

EXHIBIT 12

Comments re Second Further Notice of Proposed Rulemaking:
Single Call Programs, January 12, 2015

IC Solutions response to Baldwin AL ICSolutions RFP, Tab 6 pp. 4-5

PRISON
POLICY INITIATIVE

Advanced Technology

Increased Call Volume

Decreased Complaints

Streamlined Administration

Results: Higher Commissions

Lower Call Rates



Presented to:

***Baldwin County,
Alabama***

**Bid No. WG13-01
Inmate Telephone Service
Original**

November 14, 2012

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Option #4

Option #4 features a larger upfront cash payment, with a Signing Bonus of \$200,000.00 paid promptly upon contract execution. The commission rate with this option is 71.1% of Total Gross Revenue, with a \$300,000.00 Minimum Annual Guarantee.

Minimum Revenue Guarantees

All of our options feature some form of minimum guaranteed revenue. Regardless of which option the County chooses, the proposed minimum revenue amount is truly a *minimum* guarantee; Baldwin County will also receive any additional commissions earned *above* the minimum guarantee in a given contract period, based on the proposed commission rate.

Why is Guaranteed Revenue Important?

It's important to note that, when companies gouge consumers (friends and family members) with exorbitant fees, those consumers have less money left over to pay for commission-generating phone calls. Therefore, evaluating commission offers is a complex undertaking, requiring a full understanding of the proposed rates and fees, and all the components that can impact your actual commission dollars.

Some providers may define certain calls as special call types, outside the scope of traditional collect, prepaid, or debit calling. For these calls, the vendor may charge higher rates and pay lower commissions than the traditional calling options which were disclosed in the RFP response. This practice may result in consumers paying higher prices for phone calls and facilities receiving lower commissions.

For example:

In a recent bid for another Inmate Telephone Services contract for a County facility (in August 2012), it was revealed through public bid documents that the current vendor had instituted two types of "promotional calls," which were not commissioned at the same rate as traditional Collect, Prepaid Collect, and Debit calling. While the prices for these call types were either \$9.99 per call or \$14.99 per call, the County received commissions of only 3% on the \$9.99 calls and 10.7% on the \$14.99 calls. These calls accounted for more than 25% of the total calls from this County's facilities.

This means the current phone vendor is collecting more than 90% of the revenue from over a quarter of the phone calls placed from this facility!

Because such a large portion of the call traffic was moved to the lower-commission-rate call categories, the County was missing out on a great deal of commission revenue. In fact, had the County received its regular commission rate on these calls, they may have received upwards of an additional \$135,000 in annual commissions. This example was a single facility with approximately 575 beds – just slightly smaller than Baldwin County.



The practices described above may result in an inflated-looking commission rate percentage that might look good in a proposal, but in real life may mean **less actual revenue for the Agency**, as these **higher proposed commissions may not be paid on other calling options**.

ICSolutions understands how difficult it can be to compare commission rates when the percentage rates offered are based on unknown future revenues that could be impacted by a number of variables. Therefore, we are removing the guesswork by offering Baldwin County **Minimum Revenue Guarantees**.

ICSolutions is proud of our reputation for revenue transparency; accurate, on-time commission payments; and low calling fees. That's why we are willing to go beyond merely offering you a high commission percentage; we are willing to stand behind our claims by guaranteeing your minimum revenue.

While comparing commission percentages on their face value can be an important part of the proposal evaluation process, the true test will come each year, as you add up the actual commission checks you've received. **Guaranteed commission income eliminates all uncertainty and ensures that the County can meet its budgetary demands, each and every year.**

Included Technology & Services

This offer includes all of the following at **no cost to Baldwin County**:

- ENFORCER® centralized calling platform
- All new inmate phones, visitation phones, and TDDs
- Online storage of inmate and visitation call recordings and data for the life of the contract
- JMS integration
- Optional commissary integration
- Collect, Prepaid Collect, and Call Center Debit (family-funded inmate Debit calling)
- Optional inmate-funded Debit calling and over-the-phone commissary ordering
- 99.999% system uptime guarantee
- Inmate PINs
- Investigator™ Pre-Call Voice Verification
- Optional upgrade to Investigator Pro™ Continuous Voice Identification
- Nexidia Keyword Search
- 100% paperless grievance reporting & response system
- Automated IVR (jail and inmate information line)
- Inmate voicemail
- All necessary hardware, software, and licenses
- Installation, training, and warranty, maintenance, and support for the life of the contract
- 24 x 7 x 365 live, U.S.-based customer service for call recipients
- 24 x 7 x 365 live, U.S.-based technical service for Facility staff
- Full suite of Access Corrections products, including Secure Release debit release cards