



A Tradition of Stewardship
A Commitment to Service

Agenda Date: 3/15/2011

Agenda Placement: 7D

NAPA COUNTY BOARD OF SUPERVISORS Board Agenda Letter

TO: Board of Supervisors

FROM: LENARD VARE - Director
Corrections

REPORT BY: Bret Prebula, STAFF SERVICES MANAGER - 707-253-4342

SUBJECT: Approval of Professional Service Agreement with Securus Technologies for Inmate Telephone Service

RECOMMENDATION

Director of Corrections and Chief Probation Officer request approval of and authorization for the Chairman to sign a revenue agreement with Securus Technologies, Inc. to provide collect call telephone service to the inmates of the Napa County Department of Corrections and wards of Juvenile Hall at a commission rate to the County of 53% of the gross revenue billed, for the term March 15, 2011 through March 14, 2016.

EXECUTIVE SUMMARY

In 2004, H.I.G. Capital lead an acquisition and merger between T-Netix and Evercom Systems, two of the industry's largest companies. The merger of these two companies eventually formed Securus Technologies, Inc (Securus). While the merger was occurring Napa County Department of Corrections (NCDC) and Probation Department were under contract with T-Netix who continued to provide collect call telephone service throughout the merger process. Currently, the contract with T-Netix (now Securas) is open for renewal. Securus Technologies, Inc. provides both NCDC and the Napa County Juvenile Hall with high-quality service and excellent revenue potential. If approved, the current 5 year agreement shall guarantee NCDC and Napa County Juvenile Hall 53% of the gross revenue billed at each location. In addition, NCDC shall receive \$12,000 annually in additional compensation every year on the anniversary date of the contracts effective date through the life of the five year agreement.

With continued improvements to the technology offered by Securus the Departments wish to contract with the merged company at the rates described above. Once the proposed contract is complete, the Departments shall conduct an RFP (most likely in FY 2015-2016) to ensure the County continues to get the best value of revenue and technology.

FISCAL IMPACT

Is there a Fiscal Impact?	Yes
Is it currently budgeted?	No
What is the revenue source?	Commissions on the gross revenue billed for collect phone calls placed by inmates (53% commission rate) at the Napa County Department of Corrections and Napa County Juvenile Hall. In addition, the Napa County Department of Corrections shall receive a \$60,000 additional compensation signing bonus broken down through 5 annual payments of \$12,000 each year on the anniversary date of the execution of this agreement.
Is it Mandatory or Discretionary?	Mandatory
Is the general fund affected?	No
Future fiscal impact:	None, as it is not a County budgeted item as proceeds from this revenue source are deposited in the Inmate Welfare Fund.
Consequences if not approved:	If not approved, the Napa County Department of Corrections and Juvenile Hall will have to conduct a search to find a different firm to contract for services. The Department would not have the ability to utilize the technology currently in place and cause the following: <ul style="list-style-type: none"> a delay in realizing revenue related to these phone services a decrease in the amount of available revenue to use within the Inmate Welfare Fund a delay in service which would create a hardship and may cause the Department to violate section 851.5 of the California State Penal Code which entitles inmates immediately upon being booked and no later than 3 hours after being arrested three completed phone calls.

Additional Information:

ENVIRONMENTAL IMPACT

ENVIRONMENTAL DETERMINATION: The proposed action is not a project as defined by 14 California Code of Regulations 15378 (State CEQA Guidelines) and therefore CEQA is not applicable.

BACKGROUND AND DISCUSSION

In 2004, H.I.G. Capital lead an acquisition and merger between T-Netix and Evercom Systems, two of the industry's largest companies. The merger of these two companies eventually formed Securus Technologies, Inc (Securus). While the merger was occurring Napa County Department of Corrections (NCDC) and Probation Department were under contract with T-Netix who continued to provide collect call telephone service throughout the merger process.

Per the requested action, the current contract for the Inmate Telephone System is open for renewal and the Departments are requesting approval of a contract with Securus Technologies, Inc. Staff believes Securus offers the County the best blend of service, technology and overall revenue. Securus, as part of the agreement, is making

continuous improvements to the technology utilized for the Inmate Telephone System which will give the Departments improved investigative tools. In addition, the Departments shall have access to the Securus Secure Call Platform, a centralized digital network that offers a multitude of advantages including greater control over investigations, communications and inmate activities; increased efficiencies as the system can be managed from one single point of access; and disaster recovery abilities. In addition, Securus will provide a technology upgrade allowing the Departments to integrate Personal Identification Numbers for inmates. This interface will capture the current inmate roster and issue permanent ID numbers for all inmates. During an investigation, this personal identification will allow for easier searches of phone recordings and will improve the investigative functions used by the NCDC and other law enforcement agencies.

The proposed agreement shall provide the Inmate Welfare Fund (IWF) with revenue. Currently, the provider T-Netix has a commission rate with the Napa County Department of Corrections and Juvenile Hall at 53% of the gross revenue billed; the new provider Securus Technologies, Inc. has matched this commission rate of 53% of the gross revenue billed. This commission rate is above average, as most County Correction Facilities the size of Napa's have a rate closer to 40%. Furthermore, a one time \$60,000 signing bonus will be provided and allocated to the NCDC based on a 5 year payment plan of \$12,000 per annum on the anniversary date of the signing of this agreement. As a point of reference in Fiscal Year 2009-2010, the Inmate Welfare Fund received \$42,875 from commissions related to the Inmate Telephone System. Currently, through February 28th of Fiscal Year 2010-2011, the Inmate Welfare Fund has received over \$43,000 in revenue.

Under California Penal Code Section 4025, an Inmate Welfare Fund is mandated to provide services essential to the benefit, education and welfare of inmates. All revenues received from the proposed agreement with Securus shall be deposited within the Inmate Welfare Fund. These revenues shall fund dynamic inmate programs which better prepare inmates to become positive members of society upon release as well as purchasing other materials such as library books, periodicals, and card or board games. Without consistent and ongoing revenue sources related to the Inmate Welfare Fund it shall be difficult for the Department to continue to provide the dynamic services currently offered to the inmates.

Approval of the requested action shall allow the Departments to have no delays in service and continue to utilize the revenue received to offer programs and services to benefit the inmates of the Napa County Department of Corrections and wards of the Juvenile Hall. Upon the expiration of the requested agreement with Securus (FY 2015-2016) the Department shall conduct an RFP to ensure they continue to have the best overall technology and revenue as it relates to the Inmate Telephone System.

SUPPORTING DOCUMENTS

None

CEO Recommendation: Approve

Reviewed By: Liz Habkirk