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County of San Mateo
SHERIFF'S OFFICE
INTERDEPARTMENTAL MEMO

Date: October 15, 2001
Hearing Date: October 30, 2001

TO: Honorable Board of Supervisors

FROM: Sheriff Don Horsley *Don Horsley*

SUBJECT: Agreement With Evercom, Inc. For Provision of an Inmate Telephone System for Sheriff's Facilities

RECOMMENDATION: Adopt a Resolution authorizing the execution of an Agreement with Evercom, Inc. for provision of inmate telephone services for a three-year period, and authorizing the Sheriff to execute two one-year renewals.

Background

Penal Code §4025 provides that sheriffs shall deposit into the inmate welfare fund "any money, refund, rebate, or commission received from a telephone company or pay telephone provider when the money, refund, rebate, or commission is attributable to the use of pay telephones which are primarily used by inmates while incarcerated." The inmate telephone system is the major source of income for the inmate welfare fund, which pays for most of the cost of inmate programming at Sheriff's detention facilities, primarily including annual contracts with the Service League of San Mateo County, Peninsula Library Service, County Superintendent of Schools, the AIDS Project, and the Mental Health CHOICES Program.

An audit conducted in the Spring of 2000 documented a number of deficiencies with existing inmate phone services. Over the past 18 months, the Sheriff's Office has been engaged in a major effort to evaluate the technologies, service requirements, financial consequences, and other potential benefits of a replacement telephone system to serve inmates at the Maguire Main Jail and the Women's and Men's Correctional Centers.

Over the Summer and Fall of 2000, a Request For Proposals (RFP) was developed with consulting assistance from La Follette & Associates, a nationally recognized firm dedicated solely to the inmate telephone industry. As well, review and input was sought and received from inmate services representatives from three other Sheriffs Offices. The RFP was released to 33 firms in December, 2000. Two pre-proposal conferences were held in January and February, 2001, including a question/answer sessions and an in-depth facilities walk-through. Responses were due and received on March 30th, 2001.

Discussion - RFP Process

Eight proposals were received in response to the RFP, and a two-part evaluation process was utilized. First, an RFP screening committee was convened, composed of nine representatives selected from the San Mateo Sheriff's Office, County Information Services (ISD), and management staff responsible for inmate telephone services from the City and County of San Francisco and the Santa Clara County Sheriffs' Offices. This committee reviewed and screened the eight proposals

over an intensive two-day, 16-hour work session. Proposals were evaluated based on a set of criteria set forth in the RFP, and three finalist firms were recommended for further consideration.

Thereafter, the three finalist candidates were reviewed by an panel composed of the Sheriff, the Undersheriff, the Assistant Sheriff, and Deborah Overton, the Inmate Services Manager from Maricopa County, Arizona, who is respected by both jail administrators and telephone service providers across the western states area for her expertise in inmate telephone services, and who was recommended to us early on through a variety of sources.

Each of the finalists was invited to spend approximately 2 hours with the executive panel, which time included a presentation by the provider, followed by an in-depth question and answer session. Each finalist provided eight references of like-size agencies currently using their services, and these references were contacted and asked to respond to a structured telephone questionnaire. Finally, each finalist was asked to submit a best and final offer, and to answer 18 specific questions.

The RFP review process spanned over 2 ½ months, and was concluded in June, 2001. Contract negotiations continued through the summer. Evercom, Inc. was ultimately recommended as the service provider for the following reasons:

- Clearest grasp of San Mateo County's requirements and unique challenges, as demonstrated by their proposal response and highly focused oral presentations
- Breadth of experience in implementing and managing inmate telephone systems - with approximately 2,200 correctional facilities in 45 states, Evercom is the largest and most experienced provider of inmate telephone services in the United States.
- Focus on like-size customers - the majority of existing Evercom clients are of a mid-size jail population size comparable to San Mateo County - neither too small nor too large
- Excellent references demonstrating a strong ability to work cooperatively with clients
- Centralized implementation control under a very experienced management team reporting directly to top senior management
- Dependable, proven technology and responsive maintenance and customer support program, as verified by references
- Ability to easily implement future additional technology improvements onto the basic Evercom platform, such as call monitoring, call blocking by receiving parties or for restricted numbers, recording under Court order, etc.
- Singular corporate focus on inmate telephone services, resulting in broad acceptance and high levels of confidence by jail facility customers
- Comprehensive and reliable statistical and financial reporting to customers
- A highly competitive commission rate (51.5%) paid to the Inmate Welfare Fund, with flexible packages (PIN numbers, Smartcall) designed to help inmates' families control phone call volume and costs, and willingness to work with the department to develop a minimum free calling allowance for indigent inmates and their families
- Rates charged to inmates are controlled by the Sheriff's Office; cannot be raised without our approval; and cannot in any event exceed the collect call rate charged by the primary local area carrier
- Low bad debt ratio on calls placed because of improved call security and other screening features designed to reduce fraudulent calling techniques (third party transfers, etc.)

We have negotiated a three year contract, with a 30-day termination clause and the option of two one-year renewal periods. The Agreement also provides that if Evercom provides inmate telephone technology enhancements to any of its, other clients, the same enhancements must also be provided to the County of San Mateo at no additional charge.

Fiscal Impact

In exchange for the exclusive license to operate inmate telephones within Sheriff's Correctional facilities, Evercom will contribute a commission of 51.5% on all local and long distance calls into the Inmate Welfare Fund. A minimum annual commission of \$700,000, payable quarterly, is provided for the first 120 days, following which a joint review of call patterns and revenues will potentially increase the minimum up to \$800,000. Actual commissions are anticipated to range between \$850,000 and \$1,050,000 annually. Additionally, Evercom will pay to the Inmate Welfare Fund a one-time contract execution payment of \$250,000 upon final contract approval, and \$100,000 for each contract renewal.

The Sheriff's Office worked closely with ISD throughout the vendor selection, and with County Counsel during the contract writing process. The County Counsel has approved the agreement as to form.

cc Deborah Penny Bennett, Deputy County Counsel
Carol Woodward, Deputy County Counsel
Sheriffs Inmate Welfare Oversight Committee Members

ATTACHMENT A - INMATE TELEPHONE SYSTEM RFP PROCESS

KEY CRITERIA	RFP SPECIFICS
1. General Description of RFP	Installation, operation and maintenance support of an inmate telephone system for Sheriff's detention facilities
2. Key Evaluation Criteria	<u>Specified in RFP:</u> <ul style="list-style-type: none"> - Qualifications and prior similar experience - Company's business breadth & financial stability - Workplan milestones; timeframes; approach/ methodology to installation, cutover requirements, daily system management, and future technology growth - Installation & support staffing; team skills, experience, background, and expertise - Provision of on-site system administrator - Completeness of reporting features & services - Completeness of proposal & effectiveness of presentations - Client references from similar jurisdictions - Proven track record of success - Attractiveness of proposed commissions & full financial package offered
3. How was RFP Advertised & Circulated?	<ul style="list-style-type: none"> - Noticed on two appropriate websites - Up-to-date industry-wide mailing list provided by expert consultant - RFP notice posted in SF Chronicle and SJ Mercury News in December, 2000 - RFP copies mailed to listees and to all other requestors
4. Total Number of RFP's sent to Prospective Bidders	RFP's were issued to 62 individuals representing 33 firms ; list on file with Sheriff's Office
5. Pre-Proposal Conferences	<u>Two Pre-proposal conferences held:</u> <ol style="list-style-type: none"> 1) Forum-style Proposer's Conference held 1/19/2001 in Room 502 to go over RFP & answer questions; eighteen vendor representatives attended; 14-page Addendum One with written response to vendor questions was e-mailed to all attendees & RFP recipients 2) Technical Walk-through of Sheriff's jail facilities held 2/26/2001; 2 firms attended; six-page Addendum Two with written response to vendor questions was e-mailed to all attendees & RFP recipients

KEY CRITERIA	RFP SPECIFICS
<p>6. Number of Proposals Received</p>	<p>Eight proposals were received by the RFP deadline; there were no late submissions:</p> <ul style="list-style-type: none"> - SBC-PacBell Communications/AT&T - T-Net-Ix Corporation - Global Tel*Link/Schlumberger - Evercom, Inc. - Qwest Communications - Total Telephone Concepts - Public Communications Services (PCS) - Verizon
<p>7. Primary RFP Review</p>	<p>The eight proposals were reviewed and ranked by RFP Screening Committee composed of eight representatives from four agencies & three counties; following 2-day, 16-hour effort April 24-26, three finalists were selected for in-person presentations and final evaluation</p>
<p>8. Finalists Selected:</p>	<ul style="list-style-type: none"> • Evercom, Inc. • Global Tel*Link/Schlumberger • Public Communications Services (PCS)
<p>9. Finalist Evaluation</p>	<p>May 1-3, 2001 The three finalists were each invited to attend a two-hour evaluation session with the Executive Selection Panel, consisting of Sheriff's senior executives and Inmate telephone expert Deborah Overton, from Maricopa County SO, AZ. Vendors were invited to make a presentation regarding their proposals and answered questions.</p>
<p>10. Best & Final Offer</p>	<p>Following the interviews, all three finalists were given adequate time to respond in writing to a detailed questionnaire and incorporate their best & final offer into that response. The best & final responses were summarized and compared in both table and narrative form by the executive panel</p>
<p>11. Evaluation Results</p>	<p>Evercom, Inc. was selected based on company depth & experience; presentations, written proposal quality, & project team; installation & cutover plan; excellent references; financial attractiveness of offer; service program; stability of technology; and overall approach to their business & to customer service and support</p>

RESOLUTION NO. _____

BOARD OF SUPERVISORS, COUNTY OF SAN MATEO, STATE OF CALIFORNIA

RESOLUTION AUTHORIZING THE SHERIFF TO EXECUTE AN AGREEMENT BETWEEN THE COUNTY OF SAN MATEO AND EVERCOM, INC., FOR OPERATION OF AN INMATE TELEPHONE SYSTEM IN SHERIFF'S FACILITIES

RESOLVED, by the Board of Supervisors of the County of San Mateo, State of California, that:

WHEREAS, inmates in the Sheriff's detention facilities have the need and entitlement to the use of pay telephones for the placing of collect calls to family and friends, and for practical limitations it is required that the operation of such a phone system within detention facilities be an exclusive franchise for one telephone company at a time; and

WHEREAS, commission revenues generated from the operation of an inmate telephone system are exclusively deposited into the Sheriff's Inmate Welfare Fund, to be used for the benefit of inmates and their families, pursuant to Penal Code Section 4025; and

WHEREAS, the Board of Supervisors has authorized a Request For Proposals for the selection of an inmate telephone service provider; and

WHEREAS, the Sheriff has issued the RFP, and through that process has selected and recommended to this Board an Agreement with Evercom, Inc., for provision of inmate telephone services for a three-year period with two optional one-year extensions; and

WHEREAS, this Board finds that it is necessary and desirable that an Agreement be executed with said contractor, for operation of an inmate telephone system in Sheriff's facilities, and this Board has been presented with a form of the Agreement, and has examined and approved it as to both form and content, and desires to authorize the Sheriff to enter into the Agreement:

NOW, THEREFORE, IT IS HEREBY DETERMINED AND ORDERED THAT the President of this Board of Supervisors is hereby authorized and directed to execute said agreement, and the Clerk of this Board shall attest the President's signature thereto, and

IT IS HEREBY FURTHER DETERMINED AND ORDERED THAT the Sheriff of San Mateo County be, and he is hereby authorized and directed to execute either or both of the optional two 1-year renewals for and on behalf of the County of San Mateo, if he determines that it is appropriate to do so at the close of the initial term.

**AGREEMENT
BETWEEN COUNTY OF SAN MATEO
AND EVERCOM SYSTEMS, INC.**

This Agreement entered this _____ of _____ 2001, by and between the **COUNTY OF SAN MATEO** a political subdivision of the State of California, hereinafter called "COUNTY" and **EVERCOM SYSTEMS, INC.**, hereinafter called "CONTRACTOR." "SHERIFF" as used herein refers to San Mateo County Sheriff's Office.

WITNESSETH:

WHEREAS, it is necessary and desirable that Contractor be engaged by County for the purpose of providing inmate telephone service at the County Correctional Facility; and

WHEREAS, pursuant to Penal Code Section 4025, the Sheriff shall deposit all funds or commissions received from pay telephones used by inmates in county correctional facilities into the Inmate Welfare Fund, for the benefit, education and welfare of inmates; and

WHEREAS, pursuant to Government Code Section 31000, County may contract with independent contractors for the furnishing of special services to or for County or any Department thereof; and

NOW, THEREFORE, IT IS HEREBY AGREED BY THE PARTIES AS FOLLOWS:

- 1. Services to be performed by Contractor:** In consideration of the County granting Contractor the exclusive right and license to install and maintain an Inmate Telecommunications System and related hardware and software within the county's jail and/or detention facilities, Contractor will design, procure, configure, install and operate an inmate telephone system and will pay county as set forth herein. The system shall comply with Exhibit A to this agreement, which is attached hereto and incorporated by reference herein. All proceeds to County under this agreement shall be deposited to the Inmate Welfare Fund, pursuant to 4025 (d) PC
- 2. Utilization of Facility.** In consideration of Contractor's payment of Commission to the county and the provision of inmate phone services as set forth herein, County grants Contractor the exclusive right and license to install and maintain an Inmate Telecommunications System governing all inmate calls, including local and long distance traffic for collect and debit calling and related hardware and software, (collectively " Contractor Equipment") within all county jail and/or detention facilities (collectively the "Facility"), and hereby gives contractor permission to use County's Facility for that sole purpose, upon the terms and conditions set forth in this Agreement. The County will make the Facility available to Contractor for complete installation and operation of the equipment, and Contractor will limit its use of county facilities to the phone services set forth herein.

3. Payments.

A. **Amount of Payment.** In full consideration of County granting Contractor the exclusive right and license to install and maintain an Inmate Telecommunications System described in this agreement and the Exhibit hereto, Contractor shall pay County as set forth herein, in accordance with the Commission rate for all interlata and intralata (local carrier and long distance) phone calls, plus signing bonuses, as specified:

Commission: Contractor will pay the County a Commission of FIFTY ONE AND HALF percent (51.50%) of the **GROSS REVENUE BILLED** from use of the Equipment through all collect calls placed by inmates within the Facility (this does not include debit calls). No deductions will be made from **GROSS REVENUE BILLED** for costs associated with fraud, bad debt, line charges, equipment charges, billing and collection charges, or other fees. The Commission shall be paid to the County on a Quarterly basis, as set forth in Section C. below. Contractor will also pay County the sum of \$250,000 at the time of executing this contract. If the term of this agreement is extended beyond the initial three (3) year term, Contractor will further pay county a fee to be agreed upon by the parties in writing, which will not be less that \$100,000 for each additional year of extension of this contract.

Tariff Rate: Any rate or tariff increase for inmate telephone calls is subject to the approval of the Sheriff or his designee, and shall not be binding on County unless so approved in writing. In no event may the rates established be increased to the extent that the maximum tariffs charged by the common carrier are exceeded.

B. Inmate Welfare Fund: All proceeds to County under this agreement shall be deposited to the Inmate Welfare Fund, pursuant to Section 4025(d) PC, and shall be used for such inmate services as described therein and pursuant to Title 15, Article 6, California Code of Regulations (CCR).

1. **C. Payment and Accounting:** Contractor will pay the County the Commission on a quarterly basis. The commissions shall be paid in advance for each quarter not later than fifteen (15) days following the last day of the preceding quarter. A reconciliation of commission paid for the quarter against actual commission due will be made each quarter within 15 days from the end of the quarter. Contractor further guarantees an initial minimum commission of \$700,000 per year, payable in equal quarterly payments. This guarantee will be reviewed at the end of the fourth month. Based on this four-month history, guarantee can be increased up to the \$800,000 level. The minimum guarantee may be negotiated if the inmate population declines an average of 30% or greater for 3 consecutive months from benchmark of average of first three months of agreement, or if SMSO requests a reduction in Tariff that has the effect of reducing call revenues by more than 5% (see following).

Contractor also agrees to protect the 51.5% commission level in the event of rate decreases that would reduce calling revenue by up to 5%. If rate decreases reduce calling revenue beyond the 5%, Contractor and Sheriff agree to make best effort to agree upon a reduction of the commission level to a level acceptable to both parties, which shall be documented in writing by Contractor to Sheriff. All commission payments shall be final and binding upon the County unless written objection thereto is received by Contractor within sixty (60) days of mailing of the Commission payment to County by Contractor.

- 4. Relationship of the Parties.** It is expressly understood that this is an Agreement by and between two (2) Independent Contractors and that no agency, employee, partnership, joint venture or other relationship is established by this Agreement. The intent by both County and Contractor is to create an independent contractor relationship. Contractor expressly acknowledges and accepts his/her tax status and the tax consequences of an Independent Contractor. Further, as an Independent Contractor, Contractor expressly acknowledges and accepts that he/she has no rights, benefits, privileges and/or claims in any form whatsoever under, from, through and/or pursuant to the San Mateo County Civil Services Rules.
- 5. Non-Assignability.** Contractor shall not assign this Agreement or any portion thereof to a third party without the prior written consent of County, and any attempted assignment without such prior written consent in violation of this Section automatically shall terminate this Agreement.
- 6. Hold Harmless.** Contractor shall indemnify and save harmless County, its officers, agents, employees, and servants from all claims, suits, or actions of every name, kind and description, brought for, on account of: (A) injuries to or death of any person, including Contractor; or (B) damage to any property of any kind whatsoever and to whomever belonging; (C) any other loss or cost, including but not limited to, the concurrent active or passive negligence of County, its officers, agents, employees, or servants resulting from the performance of any work required of Contractor or payments made pursuant to this Agreement, provided that this shall not apply to injuries or damage for which the County has been found in a court of competent jurisdiction to be solely liable by reason of its own negligence or willful misconduct.

The duty of Contractor to indemnify and save harmless as set forth herein, shall include the duty to defend as set forth in Section 2778 of the California Civil Code.

- 7. Insurance.** The Contractor shall not commence work under this Agreement until all insurance required under this section has been obtained and such insurance has been approved by the County of San Mateo. The Contractor shall furnish the County with Certificates of Insurance evidencing the required coverage and there shall be a specific contractual liability endorsement extending the Contractor's coverage to include the contractual liability assumed by the Contractor pursuant to this Agreement. These Certificates shall specify or be endorsed to provide that thirty (30) days' notice must be

given, in writing, to County of any pending change in the limits of liability or of non-renewal, cancellation, or modification of the policy. New Certificate of Insurance shall be provided to County on a timely basis upon each occasion that Contractor's insurance is renewed for an additional term.

In the event of the breach of any provision of this Section, or in the event any notice is received which indicates any required insurance coverage will be diminished or cancelled, the County of San Mateo at its option, any, notwithstanding any other provision of this Agreement to the contrary, immediately declare a material breach of this Agreement and suspend all further work pursuant to this Agreement.

A. Workers' Compensation and Employer Liability Insurance. The Contractor shall have in effect, during the entire life of this Agreement, Workers' Compensation and Employer Liability Insurance providing full statutory coverage. In signing this Agreement, the Contractor makes the following certification, required by Section 1861 of the California Labor Code:

I am aware of the provisions of Section 3700 of the California Labor Code which require every employer to be insured against liability for Workers' Compensation or to undertake self-insurance in accordance with the provisions of the Code, and I will comply with such provisions before commencing the performance of this work of the Agreement.

B. Liability Insurance. The Contractor shall take out and maintain during the life of this Agreement such Bodily Injury Liability and Property Damage Liability Insurance as shall protect it while performing work covered by this Agreement from any and all claims for damages for bodily injury, including accidental death, as well as any and all operations under this Agreement, whether such operations be by itself or by any sub-contractor or by anyone directly or indirectly employed by either of them. Such insurance shall be combined single limit bodily injury and property damage for each occurrence and shall be not less than the amount specified below.

Such insurance shall include:

(1) Comprehensive General Liability	\$ 1,000,000
(2) Motor Vehicle Liability Insurance	\$ 1,000,000
(3) Professional Liability	\$ 1,000,000

If this Agreement remains in effect more than one (1) year from the date of its original execution, County may, at its sole discretion, require an increase in the amount of liability insurance to the level then customary in similar County Agreements by giving sixty (60) days notice to Contractor.

The County and its officers, agents, employees and servants shall be named as additional insured on any such policies of insurance, with respect to any vicarious

liability imposed on them on account of the negligence of Contractor which policies shall contain a provision or endorsement that the insurance afforded thereby to the County, its officers, agents, employees and servants shall be primary insurance to the limits stated above, such other insurance shall be excess insurance only. Said certificate(s) of insurance is (are) attached hereto and incorporated by reference herein as Attachment I (and II).

- 8. Non-discrimination.** No person shall be excluded from participation in, denied benefits of, or be subject to discrimination under this Agreement on the basis of their race, color, religion, national origin, age, sex, sexual orientation, pregnancy, childbirth or related conditions, medical condition, mental or physical disability or veteran's status. Contractor shall ensure full compliance with federal, state and local laws, directives and executive orders regarding non-discrimination for all employees and Subcontractors under this Agreement.

Violation of the non-discrimination provisions of this Agreement shall be considered a breach of this Agreement and subject the Contractor to penalties, to be determined by the County Manager, including but not limited to: i) termination of this Agreement; ii) disqualification of the Contractor from bidding on or being awarded a County contract for a period of up to 3 years; iii) liquidated damages of \$2,500 per violation; iv) imposition of other appropriate contractual and civil remedies and sanctions, as determined by the County Manager.

To effectuate the provisions of this paragraph, the County Manager shall have the authority to: i) examine Contractor's employment records with respect to compliance with this paragraph; ii) set off all or any portion of the amount described in this paragraph against amounts due to Contractor under the Contract or any other Contract between Contractor and County.

Contractor shall report to the County Manager the filing by any person in any court of any complaint of discrimination or the filing by any person of any and all charges with the Equal Employment Opportunity Commission, the Fair Employment and Housing Commission or any other entity charged with the investigation of allegations within 30 days of such filing, provided that within such 30 days such entity has not notified Contractor that such charges are dismissed or otherwise unfounded. Such notification shall include the name of the complainant, a copy of such complaint and a description of the circumstance. Contractor shall provide County with a copy of its response to the Complaint when filed.

With respect to the provision of employee benefits, Contractor shall comply with the County Ordinance which prohibits Contractors from discriminating in the provision of employee benefits between an employee with a domestic partner and an employee with a spouse.

9. Records. Contractor agrees to provide to County, to any federal or state department having monitoring or reviewing authority, to County's authorized representatives and/or their appropriate audit agencies upon reasonable notice, access to and the right to examine and audit records and documents necessary to determine compliance with relevant federal, state, and local statutes, rules, and regulations, and this Agreement, and to evaluate the quality, appropriateness and timeliness of services performed.

Contractor shall maintain and preserve all financial records relating to this Agreement for a period of four (4) years from the termination date of this Agreement, or until audit findings are resolved, whichever is greater.

10. Compliance with Applicable Laws. All services to be performed by Contractor pursuant to this Agreement shall be performed in accordance with all applicable federal, state, county, and municipal laws, including, but not limited to, the Americans with Disabilities Act of 1990, as amended, and Section 504 of the Rehabilitation Act of 1973, as amended, which prohibits discrimination on the basis of handicap in programs and activities receiving any federal or county financial assistance. Such services shall also be performed in accordance with all applicable ordinances and regulations, including, but not limited to, appropriate licensure, certification regulations, provisions pertaining to confidentiality of records, and applicable quality assurance regulations.

11. Interpretation and Enforcement.

A. Any notice, request, demand or other communication required or permitted hereunder shall be deemed to be properly given when deposited in the United States mail, postage prepaid, or when deposited with a public telegraph company for transmittal, charges prepaid, addressed:

1) In the case of County, to:

San Mateo County Sheriff's Office
Don Horsley, Sheriff
400 County Center
Redwood City, CA 94063

Or to such person or address as County may, from time to time furnish to Contractor.

2) In the case of Contractor, to:

Evercom Systems, Inc.
Contact Person
8201 Tristar Drive
Irving, TX 75063

B. Controlling Law. The validity of this Agreement and of its terms or provisions, as well as the rights and duties of the parties hereunder, the interpretation and performance of this Agreement shall be governed by the laws of the State of California.

12. Merger Clause. This Agreement, including Exhibit A, Contractor's Best & Final Offer to County, and Contractor's Response to County's Request For Proposal (RFP), attached hereto and incorporated herein by reference, constitutes the sole Agreement of the parties hereto and correctly states the rights, duties and obligations of each party as of the document's date. Any prior agreement, promises, negotiations or representations between the parties not expressly stated in this document or its attachments are not binding. All subsequent modification shall be in writing. In the event of a conflict between the terms, conditions or specifications set forth herein and those in Exhibit A attached hereto, the terms, conditions or specifications set forth herein shall prevail. In the event this Agreement and/or Exhibit A fail to fully specify or are silent with respect to specific services offered to County in Contractor's Best & Final Offer and/or Contractor's Response to County's RFP, Contractor's offer in said documents is held to be binding. Where a conflict exists, Contractor's Best & Final Offer shall take precedence over Contractor's Response to County RFP with regard to changes to or clarifications of Contractor's offer of Commission rate, signing bonuses, or other services. See priority of application, below.

In the event of conflicting provisions or details not covered under this Exhibit both parties agree to refer to the following documents for clarification:

- a.) Contractor's Best and Final letter of offer dated may 25, 2001, and Letter of Undertaking dated 6/21/01
- b.) Contractors Proposal dated 3/30/01, and
- c.) RFP NO. 2001 – SMSO Inmate Telephone System

13. Term and Termination. Subject to compliance with the terms and conditions of this Agreement, the term of this Agreement shall be in effect for three years from date of execution. At it's sole discretion, County may exercise the option to extend this Agreement by up to an additional two 1-year renewals thereafter, by written notification to Contractor no later than thirty (30) days prior to the termination of the original three year term or first one-year renewal term. This Agreement may be terminated by Contractor, Sheriff or his designee at any time upon thirty (30) days written notice to the other party. In no event, including optional renewals, will this Agreement extend past five years from date of execution.

IN WITNESS WHEREOF, the parties hereto, by their duly authorized representatives, have affixed their hands.

COUNTY OF SAN MATEO
A Political Sub-division of the
State of California

By:

Michael D. Nevin, President
Board of Supervisors, County of San Mateo

Date:

ATTEST:

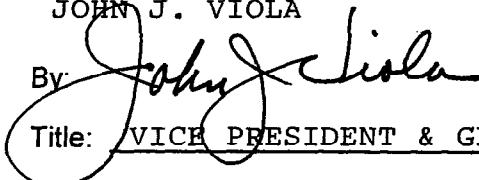
Clerk of the Board of Supervisors, County of San Mateo

Date:

EVERCOM SYSTEMS, INC.

JOHN J. VIOLA

By:


Title: VICE PRESIDENT & GENERAL MANAGER

Date: OCTOBER 10, 2001

Tax I.D. Number: 75-2722144

Exhibit A
TO AGREEMENT BETWEEN THE COUNTY OF SAN MATEO
(County) AND EVERCOM SYSTEMS, INC. (Contractor)

Inmate Telephone System Installation and Operation

- 1. DOCUMENT AUTHORITY.** This Exhibit A is intended to provide an outline of key tasks and services to be provided by Contractor to County under the Agreement. The Attachment to this Exhibit provides details of equipment installation and system performance and service parameters. Further details of said tasks and services are provided in greater specificity in Contractor's Best & Final Offer and Contractor's Response to County Request for Proposals (RFP), which are hereby referenced and incorporated into this Exhibit A. Said documents shall be referenced by both parties as required for clarification of any particulars. "Sheriff" as used herein refers to San Mateo County Sheriff's Office.

- 2. IMPLEMENTATION PROJECT SCOPE.** The process of design, procurement, configuration and installation of an inmate telephone system as described in this overview and in Contractor's Best & Final Offer and Contractor's Response to County Request for Proposals (RFP) is divided into seven (7) tasks
 - A. Project planning, site inspection and mobilization

 - B. Submission of signed Letter of Authority from Sheriff and acquisition of dial tone by Contractor from Pacific Bell Telephone

 - C. Installation of dedicated T-1 and required improvements or modification to existing "house" wiring at Maguire Correctional Facility, Women's Correctional Facility/Women's Honor Camp and Men's Correctional Center/Medium Security Facility.

Any improvements or modification to existing wiring made by Contractor within any County-owned facility shall become the sole property of the County.

 - D. Provision, installation and testing of Inmate Call Access Management system (CAM), including external instruments and internal installed hardware, at three hub locations (Maguire Correctional Facility, Women's Correctional Facility and Men's Correctional Center). Contractor shall determine what degree of CAM redundancy, if any, is required for optimum stability and

maintenance of the systems to Agreement specifications. External telephone handsets and internal installed hardware is the property of Contractor and will be removed promptly upon termination of the contract. Contractor will promptly replace any broken handsets or other equipment.

- E. "Cut-over" of the inmate telephone system from Pacific Bell Telephone Company to Evercom Systems Inc. (Contractor). Cutover is defined as the transfer of responsibility for the physical and administrative functions of the inmate telephone services from the present provider to the incumbent provider. The date for cut-over shall be determined by mutual agreement of Sheriff and Contractor, based on readiness of both parties, system infrastructure, jail operations and other consideration as determined by the parties but shall be not later than December 31, 2001.
- F. Daily management, reporting out and operation of the inmate telephone system by Contractor, including provision of a full-time on-site systems administrator.
- G. Upon Sheriff direction, implementation and support by Contractor of call recording and monitoring systems, as specified in Contractor's Response to County RFP.

3. PROJECT OBJECTIVES. The objective of the project is the installation of a state-of-the-art, fully operational, flexible, secure and reliable inmate telephone system and to provide County the means to ensure the lawful and legitimate use of the system by the inmate population. Contractor will insure that Sheriff staff time required to administer the system is kept to a minimum, that management and control of inmate telephone usage is enhanced, that performance and accountability is increased and commission revenues to the County are maximized and promptly paid.

4. PROJECT ASSURANCES. It is understood by both parties that a close working partnership is required in order that this Agreement is successful and satisfactory to both parties. County assures that qualified Sheriff personnel will be available as needed and detailed information regarding the existing inmate telephone system will be available. Contractor assures that Contractor shall, initially and on a periodic basis, determine the optimum number of telephones at each County facility, and shall make adjustments to the existing number of connections as may be required, and shall maintain same in good working order throughout the term of the Agreement. Both parties assure to maintain clear, regular and honest communications between them. It is understood by both parties that these assurances are made in the mutual best interests of both parties to the Agreement.

5. BACKGROUND CHECK OF CONTRACTOR'S ON-SITE PERSONNEL.

Contractor will provide the Sheriff with the following pertinent to Contractor personnel who will be involved in the installation of the inmate telephone system:

- A. Contractor will provide Sheriff a list of its technicians not less than fourteen (14) days prior to the start date of the installation. The technicians will be listed by name, and will contain their personal data designated by Sheriff. Each technician will be required to pass a background check conducted by the San Mateo County Sheriff's Office prior to commencement of his or her work on the project.
- B. Contractor will designate one technician to act as County's Site Administrator. Contractor will provide Sheriff a completed background packet for the Site Administrator no later than thirty days (30) prior to the anticipated cut-over date for the inmate telephone system. The selected individual will be required to pass a detailed background check conducted by the San Mateo County Sheriff's Office prior to assuming the duties of the systems administrator.

6. INSTALLATION. Contractor will execute the events below on or, if required in certain instances by the nature of the task, prior to the execution date:

Contractor agrees to provide County with an inmate telephone system that functions as outlined in the following documents provided by Contractor:

- a.) Contractor's Best and Final letter of offer dated may 25, 2001, and Letter of Undertaking dated 6/21/01
- b.) Contractors Proposal dated 3/30/01

Contractor will install and maintain a minimum of 188 inmate phones, Philips, Brooks & Gladwin (PBG) model # 7090CF designed and manufactured for the correctional environment, in the County Correctional Facilities. The system will,

- Only allow outgoing, collect calls (with optional debit card possibility)
- Not allow for any incoming calls
- Not allow access to a live operator
- Allow limitation of call duration
- Allow calls to rotary phones
- Recording and Monitoring on Real Time basis.
- Generate reports as per Contractor's Response to County RFP, but not necessarily limited to this list.

- Allow for multilingual automated (synthesized) operator assistance without cost to County. Languages to be determined by Sheriff.

Contractor will inform County via e-mail or letter, within thirty (30) days of installation of any new CAM system upgrades (hardware/software) at any correctional facility served by contractor under separate agreement and offer County the new technology at no cost. If Sheriff decides that it needs this upgrade, Contractor will make this available to County within 90 days of request. Contractor further agrees to inform County of any other new technology that is available or has been installed at any other correctional facility, within 90 days of its availability. If the Sheriff decides that this new technology is required at the County facilities, the cost may be negotiated for County's consideration under a separate agreement.

A specific list of equipment to be installed and equipment performance standards, along with a comprehensive installation & cut-over schedule, shall be provided to Sheriff by Contractor no later than two weeks following execution date of the Agreement. Modifications and adjustments to the timeline of events will be agreed upon by both Contractor and Sheriff prior to adjustment of the timeline of events

7. COUNTY RESPONSIBILITIES:

The County will:

Provide a minimum area of three (3) feet wide by three (3) feet deep by six (6) feet high for contractor's equipment, in a temperature and humidity controlled environment with two isolated 120V/20A electrical circuits and one isolated 240V/30A circuit in the within the Maguire Correctional Facility for the CAM system.

Provide adequate secure office space within the Maguire Correctional Facility for the use by Contractor's Site Administrator.

Provide for blocking of the office and home telephone numbers of all San Mateo County judicial officers, the District Attorney and his staff, the Sheriff and the Sheriff's Office personnel, and other individuals designated by county. This shall be done at no cost to County. Provide regular updates to the list of office and home telephone numbers to be blocked to insure accuracy.

To the best of Sheriff's knowledge and ability, provide a list of office telephone numbers of attorneys practicing in San Mateo County to Contractor. Provide

regular updates to the list of office telephone numbers of attorneys practicing in San Mateo County as new information becomes available to County.

To the best of Sheriff's knowledge and ability, provide a list of office telephone numbers of bail bond firms transacting business in San Mateo County. Provide regular updates to the list of office telephone numbers of bail bond firms transacting business in San Mateo County as new information becomes available to County.

Provide a secure location in each facility for the toggle switches that control whether the inmate telephone system is operational or disabled.

Sheriff personnel shall monitor the number and duration of calls placed by individuals from the Booking/Intake Area, to ensure consistency with County policy as to limits of free calls.

8. PRIMARY CONTACT. The primary contact for County is the Sheriff's Inmate Services Coordinator, the primary contact for Contractor is the Account Manager assigned to San Mateo County. Said contacts may from time to time designate a representative to act on their behalf. Contractor and/or Sheriff shall advise the other party promptly in writing of any change in these primary contacts.

9. PROJECT REPORTING AND PERFORMANCE. Contractor will make available individuals that have the requisite technical expertise to successfully provide the services specified. During the installation of the inmate telephone system and prior to the "cut-over", all Contractor employees will be managed by Contractor's Primary Contact or his designee, who will provide daily status report to County's Primary Contact. Upon "cut-over" to Contractor's inmate telephone system, the Site Administrator will be managed by Contractor's Primary Contact. If for reason of training, vacation, or illness, employees of Contractor who would normally complete assigned tasks are unavailable, Contractor will notify County and provide suitable replacement personnel.

Once system has been installed, performance benchmarks will be established jointly by both parties that reflect the operational requirements set forth in this agreement. A quarterly review of the contractors performance against the established benchmarks will be conducted jointly by Contractor's and County's Primary Contacts.

Contractor will adhere to the project milestones as delineated in Section 4 of Contractor's Response to County RFP. Contractor shall not be penalized for

delays caused by others, including delays caused by Pacific Bell Telephone Company or its subsidiaries.

10. CHANGES OR ADDITIONS TO STATEMENT OF WORK. Either Contractor or Sheriff may request changes or additions to this Statement of Work by submitting to the other party a Project Change Request, to be approved in writing by signature of both parties. If changes other than maintenance-related are made to installed hardware, software or services which have not been approved through a Project Change Request, Sheriff may, at its discretion, require Contractor to remove or undo said changes at no cost to County.