

**JACKSON COUNTY, MISSOURI
SECOND AMENDMENT
TO
INMATE TELEPHONE SERVICE AGREEMENT
JACKSON COUNTY DEPARTMENT OF CORRECTIONS**

This Second Amendment ("Second Amendment") has an effective date of June 20, 2016 ("Second Amendment Effective Date") between Jackson County, Missouri ("Customer") and CenturyLink Public Communications, Inc. ("CenturyLink").

RECITALS

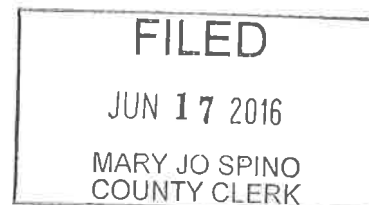
Whereas, Customer and CenturyLink entered into an Inmate Telephone Service Agreement ("Agreement") dated February 1, 2012 under which CenturyLink agreed to install and operate inmate telephones and related equipment at Customer's Facility.

Whereas, Customer and CenturyLink previously executed a First Amendment the Agreement effective May 1, 2012.

Whereas, Customer and CenturyLink desire to further amend the terms of the Agreement.

Now, therefore, in consideration of the promises and covenants contained herein, Customer and CenturyLink agree as follows:

1. **SECTION FIVE: COMPENSATION, Subsection A. of the Agreement is hereby deleted in its entirety and replaced with the following:**
 - A. CenturyLink shall pay Customer a commission of 55.3% on all Gross Revenue generated by and through the ITS including but not limited to all collect, pre-paid and debit inmate telephone calls. Gross Revenue consists of all compensation, earnings, gain, income, generated revenue, payment, proceeds or receipts paid to or received by CenturyLink and in any way connected to the provision of service pursuant to this Agreement. Gross Revenue includes, by way of example and not limitation, the following: all surcharges, per minute fees and any additional fees and/or charges generated by the completion of all calls (including any combination of free, collect, debit, and pre-paid local, intralata/intrastate, intralata/interstate, interlata/intrastate, interlata/interstate and international calls), additional fees and/or charges added to the total cost of a call or added to the called party's bill or any other compensation received by CenturyLink.
 1. Customer and CenturyLink agree to monitor the number of completed minutes of use, associated with Gross Revenue (i.e. excluding free calls), on a monthly basis following the Second Amendment Effective Date. In the event the monthly minutes of use, associated with Gross Revenue, exceed 650,000 minutes for any period of four (4) consecutive months following the Second Amendment Effective Date, CenturyLink shall increase Customer's commission based on the commission rates shown in the below tiered structure.



Monthly Minutes of Use (Sustained at Minimum Level for Four (4) Consecutive Months)	Commission Rate
0 – 650,000	55.3%
650,001 – 700,000	56.6%
700,001 – 800,000	58.6%

2. In the event monthly minutes of use, associated with Gross Revenue, exceed 800,000 minutes for any period of four (4) consecutive months following the Second Amendment Effective Date, CenturyLink and Customer shall mutually negotiate a further increase in the commission rate. Any changes to the commission rate will be documented in an amendment to this Agreement.
3. In the event the monthly minutes of use, associated with Gross Revenue, exceed the minutes of use thresholds as defined in Section 5, Subsections A.1 and A.2 and thus trigger the establishment of a new commission rate, and then after the establishment of this new commission rate decline to a lower level for a period of four (4) consecutive months, the commission rate will be further revised according to the table in Section 5, Subsection A.1 above.
4. In the event the monthly minutes of use, associated with Gross Revenue, exceeds 650,000 minutes consecutively for the four (4) months of traffic immediately following the Second Amendment Effective Date, CenturyLink agrees to remit a true-up to Customer for the total difference in commission paid at 55.3% and the commission amount that would have been paid to Customer at the applicable commission rate (specified in Section 5, Subsection A.1, above) for the entire four (4) month period. Such true-up payment shall be due to Customer on or before the 25th day of the month following the initial four (4) month period.
5. For maximum clarity, the initial four (4) month period relevant to Section 5, Subsection A.4 above will be defined as (1) June 20, 2016 through July 19, 2016, (2) July 20, 2016 through August 19, 2016, (3) August 20, 2016 through September 19, 2016, and (4) September 20, 2016 through October 19, 2016.

2. **SECTION FIVE: COMPENSATION, Subsection N. of the Agreement is hereby deleted in its entirety and replaced with the following:**

N. CenturyLink shall impose a monthly collect threshold of \$30.00 per each unique telephone number. CenturyLink shall not increase or decrease the collect threshold without Customer's express written consent.

3. **SECTION FIVE: COMPENSATION, Subsection P. of the Agreement is hereby deleted in its entirety.**

[THIS SECTION INTENTIONALLY LEFT BLANK.]

ATTACHMENT C: CALLING RATES AND FEES of the Agreement is hereby deleted in its entirety and replaced with the following:

ATTACHMENT C

CALLING RATES AND FEES

	First Minute	Additional Minute	
Local	\$0.10	\$0.10	\$0.50 per call
Intralata/Intrastate	\$0.10	\$0.10	\$0.25 per minute
Interlata/Intrastate	\$0.10	\$0.10	\$0.25 per minute
Intralata/Interstate	\$0.10	\$0.10	\$0.25 per minute
Interlata/Interstate	\$0.10	\$0.10	\$0.25 per minute
International (Debit Only) – Mexico and Canada	\$0.15	\$0.15	N/A
International (Debit Only) – All Other Countries	\$0.25	\$0.25	N/A

Bill Statement Fee	\$2.00
Pre-Paid Funding Fee (IVR, Web)	\$3.00
Pre-Paid Funding Fee (Live Operator)	\$5.95
Pre-Paid Funding Fee (Western Union Swift Pay)	\$5.50
Pre-Paid Funding Fee (Western Union Quick Collect)	\$9.95
Refund Fee	\$0.00
USF Administrative Fee	\$0.00
All Other Fees	Not Allowed
Monthly Collect Call Threshold	\$30.00

4. Except as expressly modified by this Second Amendment, the provisions and conditions of the original Agreement, including all Attachments are unchanged and shall remain in full force and effect. The original Agreement, as expressly amended by this Second Amendment, is the complete Agreement of the parties and supersedes all prior or contemporaneous agreements and representations, whether written or oral and may not be further modified or amended except by written amendment.


IN WITNESS WHEREOF, and intending to be bound as of this Second Amendment Effective Date, each of the Parties has caused this Second Amendment to be signed by its duly authorized representatives on the date(s) shown below.

JACKSON COUNTY

CENTURYLINK
COMMUNICATIONS, INC.

PUBLIC


Authorized Signature


Authorized Signature

Q. Troy Thomas, Chief Finance Officer
Typed or Printed Name

PAUL COOPER
Typed or Printed Name


CFO
Title

VP/GM
Title


June 16, 2016
Date:

6/15/2016
Date:

APPROVED AS TO FORM:


By: W. Stephen Nixon, County Counselor

ATTEST BY:


Mary Jo Spino, Clerk of the Legislature

Jackson County

CenturyLink Financial Proposal Evaluation

Calling Rate Comparison		Current Contract		Revised Rates	
Subject		Surcharge	Per Minute	Surcharge	Per Minute
Local	\$	2.05	\$ -	\$ -	0.10
Intralata	\$	2.05	\$ -	\$ -	0.10
Intrastate	\$	2.05	\$ -	\$ -	0.10
Interstate	\$	2.05	\$ -	\$ -	0.10
Local	\$	2.05	\$ -	\$ -	0.10
Intralata	\$	2.05	\$ -	\$ -	0.10
Intrastate	\$	2.05	\$ -	\$ -	0.10
Interstate	\$	2.05	\$ -	\$ -	0.10
Local	\$	2.05	\$ -	\$ -	0.10
Intralata	\$	2.05	\$ -	\$ -	0.10
Intrastate	\$	2.05	\$ -	\$ -	0.10
Interstate	\$	2.05	\$ -	\$ -	0.10

Call Cost Comparison		Current Contract		Revised Rates	
Subject		Avg. Call Cost	30 Minutes	Avg. Call Cost	30 Minutes
Local	\$	2.05	\$ 2.05	1.40	\$ 3.00
Intralata	\$	2.05	\$ 2.05	1.50	\$ 3.00
Intrastate	\$	2.05	\$ 2.05	2.00	\$ 3.00
Interstate	\$	2.05	\$ 2.05	2.60	\$ 3.00
Local	\$	2.05	\$ 2.05	2.10	\$ 3.00
Intralata	\$	2.05	\$ 2.05	2.10	\$ 3.00
Intrastate	\$	2.05	\$ 2.05	2.00	\$ 3.00
Interstate	\$	2.05	\$ 2.05	2.10	\$ 3.00
Local	\$	2.05	\$ 2.05	2.00	\$ 3.00
Intralata	\$	2.05	\$ 2.05	2.10	\$ 3.00
Intrastate	\$	2.05	\$ 2.05	2.10	\$ 3.00
Interstate	\$	2.05	\$ 2.05	1.90	\$ 3.00

Financial Impact (Based on Current Call Statistics)	Current Contract and Calling Rates (Current Commission Rate of 55.3%)		Revised Rates (Base Offer - 55.3%)		Revised Rates (650K Minutes for 4 Months - 56.6%)		Revised Rates (700K Minutes for 4 Months - 58.6%)	
	County	Monthly	County	Monthly	County	Monthly	County	Monthly
Est. Gross Revenue	\$ 65,513.56	\$ 786,162.70	\$ 66,957.73	\$ 803,492.80	\$ 66,957.73	\$ 803,492.80	\$ 70,000.00	\$ 840,000.00
Est. Compensation to Jackson County	\$ 42,976.89	\$ 515,722.73	\$ 37,027.63	\$ 444,331.52	\$ 37,898.08	\$ 454,776.92	\$ 41,020.00	\$ 492,240.00
Est. Gross Revenue Retained by CenturyLink	\$ 22,536.66	\$ 270,439.97	\$ 29,930.11	\$ 359,161.28	\$ 29,059.66	\$ 348,715.88	\$ 28,980.00	\$ 347,760.00
Est. Fee Revenue Generated by CenturyLink	\$ 19,329.69	\$ 231,956.25	\$ 11,078.65	\$ 132,943.75	\$ 11,078.65	\$ 132,943.75	\$ 11,078.65	\$ 132,943.75
Total CenturyLink Revenue	\$ 41,866.35	\$ 502,396.22	\$ 41,008.75	\$ 492,105.03	\$ 40,138.30	\$ 481,659.63	\$ 40,058.65	\$ 480,703.75

Financial Impact (Elasticity Applied)	Current Contract and Calling Rates (Current Commission Rate of 55.3%)		Revised Rates - 20% Elasticity		Revised Rates - 30% Elasticity		Revised Rates - 40% Elasticity	
	County	Monthly	County	Monthly	County	Monthly	County	Monthly
Est. Gross Revenue	\$ 65,513.56	\$ 786,162.70	\$ 80,349.28	\$ 964,191.36	\$ 87,045.05	\$ 1,044,540.64	\$ 93,740.83	\$ 1,124,889.92
Est. Compensation to Jackson County	\$ 42,976.89	\$ 515,722.73	\$ 47,084.08	\$ 565,016.14	\$ 51,008.40	\$ 612,100.82	\$ 54,932.12	\$ 659,185.48
Est. Gross Revenue Retained by CenturyLink	\$ 22,536.66	\$ 270,439.97	\$ 33,264.60	\$ 399,175.22	\$ 36,036.65	\$ 432,439.82	\$ 38,808.70	\$ 465,704.43
Est. Fee Revenue Generated by CenturyLink	\$ 19,329.69	\$ 231,956.25	\$ 11,078.65	\$ 132,943.75	\$ 11,078.65	\$ 132,943.75	\$ 11,078.65	\$ 132,943.75
Total CenturyLink Revenue	\$ 41,866.35	\$ 502,396.22	\$ 44,343.25	\$ 532,118.97	\$ 47,115.30	\$ 565,383.57	\$ 49,887.35	\$ 598,648.18

Notes to County:
 Jackson County has averaged ~670K minutes per month over the last 12 months.
 CenturyLink proposes 55.3% commission as a 'base offer' (regardless of minutes).
 CenturyLink proposes 56.6% commission if minutes per month average at least 650K for 4 consecutive months.
 CenturyLink proposes 58.6% commission if minutes per month average at least 700K for 4 consecutive months.
 With an elasticity of only 20% applied to current average monthly minutes, County is realizing over 800K in minutes per month.
 Fee revenue estimates remain unaffected by elasticity.