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April 27, 2020

Office of the Sheriff

Jesse Jahner, Sheriff

Mr. Chad Peterson
Chair Cass County Commission
211 9th St S
Fargo, ND 58013

Dear Chairman Peterson,

On behalf of the Cass County Sheriff's Office, I am submitting a request for addition to the Agenda for the next regular meeting of the Commission, for the purpose of reviewing and consideration of a contract amendment with Securus. This contract amendment involves restructuring of phone rates charged to inmates.

Securus has provided three options for adjustments to phone rates. While all three options would ultimately reduce rates that inmates pay for in-state and local calls, each of the options that they have provided contains different rate structures, different commission rates paid to the commissary fund, and each also requires a different commitment from us.

Option 3 would be my preferred recommendation, because it would charge the lowest overall costs, provides for the highest flat rate, and is a guaranteed commission rate. Option 3 does, however, contain a provision which would require a contract extension of 1 year, while the other two amendments contain no required extension.

These amendments affect only rates for in-state and local calls. Calls that cross state lines are already regulated by the FCC. For comparison, the current rate charged by Securus for a local call is \$3.18 for the first minute, and \$0.23 for each additional minute. The current rate charged for an in-state long distance call is \$3.60 for the first minute, and \$0.60 each additional. Respectively, 15 minute calls currently cost \$6.40 and \$12.00 for local and long distance.

I have attached a summary of the three proposals, and Securus has also prepared three separate contract amendments should the Commission vote to approve either one of the three proposals.

Capt. Andrew Frobig
Jail Administrator

Cass County Sheriff
Law Enforcement Center
1612 23rd Avenue North
P.O. Box 488
Fargo, North Dakota 58107-0488
Phone: 701-241-5800
Fax: 701-241-5806

Cass County Sheriff
Courthouse
211 9th Street South
P.O. Box 488
Fargo, North Dakota 58107-0488
Phone: 701-241-5800
Fax: 701-241-5805

Cass County Jail
450 34th Street South
Fargo, North Dakota 58103
Phone: 701-271-2900
Fax: 701-271-2967

Cass County Financial Options

<u>Option 1-Lower Rates</u>	<u>Proposal Details</u>
Term	<ul style="list-style-type: none"> ▪ (No Change)
ITS Commission Rate	<ul style="list-style-type: none"> ▪ 50% (No Change)
Approximate Monthly Commissions (based on previous activity)-Includes Video and AIS deductions	<ul style="list-style-type: none"> ▪ \$1700/Month (Drop due to the fact that the reduction in rates will cause less revenue to come in)
NEW Advanced Connect/Inmate Debit Local Call Rates for all in state jurisdictions including local	<ul style="list-style-type: none"> ▪ \$0.938/ 1st min, \$.0311/Each additional Minute
PPCC	<ul style="list-style-type: none"> ▪ \$0.50/min (No Change)
Cost for a 15 minute Call	<ul style="list-style-type: none"> ▪ \$5.30

<u>Option 2-Lower Rates & Increase Commission</u>	<u>Proposal Details</u>
Term	<ul style="list-style-type: none"> ▪ No Change
Gross Flat Monthly Commissions	<ul style="list-style-type: none"> ▪ \$4,000/Month Flat Rate
Monthly Commissions after Video and AIS Deductions	<ul style="list-style-type: none"> ▪ \$2,263/Month
NEW Advanced Connect/Inmate Debit Local Call Rates for all in state jurisdictions including local	<ul style="list-style-type: none"> ▪ \$0.938/ 1st min, \$.0311/Each additional Minute
PPCC	<ul style="list-style-type: none"> ▪ \$0.50/min No Change
Cost for a 15 Minute Call	<ul style="list-style-type: none"> ▪ \$5.30

<u>Option 3-Lower Rates, Increase Commissions, Extend Term</u>	<u>Proposal Details</u>
Term	<ul style="list-style-type: none"> ▪ Extend from 2022 to 2023(12 months)
Gross Flat Monthly Commissions	<ul style="list-style-type: none"> ▪ \$4750/Month
Monthly Commissions after Video and AIS deductions	<ul style="list-style-type: none"> ▪ \$3,013/Month
NEW Advanced Connect/Inmate Debit Local Call Rates for all in state jurisdictions including local	<ul style="list-style-type: none"> ▪ \$.311/Minute, Flat
PPCC	<ul style="list-style-type: none"> ▪ \$0.50/Minute (No Change)
Cost for a 15 Minute Phone Call	<ul style="list-style-type: none"> ▪ \$4.67

**FIRST AMENDMENT TO
MASTER SERVICES AGREEMENT**

This **FIRST AMENDMENT** ("First Amendment") is effective as of the last date signed by either party ("First Amendment Effective Date") and amends and supplements that certain Master Services Agreement by and between Securus Technologies, LLC (f/k/a Securus Technologies, Inc.) ("we," "us," or "Provider") and the Cass County Sheriff's Office ("you" or "Customer") dated November 30, 2020 (the "Agreement").

WHEREAS Customer and Provider are parties to the Agreement and desire to amend the terms as stated herein;

NOW, THEREFORE, as of the First Amendment Effective Date and in consideration of the mutual promises and covenants contained herein, the parties agree as follows:

1. Term. This First Amendment shall commence on the First Amendment Effective Date and shall remain in effect through the Term of the Agreement. Moreover, the Initial Term will be extended by 12 months with a modified end date of November 30, 2023. Notwithstanding anything to the contrary, the terms and conditions of the Agreement shall continue to apply for so long as we continue to provide the Applications to you after the expiration or earlier termination of this Agreement.

2. Replacement of Instant Pay with AdvanceConnect Single Call™. The Instant Pay™ promotional program described on page 9 of the Agreement was discontinued and that language is hereby deleted in its entirety. Provider has replaced Instant Pay™ with the AdvanceConnect Single Call™ payment product, which allows family members and friends to pre-pay for calls originating from inmates in correctional facilities. AdvanceConnect gives consumers the choice to pre-pay for multiple calls or for a single call just before connection using the AdvanceConnect Single Call™ feature. Friends and family may fund the minimum amount required to complete the current inbound call.

AdvanceConnect Single Call™ is commissioned like an AdvanceConnect™ call that does not use this feature. AdvanceConnect Single Call™ transactions are rated at the FCC-regulated fee (currently \$3 for automated transactions) plus the applicable per-minute rate and any applicable federal, state, and local taxes.

3. Changes to Commission Structure. Within 30 days of the First Amendment Effective Date, Provider will implement changes to Customer's commissions. Provider will no longer pay Customer 50% commissions on the gross revenue earned through the completion of ITS calls and will instead pay Customer \$4,750 per month (less any previously or future defined commission deductions).

4. Changes to In-State AdvanceConnect Single Call™ and Inmate Debit Calling Rates. Within 7 days of the First Amendment Effective Date, the in-state (including local calls) calling rates for Direct Billed, AdvanceConnect (including AdvanceConnect Single Call™) and Inmate Debit set forth on page 11 of the Agreement will change. The new in-state calling rate for Direct Billed, AdvanceConnect (including AdvanceConnect Single Call™) and Inmate Debit calls will be \$0.311 per minute. Prepaid Calling Card rates will not change.

5. Changes to Force Majeure Provision. The Force Majeure provision on page 3 of the Agreement will be deleted in its entirety and replaced with the following:

Force Majeure. Neither party will be responsible for any delay, interruption, or other failure to perform under the Agreement due to acts, events, or causes beyond the reasonable control of the responsible party (a "Force Majeure Event"), even if the Force Majeure Event was foreseeable when the Agreement was executed. Force Majeure Events include (but are not limited to) acts of God, natural disasters, wars or other military action, civil disturbance, strikes, terrorism, rebellion, fires, explosions, accidents, floods, vandalism, sabotage, pandemics, or diseases; supply or market shortages or failures; embargoes or labor disputes; measures imposed or by a court or

governmental authority; third-party acts or inaction; or fluctuation or non-availability of electrical power, heat, light, air conditioning, parts, or equipment.

6. Except as expressly amended by this First Amendment, all of the terms, conditions and provisions of the Agreement shall remain in full force and effect. All capitalized terms used but not defined herein shall have the meaning set forth in the Agreement.

EXECUTED as of the First Amendment Effective Date.

<p><u>CUSTOMER:</u> Cass County Sheriff's Office</p> <p>By: _____ Name: _____ Title: _____ Date: _____</p>	<p><u>PROVIDER:</u> Securus Technologies, LLC</p> <p>By: _____ Name: Dennis J. Reinhold Title: Senior Vice President and General Counsel Date: _____</p>
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Please return signed contract to:

**4000 International Parkway
Carrollton, Texas 75007
Attention: Contracts Administrator
Phone: (972) 277-0300**

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WHEREAS Customer and Provider are parties to the Agreement and desire to amend the terms as stated herein;

NOW, THEREFORE, as of the First Amendment Effective Date and in consideration of the mutual promises and covenants contained herein, the parties agree as follows:

1. Term. This First Amendment shall commence on the First Amendment Effective Date and shall remain in effect through the Term of the Agreement. Notwithstanding anything to the contrary, the terms and conditions of the Agreement shall continue to apply for so long as we continue to provide the Applications to you after the expiration or earlier termination of this Agreement.

2. Replacement of Instant Pay with AdvanceConnect Single Call™. The Instant Pay™ promotional program described on page 9 of the Agreement was discontinued and that language is hereby deleted in its entirety. Provider has replaced Instant Pay™ with the AdvanceConnect Single Call™ payment product, which allows family members and friends to pre-pay for calls originating from inmates in correctional facilities. AdvanceConnect gives consumers the choice to pre-pay for multiple calls or for a single call just before connection using the AdvanceConnect Single Call™ feature. Friends and family may fund the minimum amount required to complete the current inbound call.

AdvanceConnect Single Call™ is commissioned like an AdvanceConnect™ call that does not use this feature. AdvanceConnect Single Call™ transactions are rated at the FCC-regulated fee (currently \$3 for automated transactions) plus the applicable per-minute rate and any applicable federal, state, and local taxes.

3. Changes to In-State AdvanceConnect Single Call™ and Inmate Debit Calling Rates. Within 7 days of the First Amendment Effective Date, the in-state (including local calls) calling rates for Direct Billed, AdvanceConnect (including AdvanceConnect Single Call™) and Inmate Debit set forth on page 11 of the Agreement will change. The new in-state calling rate for Direct Billed, AdvanceConnect (including AdvanceConnect Single Call™) and Inmate Debit calls will be \$0.938 for the first minute and \$0.311 for each additional minute. Prepaid Calling Card rates will not change.

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<u>CUSTOMER:</u> Cass County Sheriff's Office By: _____ Name: _____ Title: _____ Date: _____	<u>PROVIDER:</u> Securus Technologies, LLC By: _____ Name: Dennis J. Reinhold Title: Senior Vice President and General Counsel Date: _____
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governmental authority; third-party acts or inaction; or fluctuation or non-availability of electrical power, heat, light, air conditioning, parts, or equipment.

6. Except as expressly amended by this First Amendment, all of the terms, conditions and provisions of the Agreement shall remain in full force and effect. All capitalized terms used but not defined herein shall have the meaning set forth in the Agreement.

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<u>CUSTOMER:</u> Cass County Sheriff's Office By: _____ Name: _____ Title: _____ Date: _____	<u>PROVIDER:</u> Securus Technologies, LLC By: _____ Name: Dennis J. Reinhold Title: Senior Vice President and General Counsel Date: _____
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