:
 - a. The chargeable value of the debit cards shall be in denominations as determined by the Sheriff's Department. Presently the value of the card is \$10.00. Inmate purchase cards from the commissary provider for \$10.50.
 - b. The actual value available to prisoners in the Sheriff's Department's facilities for each debit card shall be equal to the amount of charge available on the card (currently \$10.00). This value must equal the amount on the recorded message for each account holder.
 - c. The pre-paid and/or debit application shall allow for pre-payment to a specific inmate's account using an inmate's name or number by the requesting party accessing the Sheriff Department's Inmate Trust Fund Accounting and Management System, and/or at the Money window at County Jail #1 Lobby at 425 7th Street San Francisco California.
- 3) The pre-paid and/or debit application shall have the capability to terminate a debit account and refund income to the inmate. Funds not returned for whatever reason shall be accounted for via the reporting process. A refund will only be made if requested by the facility or commissary provider to ensure requests are legitimate. Inmate's requests for refunds will be denied.
- 4) Calling cards are portable and can be carried by the individual to any San Francisco Sheriff's Department facility.

H. ITS: Inmate phone system shall be suitable for the intended purpose and the environment expected inclusive of but not limited to; planning, design installation, administration and maintenance.

- 1) Charges to the value remaining in the Inmate Debit Card are made based on the actual usage.
- 2) The Sheriff's Department or its authorized agent shall have sole access to prisoner trust accounts (Inmate Trust Fund).
- 3) Each inmate is to have access to ITS phones at any time and by following the pre-recorded voice prompt instructions to either gain outside communications or to get an audio statement of the current balance in the associated inmate account. The Sheriff's Department shall be able to access the ITS at any time via an administrative workstation to get traffic records as required. Debit card balances shall also be recorded and searchable by using the account number.
- 4) Inmates shall be allowed to call the Public Defender's Office without charge or the use of a code PIN. Clear multi-language signage with instructions for making such calls in English, Spanish and Cantonese are to be affixed in the immediate vicinity of the phones in a location approved by the Sheriff's Department. Inmate calls to the Public Defender's Office shall not be recorded or monitored but shall be on the ITS/M&R system defaulted to not record/monitor.
- 5) Automatic and customizable call blocking features. The Sheriff's Department shall be allowed to block certain telephone numbers from being called regardless of connection method employed by inmates or remaining balances. Primary requests to block numbers will be routed to the ITS Contractor for action. The Sheriff's Department shall retain the capability to block numbers.

- 6) The Contractor's telephones installed in the Intake & Release Center on the first floor of 425 7th Street (CJ#1), shall allow inmates to make telephone calls to locations within the local calling area free of charge and on a collect only basis if the call is to a location outside of the local calling area without the use of a PIN, account#, etc.

I. Monitoring/Recording:

- 1) The ITS shall be capable of permitting full monitoring and recording of calls from any telephone within the Facilities unless there are restrictions that prohibit the recording and monitoring of specific calls. All inmate-attorney (or Public Defender) phone calls are not to be recorded. Visitation calls are not routinely recorded. If there is a specific request by authorities to monitor a particular visitation call, the request is submitted to the Sheriff's Department Administration, and upon their sole authorization, monitoring will be allowed. The ITS shall have the capability to specifically record authorized visitation calls only under these specific circumstances.
- 2) System shall digitally store recorded and logged telephone calls online for a minimum of one (1) year, and archived for three (3) years. Only authorized official representatives from the Sheriff's Department shall have the capability of accessing and copying recorded telephone calls. The Contractor shall be responsible for supplying all backup disks/CDs/media for the storage of call and visitation recordings at no cost to the Sheriff's Department throughout the life of the Agreement and any renewal terms.
- 3) The monitoring and recording of calls shall be selectively programmable by one or all of the following:
 - a. Housing Unit;
 - b. Start and Stop Time and Date of Call;
 - c. Called Number
- 4) The ITS shall be capable of showing real time call activity on a workstation. This activity shall be detailed by date of call, start time of call, stop time of call, originating telephone station number and called number.
- 5) The ITS shall provide the capability to copy the conversations onto a compact disc (CD) or other storage device in audio or MP3/data format with tamper free capabilities. The storage device shall be provided by the Contractor and located with the recording equipment in the area designated by The Sheriff's Department. The storage device shall produce transfer recordings with virtually no loss in quality and shall be capable of placing an audio time and visual date stamp within the recording. The storage device shall have a monitor amplifier and speaker so that the Investigator may confirm accurate transfers of the recorded information.
- 6) Time and date entries for each recorded conversation shall be displayed on a per channel basis. The ITS shall display all conversations in chronological order to facilitate research and playback.
- 7) Contractor shall provide The Sheriff's Department with the number of workstations and printers specified at the end of Section 10, as working real-time with the ITS, for such monitoring, recording, and reporting.
- 8) The workstations shall each include a CD/DVD burner. At the request of the Sheriff's Department, Contractor shall provide remote access to the ITS at no cost. The provision of remote access shall allow The Sheriff's Department the same features and functionalities, permitted by the user's level of access, available on the dedicated workstation(s) supplied by Contractor.
- 9) The Contractor shall provide an uninterrupted power supply source to ensure there is no loss of recordings or real time call data in the event of a power failure.
- 10) Workstations:
 - a. Two workstations and two printers: one workstation and printer at San Bruno Jail and one workstation and printer in downtown San Francisco.

- b. One workstation and one printer at the Hall of Justice, 850 Bryant St., San Francisco.
 - c. Two workstations and two printers at Investigative Services Unit, 25 Van Ness, San Francisco
- 11) The system shall allow the Sheriff's Department to selectively monitor any call placed in the ITS by a prisoner.
 - a. ITS shall allow the Sheriff's Department to electronically search telephone logs by any/all of the following: date, time, location and telephone number, or telephone identifier and location of where the call was placed.
 - b. There shall be a recorded message which activates prior to any call being placed to notify prisoners that all calls may be recorded or monitored at any time. System shall allow inmate selection of keypad menu for selected language. (English, Spanish, Cantonese).
 - 12) The ITS may only allow outgoing calls. Incoming calls are not permitted.
 - 13) Contractor shall supply a custom filter to deny all calls to "800" prefixes or any other prefixes as requested by the Sheriff's Department.
 - 14) The system shall limit each telephone call to a maximum time between ten (10) and fifteen (15) minutes, as agreed by the Sheriff's Department. The maximum time maybe changed at the sole discretion of the Sheriff's Department. The system shall notify each caller when the length of the call is within one (1) minute of the maximum time period. Such notification is not to intrude upon the inmates' time allowance.
 - 15) Although full capability to monitor all communications shall exist, the following categories are exempt from monitoring and recording at this time:
 - a. Prisoner telephone calls to the Public Defender's office, or other legal representatives such as private attorneys and the Sheriff's Department Prisoner Legal Service Offices, prisoner's medical provider, or religious counselor in compliance with applicable law.
 - b. The Sheriff's Department may designate other telephone numbers the ITS must protect from monitoring and recording. All statistical information regarding exempt calls must be provided to the Sheriff's Department by the ITS.
 - 16) The system shall continuously operate for the duration of the contract, 24 hours per day, 7 days a week, with no exceptions.
 - 17) The system shall have the capability of notifying call recipient that the call is being placed from a county jail.
 - 18) The system shall have the capability of automatically blocking calls to a telephone number that repeatedly refuses calls.
 - 19) The system shall have 3-way call detection feature that will cause a call to be terminated, based on criteria set by the Sheriff.
 - 20) The Contractor's ITS shall be compatible and/or integrate with all other components and systems. Compatibility shall extend to related systems such as the Commissary operation or items within shared closets, as well as unrelated systems such as radio systems, and repeaters.
 - 21) Contractor's system shall be password protected, with multiple password security levels limiting the Sheriff's Department personnel to whom the passwords are issued. The Sheriff's Department will select the level of access each password allows. Contractor's system shall have password security for all parties accessing the system at a level where data or setup changes could be made. In order to preserve the Chain of Evidence of the system for legal purposes, Contractor agrees that:
 - a. No person with access to the System shall be able to modify telephone recording or other data on telephone calls stored therein.
 - b. No person with access to the system shall be able to change any setup feature that indicates any of the parameter of a telephone call (e.g. date, time, duration, telephone number called, location from where call was made, PIN assigned to call, etc.) without the prior consent of the Sheriff's designated authorized

- representative, and without a written record of the change designating the date, time of the change and designated person making the change.
- c. Contractor shall make available all Contractor employees involved in altering any component of the system data or setup, to testify in court regarding the veracity of the data generated by the system, if so requested by the Sheriff's Department. Contractor shall assume all costs connected to this request.
 - d. Contractor operations shall protect the ITS from all Internet access.
- 22) Contractor's system shall be capable of producing printed reports on all aspects of the System. Data shall include, but not be limited to: phone number, location of where the call originated, duration of the call, inmate debit card used in call, cost of the call and type of the call (e.g. local, long distance, debit collect, etc).
 - 23) The system shall allow operator to search data and generate reports based on various parameter equal to or exceeding the type of reports currently available on the existing system installed in the Sheriff's Department facilities.
 - a. Reports generated on the system shall have a customized user header on each page that will allow the Sheriff's Department to include all the parameters of the report search including, but not limited to, the Sheriff's Department title (San Francisco Sheriff's Department), name of operator requesting the report, date of report, type of data and limits of search.
 - b. Reports generated on the system shall have a customized user footer on each report indicating the page #, number of pages, date or any other identifier as requested.
 - 24) The system shall have all capabilities to manage system information equal to or exceeding those currently available on the existing ITS. These capabilities shall include but not be limited to:
 - a. Blocking telephone numbers from being called from the system.
 - b. Collect Call Limitations: System shall be able to establish a nuisance threshold and return the inmate's ability back to debit basis only.
 - c. Limiting the calling hours on particular telephone numbers.
 - d. Allowing free telephone calls from certain telephones (i.e. located in the Sheriff's Department's booking facility), and to certain numbers.
 - e. Allowing "private" (non-recorded or monitored) calls to certain numbers.
 - f. Restricting calls by debit card to Debit or Collect only, by time of day, and further limiting the calls to certain telephone numbers.
 - g. Contractor shall monitor the system to detect fraud or possible fraudulent or abusive activities, such as, but not limited to excessive calls to a particular number and third party calls.
 - h. Contractor must have personnel to handle end-user requests.

J. Visitation: Contractor shall provide M&R service capability at the Sheriff's Department visitation telephones. Included, at a minimum: all designs, coordination, material, and labor. ITS shall be set as a default to **not** record visit phone calls. Visit phone calls shall be individually addressed and monitored for statistical data only if specifically requested by authorized the Sheriff's Department Administration. Full monitoring and recording implementation will occur only upon this authorization.

K. Intake Phones: Provide a communication service for the Intake/Booking area at CJ#1 (downtown). This direct-call service is considered "free" to the inmates and should operate without the use of PIN's.

- 1) Portable Phones: Provide modular units for the occurrence of mass arrests. Portable Phones shall be custom mounted on metal four wheel dollies for easy and stable transport and stable end-use. Provide units with poly-urethane, non marring, ball-bearing, smooth running, lockable wheels. Provide with push-cart handle and location to

secure the unit to a fixed item. Provide plug-in extension length as required. Unit platform shall be aluminum or finished metal. Provide phone outlets at predetermined locations for interconnect to ITS.

- 2) Intake Phone System Workaround: In case of ITS failure provide an easily switchable bypass to remove the intake phone system from the ITS and to access outside lines directly upon failure of the ITS. Such workaround can be provided as follows: Cutoff switching at an agreed upon location from the ITS with an analog land line cut-in interface for standard phone service. This is to meet legal requirements to provide phone calls within the first 2-hours of custody.
- 3) Provide hands-free suicide resistant phones at specific locations per Installation/Security requirements below.

L. Informant Lines (IL): Contractor shall provide a confidential informant line for inmates. This Line is to be routed to a destination provided and designated by the Sheriff's Department. System shall be discrete and as approved by the Sheriff's Department. System access codes are confidential and provided to the inmate for their use only. This line is not to be charged.

M. Pay Phones: Provide coin operated public pay phones at the lobbies of all jails. The public pay phones shall allow local and long distance collect calling.

N. Maintenance: ITS Contractor is to provide 24/7 support for all aspects of this system.

O. Accounting & Administration: Contractor shall provide software based administrative system to view traffic reports and accommodate custom inquiries. The San Bruno workstation and the two Sheriff's Department Investigative Unit stations can double as the M&R interface station. The San Francisco workstation shall be the sole determiner of properly implemented ITS traffic and/or financial tracking requirements. The Contractor is to cooperate in the provision of such data/reports. System is to provide summary narrative portions to accurately complete the reports. Administrative Work Stations are to be provided as follows:

- 1) Networked stations shall be of the same ergonomic quality construction, backed-up/raided, UPS protected, Energy Star compliant and with ergonomic office chairs. One printer shall provided for the San Bruno office and be capable of color reproduction to an 11x17 two sided printing.
- 2) Computers are to be preloaded with licensed full versions of office suite programs, equal to: Microsoft Office Suite Pro, Flowcharting, Adobe Acrobat and computer protection programs (anti-virus etc.) or others as needed.
- 3) Provide updated full versions of programs for the duration of the contract.
- 4) Provide training as required on the use of this system.
- 5) Provide custom graphic interface screens with clear tabs and instructions to move within the program to access all features and be user friendly.

P. Cooperation

- 1) A coordination team shall be formed for a smooth and orderly transition from the current system under PCS to the new system. The newly awarded Contractor is bound to cooperate with the old provider and is reciprocally bound to cooperate with the next provider.
- 2) The Contractor shall cooperate fully and in a timely fashion to provide reports, summaries, audit support, adjustments to system parameters as required for a seamless transition. Upon proper notification, the Sheriff's Department shall have the authority to call meetings and shall have access to decision making personnel at any /all times.

- 3) Upon expiration, termination, or cancellation of the Agreement, the Contractor shall cooperate in an orderly transfer of responsibilities and/or the continuity of the services required under the terms of the Agreement to an organization designated by the Sheriff's Department. The Contractor shall provide and/or perform any or all of the following responsibilities:
 - a. The Contractor acknowledges the records, call documentation, reports, data, etc., contained in the ITS are the property of the Sheriff's Department. The Contractor agrees that the workstation shall become the property of the Sheriff's Department after expiration, cancellation, or termination of this Agreement so that the Sheriff's Department will have access to all the call records, call recordings, documentation, reports, data, etc. that are contained in the ITS. Further, the call detail records, call recordings, documentation, reports, data, etc. shall be provided to the Sheriff's Department by Contractor in a workable, software-compatible format at no cost to the Sheriff's Department.
 - b. The Contractor shall discontinue providing service or accepting new assignments under the terms of the Agreement, on the date specified by the Sheriff's Department. The Contractor agrees to continue providing all of the services in accordance with the terms and conditions, requirements and specifications of the Agreement for a period not to exceed ninety (90) calendar days after the expiration, termination or cancellation date. Commissions will be due and payable by Contractor to the Sheriff's Department, or it's Designated Agent, at the compensation rate provided in the Agreement until collect, debit and/or pre-paid calls are no longer handled by Contractor.

Q. Installation

Maximum Security: Inmate/Visit installations are to be maximum security. Repeated failure of components and installations shall cause the ITS Contractor to be subject to the use of alternate designs, components and installation as directed by the Sheriff's Department at no additional cost to the contract.

Security - Inmate interfaces: All Inmate components are to be of a maximum security environmental standard. Contractor to provide adequate number and type of spare parts at the facilities.

- 1) Phone set housing shall be stainless steel and shall be sturdy, non-coin, vandal resistant, steel armored and securely attached to structure. The telephone hand-sets shall be composed of durable, tamper-free equipment suitable for a correctional/detention environment. Plastics/resins etc for the handsets shall be shatterproof and tamper resistant.
- 2) The telephones are to have no removable parts. The ITS Contractor must comply with Federal Communication and/or Utility Commissions regulations.
- 3) Security Torx screws must be used as the installation standard. Use pick resistant caulking; heavy duty anchors, concealed installation.
- 4) Use maximum security installation to prevent the concealment and passage of contraband. Details will be reviewed and approved by the Sheriff's Department.
- 5) Use Suicide resistant components in holding cells, sobering cells or as directed by the Sheriff's Department and/or the State Authority Having Jurisdiction - the California Corrections Standards Authority. Sobering cells are to have phones that are hands free and flush to the wall. All inmate jail phones in high risk areas are to have cords no longer than 8 inches.

R. Existing Conditions

- 1) Contractor may utilize existing conduit, conductors or other components that are part of the current ITS, and will be left in place by current contractor.
- 2) The use of any existing items including but not limited to raceway, conduit, electrical/communication room space shall be as approved by the Sheriff's Department.
- 3) Contractor planning and space usage shall take into account the existing conditions and limited spaces for equipment.
- 4) The Contractor shall inform the Sheriff's Department of any plan to alter existing infrastructure. Planning and approval by the Sheriff's Department shall precede work within the confines of the older structures of CJ#3 and #4 (Hall of Justice and at 850 Bryant Street) where asbestos containing material is known to exist and elsewhere as appropriate. Routing shall take into consideration such hazards.
- 5) HAZMAT: Existing hazardous material reports will be disclosed and the Sheriff's Department shall be responsible to abate Contractors pre-approved proposed work. Contractor operations shall take into account reasonable time to complete abatement work. Upon finding potentially hazardous material, work shall be suspended. Work will resume only after a resolution has been reviewed and approved by the Sheriff's Department.
- 6) Contractor is responsible for all other non-hazardous material work coordination. This may include but not limited to UDS (subsurface/ underground detection i.e. Ferro scan, x -ray, tracing etc.), and pathway planning and installation including coring, structural /non/structural repairs or patching as approved by licensed professionals and/or the Sheriff's Department as applicable.
- 7) Power: Telephone station equipment where powered by the telephone line shall require no additional power source. A power source will be available at the demarcation location within electrical rooms.
- 8) Dedicated standard power sources shall otherwise be secured as necessary. Minimally provide monitored line conditioners, fault detection, UPS's and otherwise protected power supply and backup systems for reliable power with no power transition faults.
- 9) The extent of any specific buildings' backup power generation varies:
 - a. San Bruno Site:CJ#5 East – Building on full Emergency Backup
 - b. Downtown:
 - CJ#6 West – Partial backup
 - CJ#1-#2 & #3-#4: Partial backup
 - ISU at 25 Van Ness, No backup

S. Materials

- 1) ITS components rated for the penal environment, must perform as intended in the jail environment.
- 2) In-stock and over-the-counter parts and systems should be used for standard usage and repairs. Spare parts may be stored on-site, within a secure and mutually agreed upon location. Contractor will provide the following cabinet and locking keys at two locations; one cabinet at San Bruno facility, and one at a San Francisco facility.

Strong-Hold® cabinet, with locking doors
Standard, floor standing
4-ft. wide X 2-ft. deep x 5-ft tall.

T. Software

- 1) Contractor shall provide all computer access jacks, terminals, software, archiving and retrieving equipment, and programming necessary for the Sheriff's Department to access Contractor computer equipment. All information regarding blocked phone numbers, and any additional information regarding the use and usage of the ITS must be included in the software design.
- 2) As potential upgrades to software become available, Contractor shall represent and warrant that the Sheriff's Department shall be awarded the right to use or refuse the upgrade. Any approved upgrade to the ITS, and any accompanying hardware, will be at no cost to the Department, and will be authorized by notification in writing. ITS Contractor shall maintain upgrades to all programs, firmware, etc. for the most stable balance between "state of the art" and proven systems. Contractor shall archive any previously used version and any restoration products in the event a need arises to access them.
- 3) Contractor shall warrant and keep current all licenses throughout the term of the contract, including amended extension periods.
- 4) Any upgrades or routine system diagnostic monitoring and back-up shall be accomplished with minimum system operation interruptions, shall be performed at low usage periods, and at no cost to the Sheriff.

U. General ITS

- 1) A minimum of twenty (20%) percent of the telephone sets must be amplified or volume controlled for the hearing impaired.
- 2) Notification and Messaging: English, Spanish and Cantonese shall be available for all messaging and notifications.
 - a. Contractor must accurately translate any legal information, as required.
 - b. Signage shall include brief dos and don'ts.
 - c. Provide all signs and written instructions in durable, heavy-duty, laminated covers. All language shall be as agreed upon with the Sheriff's Department.
 - d. Signs in clear, simple language in English, Spanish and Cantonese shall be posted in each housing unit, holding location and ITS phone location. Signs must be placed in a securely fastened, permanent manner, under 3/8" polycarbonate (Lexan®) sheeting and in a location to prevent inmate tampering. It shall be the contractor's responsibility to update and post all signage. All signage should be intended to be readable from a reasonable distance to minimize the time inmates need to learn to use the system.
 - e. Contractor shall have all voice prompts and messages professionally reviewed and certified. All phone button prompts must be clearly identified.

V. Training

- 1) Contractor shall provide training to The Sheriff's Department's staff at the location where the equipment is installed. Additional training shall be provided to new staff assigned at no cost to The Sheriff's Department. Training manuals shall be provided to The Sheriff's Department's staff at all training meetings and will become the property of The Sheriff's Department.
- 2) Informational pamphlets shall be available for inmates relative to the applicable features and functionalities of the ITS, when requested by The Sheriff's Department.

W. Field Representative

- 1) The ITS Contractor shall provide the services of an on-site Field Representative (s) as required. The designated representative will deal with the day to day system problems, issues & emergencies for the duration of the contract and into the close-out transition period. Representative shall have professional communications, troubleshooting and reporting skill sets for interaction with the Sheriff's Department management and inmates. Such person shall be named; background checked and be actively involved during the system transition and operational startup process.
- 2) The Contractors' resources shall be available at all times for the duration of the contract (24/7). Field Representative shall provide 24/7 support when called-in by either Contractor's offsite system monitoring or by authorized administrative personnel.
- 3) Normal Duties:
 - a. Representative shall be required to be on-site a minimum of two days per week to deal with standard system and inmate issues after the transition and the required regular meetings with the Sheriff's Department authorized representatives.
 - b. Representative shall have all tools made available in order to expediently monitor progress of offsite repairs. Representative shall have a laptop with all communications and remote diagnostic means and methods for automatic access of the system.
 - c. Phone Response Time: Immediate – not to exceed 30 minutes.
 - d. Service Response Time: Not to exceed 3-hours.
 - e. Field Representative shall have access and authority of the Contractor to provide complete resources for expedient field support.
 - f. A San Bruno representative is to be notified of any system failure within one hour. System outages exceeding 4 hours must be escalated to ITS upper management.

X. Prior Notice: Contractor agrees to give the Sheriff's Department as much prior notice as possible if Contractor intends to change the Sheriff's Department account representative. Changes of account representative shall be subject to the Sheriff's Department approval, provided that said change is due to circumstances within Contractor's control. Contractor agrees to change account representative upon request by the Sheriff's Department for stated cause.

Y. Maintenance and Repair: Contractor shall, at their own expense check, service and repair, upgrade and/or replace as necessary any of Contractor's equipment installed in the Sheriff's Department's facilities and contribute to the operation of the system. This includes, but is not limited to, telephones, computerized operating equipment, conduit and wiring, pedestals and wall mount units. All equipment must be in good working order. Such service shall be provided on an "as needed" basis, as well as on a regularly scheduled basis. The Sheriff's Department may communicate with (e.g., call, fax, e-mail etc) Contractor's designated service representative at any time. Contactor shall provide maintenance service for such equipment on a prompt and timely basis as follows:

- 1) Contractor agrees to commence any normal repair service requirement by the Sheriff's Department on the next regular workday following the request for service.
- 2) When authorized the Sheriff's Department representatives report emergencies, Contractor shall provide service within 3-hours of the request for service. An emergency may result from significant inmate unrest or significant increase in inmate population due to civil unrest or similar circumstances.
- 3) Notwithstanding a request by the Sheriff's Department, Contractor shall provide regular, preventative inspections to maintain equipment in safe, good working condition. Failure

of the Sheriff's Department to notify Contractor of problems with Contractor equipment does not relieve Contractor of responsibility.

- 4) If the Sheriff's Department is not satisfied with Contractor's equipment maintenance services, at the Sheriff's Department's request, Contractor shall change service personnel and/or providers. Contractor shall not change service provider and/or representative (technician) without prior approval of the Sheriff's Department.
- 5) The Sheriff's Department makes no guarantees regarding the safekeeping of any of Contractor's equipment. Contractor shall provide timely service, repair and/or replacement on any and all of Contractor's equipment.

Z. Remote Diagnostic: Contractor's home office shall continuously monitor all critical administrative systems and equipment; including, but not limited to, the M&R system, critical lines and system components. Reports are to be provided on a regular basis. Primary responsibility to detect system anomalies shall rest with the Contractor. The home office shall contact the Field Representative immediately with any on-site or off-site issues. Contractor shall have the capability to perform remote diagnostics to the ITS to determine the location of any problem to the system, telephone unit, or telephone line. Remote diagnostic tests shall be performed routinely. Contractor shall provide records on each telephone, and equipment bank at a minimum of once a day. Contractor shall provide their IT security policy.

AA. Security

- 1) All installation, service, maintenance and repair of Contractor Telephones shall be performed in strict compliance with San Francisco Sheriff's Department Jail Clearance Policy.
- 2) The ITS Contractor will be working within a public correctional environment. The authority of the Sheriff's Department shall be followed at all times. All material placement, practices, installations, troubleshooting, investigations and solutions shall be conducted in a behavior mindful of the environment. If any ITS Contractor employee is found to be in violation of the expected conduct code, then the Sheriff's Department will issue a formal communication to the Contract that immediate action must be taken to remove the offender. The Sheriff's Department has the right to pull the clearance of any individual. The ITS Contractor is solely responsible to provide qualified alternates for positions that are vacate.
- 3) The Sheriff's Department security requirements shall apply to all maintenance series, including but not limited the provision of cut-off switches for ITS at mutually agreed upon locations. All lines shall have individual cutoff switch banks and a group switch remotely operated by the Sheriff's Department at designated control stations. A demarcation line will be established. Such remote switches shall have programmable automatic operation as requested by the Sheriff's Department. The Sheriff's Department to approve this system before integration into the overall ITS. Contract shall provide labels designating phone locations.

BB. Reconciliation

- 1) The Sheriff's Department will have the right from the Effective Date of the Agreement and for a period of three (3) years after the termination date of the Agreement, upon ten (10) business day's written notice, to fully reconcile or examine any and all Contractor information pertaining to the Agreement. The Sheriff's Department will also have the right to have another independent Agency of the Sheriff's Department's exclusive choice, perform any or all reconciliations and examinations pertaining to this Agreement.

- 2) Contractor shall maintain accurate, complete and auditable records fully reflecting the Gross Revenues from which commissions can be determined, including all call detail, EMI billing records, pre-paid card sales, and commissioning reports during the term of the Agreement and for no less than three (3) years after the term of the Agreement covered thereby in accordance with generally accepted accounting principles. Failure by the Contractor to comply with this full reconciliation rights provision will be grounds for termination of the Agreement at the Sheriff's Department's sole discretion.

CC. Carriers and Provider

- 1) Contractor shall promptly notify the Sheriff's Department in writing of any local and or long distance telephone service carrier and or provider involved in the provision of telephone service at the Sheriff's Department Facilities. Contractor shall also notify the Sheriff's Department of any rules, regulations and or practices employed by such carriers or providers that will have any effect on the options, and or features of the system.
- 2) If the Sheriff's Department finds that any rule, regulation and or practice of any of Contractor's carriers or providers interferes with or negatively impacts any aspect of the service, options, and or features of the Contractor's system the Sheriff's Department and Contractor agrees to comply with cessation of violation of such rule, regulation and or practice, either by said carrier or provider or by a change of carrier and/or provider.

DD. Facilities Serviced

1) **Facility Locations:**

County Jail #1
425 7th Street
San Francisco, CA 94103

County Jail #2
425 7th Street
San Francisco, CA 94103

County Jail #3
850 Bryant Street
6th Floor
San Francisco, CS 94103

County Jail #4
850 Bryant Street
7th Floor
San Francisco, CS 94103

County Jail #5 & #6
1 Moreland Drive
San Bruno, CA 94066

2) Facility Requirements

	<u>CJ #3</u>	<u>CJ #4</u>	<u>CJ #5 E</u>	<u>CJ #6 W</u>	<u>CJ #2</u>	<u>CJ #1</u>
Inmate Telephones Required:	68	62	66	30	78	17
Visitation Telephones Required:	46	52	32	16	10	4
Portable/Cart Phones Required:	5	5	0	0	3	2
TDD Units Required:	1	0	0	1	0	1
Coin Pay Telephones Required:	0	1	2	1	2	0

2. Reports

Contractor shall submit written reports as requested by the Sheriff's Department. Format for the content of such reports shall be determined by the Sheriff's Department. The timely submission of all reports is a necessary and material term and condition of this Agreement. The reports, including any copies, shall be submitted on recycled paper and printed on double-sided pages to the maximum extent possible.

A. Commission Payment and Reporting

- 1) The Contractor shall provide commission payments and traffic detail reports to the Sheriff's Department, and/or it's Designated Agent, no later than the fifteenth (15th) day of the month following the month of traffic. The check and detailed traffic reports should be sent directly to the Sheriff's Department and/or its Designated Agent.
- 2) Traffic detail reports shall include a detailed breakdown of the traffic for all collect, debit and pre-paid calls for each inmate telephone or inmate telephone station at the Facilities. Traffic detail shall include, at a minimum, each of the following items for each inmate telephone station broken down by collect, debit and pre-paid call types: (a) Facility Name; (b) Facility Identification Number; (c) Facility Street Address, City, State, and Zip Code; (d) Automatic Number Identifier, or inmate telephone and/or inmate telephone station port number; (e) Total Gross Local Revenue and Commission per inmate telephone or inmate telephone station; (f) Total Gross Intralata/Intrastate Revenue and Commission per inmate telephone or inmate telephone station; (g) Total Gross Interlata/Intrastate Revenue and Commission per inmate telephone or inmate telephone station; (h) Total Gross Interlata/Interstate Revenue and Commission per inmate telephone or inmate telephone station; (i) Total Gross International Revenue per inmate telephone or inmate telephone station; (j) Commission Rate; (k) Total Commission Amount (including, but not limited to, Local, Intralata/Intrastate, Interlata/Intrastate, and Interlata/Interstate); (l) Period Dates; (m) Total Minutes of use per inmate telephone or inmate telephone station for each call type; (n) Total Number of Calls per inmate telephone or inmate telephone station for each call type; (o) Total Debit Usage for each call type; (p) Total Pre-paid Usage for each call type and/or (q) Total Pre-Paid Cards Purchases.
- 3) Commission discrepancies must be resolved by Contractor within thirty (30) days of receipt of notification of a discrepancy from The Sheriff's Department or its Designated

Agent or such discrepancy is subject to late charges, as described below and/or termination of the Agreement at the sole discretion of The Sheriff's Department, and/or any other legal course of action The Sheriff's Department elects to pursue.

- 4) Commission payments, traffic detail reports, billing files, CDR reports and/or reports not containing the required fields received by The Sheriff's Department or its Designated Agent after the due date are subject to late charges. The due date for all payments and reporting is the fifteenth (15th) day of the month following the month of traffic. Late charges for commission payments shall be equal to five percent (5 %) per month of the commission due. Late charges for reporting shall be a fee of \$750.00 per month for each report not received by the fifteenth (15th) day of the month following the traffic month.
- 5) Contractor shall provide monthly system platform Call Detail Records (CDRs) and billing files which shall be delivered to The Sheriff's Department and/or its Designated Agent no later than the fifteenth (15th) day of the month following the month of traffic. The CDR's and billing files shall be accompanied by a complete file map and complete field legend.
- 6) The billing files shall contain all fields in the exact format and exact content as those files prepared and submitted for billing to the called party. The billing files shall contain, but shall not be limited to, the following fields: (a) Site ID; (b) Site Name; (c) Batch ID; (d) Row ID; (e) From ANI; (f) To ANI; (g) Begin Time; (h) End Time; (i) Duration; (j) Call Amount; (k) Type of Call; (l) Originating City; (m) Bill City; (n) Bill State; (o) Traffic Period; and (p) Additional Charges and/or Fees (USF, billing statement fees, etc).
- 7) The system platform CDRs shall contain all calls (both attempted and completed) which originated from the Facilities for each day and each time of the day for the period for which said raw CDRs are requested. The raw CDRs shall contain the unedited data including all fields and all field content. When requested, these records shall be accompanied by a complete file map and complete file legend. The CDRs shall contain, but shall not be limited to, the following fields: (a) Origination Number; (b) Dialed Number; (c) Facilities; (d) Facilities Identifier; (e) Call Date; (f) Call Time; (g) Termination Reason; (h) Termination Code; (i) Trunk; (j) Duration in Seconds; (k) Call Amount; (l) Bill Type; (m) Station; (n) Completion Status; (o) Inmate ID; (p) Call Type; (q) Validation Result.
- 8) Collect thresholds will be set at \$35.00 per day and \$100.00 per month. The threshold can be raised or lowered upon mutual agreement between the Sheriff's Department and Vendor. Usage limits only apply to collect calls billed through the customer's telephone service provider.

3. Department Liaison

In performing the services provided for in this Agreement, Contractor's liaison with the Sheriff's Department will be Mr. Kevin Lyons.

**Appendix B
Calculation of Charges**

I. Rate Requirements

- A.** The Contractor shall submit a request in writing to receive approval from the Sheriff's Department for any calling rate increases and/or decreases for inmate telephone calls **before** any new calling rates are implemented. The Sheriff's Department will respond in writing to Contractor's request, with any approved changes becoming part of the contract by a formal Amendment, mutually signed by the parties. Should Contractor decrease the calling rates without the express written approval of the Sheriff's Department, the Contractor shall be responsible for paying commissions on the Gross Revenue as determined by applying the calling rates prior to the unapproved change. Should Contractor increase the calling rates without the express written approval of the Sheriff's Department, Contractor must issue credits to all customers that are overcharged. A list of the issued credits shall be provided to the Sheriff's Department and/or its Designated Agent as documentation. No commission refund shall be due from the Sheriff's Department to Contractor for unapproved rate increases.
- B.** The Contractor shall implement any rate adjustments requested by the Sheriff's Department within ten (10) days of said request, subject to regulatory approval.
- C.** Contractor's charges and fees assessed for all collect, debit and pre-paid inmate telephone calls are indicated below.

Collect Fee Amounts Per Monthly Telephone Bill	
Single Bill Fee	Regulatory Recovery Fee
\$2.49	\$1.99

Pre-Paid Collect Fees Per Transaction	
Live Operator and IVR	Web
\$6.75	\$6.75

- D.** Both parties have mutually agreed upon the rates for inmate telephone calls, as detailed below.

CALL TYPE	COLLECT		PRE-PAID COLLECT		DEBIT AND/OR INMATE BASED PRE-PAID	
	Surcharge	Per Minute Rate	Surcharge	Per Minute Rate	Surcharge	Per Minute Rate
Local	\$2.80	\$0.11	\$2.80	\$0.11	\$1.25	\$0.10
Intralata/Intrastate	\$2.80	\$0.15	\$2.80	\$0.15	\$2.53	\$0.10
Interlata/Intrastate	\$3.00	\$0.69	\$3.00	\$0.69	\$2.83	\$0.21
Interlata/Interstate	\$3.95	\$0.69	\$3.95	\$0.69	\$3.60	\$0.52
International	n/a	n/a	n/a	n/a	\$3.95	\$1.60

2. Compensation

- A. Contractor shall pay the Sheriff's Department a commission rate of **sixty percent (60%)** calculated on all Gross Revenue generated by and through the ITS including but not limited to all collect, debit, pre-paid inmate telephone calls, and coin operated telephones. Gross Revenue shall include, but not be limited to, all surcharges, per minute fees and any additional fees generated by the completion of all Local, Intralata/Intrastate, Interlata/Intrastate, Interlata/ Interstate and International collect, debit and pre-paid inmate telephone calls placed from Contractor's equipment located at the Facilities.
- B. The Sheriff's Department agrees that Contractor shall charge a billing fee (also known as Bill Cost Recovery Fee) to the called party in the amount of \$1.99 and a single bill fee in the amount of \$2.49. In addition, Contractor may charge set-up fees (also known as processing or transaction fees) to the called party associated with pre-paid calls in the amount of \$6.75 when funds are deposited via the telephone or internet. These fees shall be considered revenue but are excluded from commission.
- C. Any new or additional fees and/or charges proposed by Contractor must be approved in advance by the Sheriff's Department and prior to implementation. The Sheriff's Department and Contractor shall mutually agree on whether the new or additional fees and/or charges shall be included in Gross Revenues, and if so, the level of commission to be paid on the additional fees and/or charges.
- D. Any charges/fees added by Contractor without the express written consent of the Sheriff's Department shall carry a fine of Three Hundred Fifty Dollars (\$350.00) per day from the date the additional charges/fees were first added through the date the charges/fees were discontinued. Additionally, Contractor shall refund each called party for the unapproved charges/fees from the date the charges/fees were implemented until the date the charges/fees were discontinued. If approved by the Sheriff's Department, the additional fees/charges will be commissioned as mutually agreed upon.
- E. Regulatory required charges and taxes that are intended to be paid by the called party and then remitted 100% by the billing party to the appropriate governmental agency are excluded from the Gross Revenue. Pre-paid calls include, but are not limited to, those calls completed by using a pre-paid card as well as all calls which have been pre-paid by any person or entity and by any method of payment. Contractor shall pay commission on the Gross Revenue before any deductions are made for unbillable calls, bad debt, uncollectible calls, fraudulent calls, LEC adjustments, or any other Contractor expenses. A collect call is deemed to be complete and commission due when the called party accepts the call regardless if Contractor can bill or collect the revenue on the call. A debit call is deemed to be complete and commission due when a connection is made between the inmate and the called party, whether such connection be established by positive acceptance or by live or automated machine pick-up. Calls to telephone numbers that appear on the free call list supplied by the Sheriff's Department shall not generate revenue for Contractor and shall not be commissionable to the Sheriff's Department. Only those numbers designated by the Sheriff's Department on the free call list shall be marked as "Free" in the ITS.

- F. Additionally, the Sheriff's Department shall not be liable for any of Contractor's costs including, but not limited to, taxes, shipping charges, network charges, insurance, interest, penalties, termination payments, attorney fees, or liquidated damages.
- G. Commission for debit calls shall be based upon total Gross Revenues, as specified above, generated from debit call usage. On the fifteenth (15th) day following the month of traffic, Contractor shall submit a monthly invoice and corresponding usage report to The Sheriff's Department and/or its Designated Agent for the full amount of the debit usage (less any issued credits/adjustments) for the prior traffic month.
- H. Commission shall be due to the Sheriff's Department upon the Sheriff's Department's purchase of debit cards from Contractor but shall be payable under Section E, Commission Payment and Reporting. Additionally, the Sheriff's Department shall not be liable for any of Contractor's costs including, but not limited to, taxes, shipping charges, network charges, insurance, interest, penalties, termination payments, attorney fees, liquidated damages or any other Contractor costs.
- I. In addition to the commission described above, Contractor shall pay the Sheriff's Department an annual payment of One Hundred Thousand Dollars (\$100,000.00) payable within thirty (30) days of contract execution and annually 30 days after the contract anniversary date.

**Appendix C
Subcontractors**

Cooper Communications Group (CCG)

