
AMENDMENT ONE

TO THE AGREEMENT BETWEEN THE COUNTY OF SAN MATEO AND SECURUS TECHNOLOGIES

THIS FIRST AMENDMENT to the Agreement, entered into this ____ day of _____, 2014, by and between the County of San Mateo, hereinafter called "County," and Securus Technologies, hereinafter called "Contractor";

WITNESSETH:

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

WHEREAS, on April 9, 2013, the County of San Mateo entered into an Agreement (Resolution No. 072443) with Securus Technologies, for the purpose of providing inmate telephone service at the County Correctional Facility; and

WHEREAS, both parties now wish to make modifications to the original agreement to respond to changes in federal regulations.

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

1. Section 4 (Payments) of the agreement is hereby deleted in its entirety and replaced with the following:

4. 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 additional payments, as specified below.

- 1) **Commission:** Contractor will pay the County a Commission of EIGHTY TWO POINT THREE percent (82.3%) of the GROSS REVENUE BILLED from use of the Equipment through all collect calls placed by inmates within the Facility. No deductions will be made from GROSS REVENUE BILLED for costs associated with fraud, bad debt, time charges, equipment charges, billing and collection charges, or other fees. The Commission shall be paid to the County on an annual basis, as set forth in Section C. below.

Notwithstanding anything to the contrary contained in the agreement, in accordance with Federal Communications Commission 47 CFR Part 64 [WC Docket No. 12-375; FCC 13-113] - Rates for Interstate Calling Services - effective February 11, 2014, no commission shall be paid on revenues earned through the completion of interstate calls of any type received from the agreement.

- 2) **Minimum Commission:** Contractor further guarantees the County of San Mateo a minimum **initial annual payment of \$820,000 and, subsequently, an annual commission of \$795,000** per year (minimum annual guarantee "MAG"), payable in advance annually for the duration of this agreement. If earned commission from prior 12 months exceeds **\$795,000**, Contractor will increase the advance payment to an amount equivalent to the prior year's earned commission. 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.

- a) Initial Annual Payment Date: Contractor will make its first Minimum Annual Guaranteed Payment of \$820,000 no later than 15 days after the completion of Contractor's equipment installation and cutover of services from the prior inmate telephone service provider.
 - b) Second and Third Annual Payments: **Contractor will make the second and third annual Minimum Annual Guaranteed payments of \$795,000 no later than 15 days following the Anniversary Date. The annual payment amount is based on the revised interstate call rates in accordance with Federal Communications Commission 47 CFR Part 64 [WC Docket No. 12-375; FCC 13-113] - Rates for Interstate Calling Services - effective February 11, 2014.**
- 3) Sale of Pre-paid phone cards to County at discounted rate: In addition, the Contractor will sell prepaid calling cards to the Sheriff's Office at a discounted rate of SEVENTEEN POINT SEVEN percent (17.7%), with the understanding that the cards will be resold to the inmates for use on the Contractor's platform while the inmates are in custody, and on other providers platforms when the inmate leaves the County Correctional Facility. No commission is payable on the value of pre-paid card usage.
- 4) Tariff Rate: Initially, the rates charged to inmates or to the persons whom they call collect, which are associated with this agreement, will be the rates proposed in the Contractor's proposal submitted on 1/3/2013, which shall be equivalent to the rates offered by the prior service provider during 2013. 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).
- C. Schedule of Payments. Contractor will pay the County the yearly Commission on an annual basis tied to the anniversary of its First Minimum Annual Guarantee Payment ("Anniversary Date"). The commissions shall be due in advance for each Anniversary Date, but in any event must be paid not later than fifteen (15) days following the Anniversary Date. A late penalty fee at the rate of 5% will be applicable on the amount for each day late (e.g. If payment is made on the 19th day following the end of the preceding year, the 5% penalty will be for nineteen (19) days even though there was a fifteen (15) day grace period). A reconciliation of the Minimum Annual Guaranteed payment paid for the year against actual commission due will be made each year. If actual commission exceeds the Minimum Annual Guarantee, Contractor shall provide a true up payment not later than fifteen (15) days following the last day of the year. No refund will be given by County to Contractor if actual commission falls below the guaranteed minimum. Contractor understands that failure to pay County accurate commissions based on gross billables shall be grounds for termination. Payments shall be sent to:

San Mateo County Sheriff's Office
Attn: Financial Services Manager
400 County Center, 3rd Floor
Redwood City, CA 94063

2. Section 16 (Call Rates) of Exhibit A to the agreement is hereby deleted in its entirety and replaced with the following:

16. CALL RATES

CALL TYPE	COLLECT		PREPAID COLLECT		DEBIT/CARDS	
	Connection	Per Minute	Connection	Per Minute	Connection	Per Minute
Local	3.15	*	3.15	*	-	0.50
Intralata / Intrastate	3.15	**	3.15	**	-	0.50
Interlata / Intrastate	3.15	0.69	3.15	0.69	-	0.50
Interlata / Interstate	-	0.25	-	0.25	-	0.21
International	-	-	-	-	3.00	1.00

- * Based on the rates provided in Amendment #2 of the RFP, Securus will charge the following for Local calls:

INTRALATA TOLL USAGE

	DAY		EVENING		NIGHT / WEEKEND	
Miles	Initial Minute	Add'l Minute	Initial Minute	Add'l Minute	Initial Minute	Add'l Minute
ALL	0.153	0.0759	0.1151	0.0569	0.0677	0.0569

- ** Based on rates provided in Amendment #2 of the RFP, Securus will charge the following for Intralata calls:

INTRALATA TOLL USAGE

	DAY		EVENING		NIGHT / WEEKEND	
Miles	Initial Minute	Add'l Minute	Initial Minute	Add'l Minute	Initial Minute	Add'l Minute
0-20	0.153	0.0759	0.1151	0.0569	0.0677	0.0569
21-40	0.191	0.1327	0.1625	0.1138	0.1056	0.0853
41-70	0.2149	0.1517	0.172	0.1233	0.1341	0.0948
Over 70	0.2479	0.1991	0.1815	0.1422	0.1625	0.1422

3. All other terms and conditions of the agreement dated April 9, 2013, between the County and Contractor, shall remain in full force and effect.

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: _____
PRESIDENT, BOARD OF SUPERVISORS

DATE: _____

ATTEST:

CLERK OF SAID BOARD

SECURUS TECHNOLOGIES

BY: _____
SIGNATURE

PRINTED NAME

DATE: 3/27/14