

FLORIDA PUBLIC SERVICE COMMISSION
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M E M O R A N D U M

November 20, 1996

TO: DIRECTOR, DIVISION OF RECORDS AND REPORTING (BAYO) *[Signature]*

FROM: DIVISION OF COMMUNICATIONS (KING, MCDONALD, TAYLOR, TUDOR) *[Signature]*
OFFICE OF GENERAL COUNSEL (MILLER) *[Signature]*

RE: DOCKET NO. 960598-TP - REQUEST FOR SUBMISSION OF PROPOSALS FOR PROVISION OF RELAY SERVICE, BEGINNING IN JUNE 1997, FOR THE FLORIDA TELECOMMUNICATIONS ACCESS SYSTEM ACT OF 1991

AGENDA: 12/02/96 - REGULAR AGENDA - ONLY STAFF AND THE PROPOSAL REVIEW COMMITTEE MAY SPEAK ON ISSUE 1

CRITICAL DATES: THE CURRENT CONTRACT WITH MCI EXPIRES 5/31/97.

SPECIAL INSTRUCTIONS: PLEASE PLACE THIS ITEM IMMEDIATELY AFTER THE CONSENT AGENDA TO REDUCE INTERPRETER COSTS

960598.RCM

CASE BACKGROUND

The Telecommunications Access System Act of 1991 (TASA) mandated that a statewide telecommunications relay service be provided beginning June 1, 1992. Florida's TASA required the development of a statewide relay service that would be capable of being certified by the FCC.

On August 15, 1991, the Commission issued a request for proposals (RFP) for relay service. On January 17, 1992, a three-year contract was signed with MCI to provide Florida's relay service. In August 1994 and in July 1995, MCI's contract was amended to extend its relay service contract for a fourth and fifth year. Our contract with MCI expires on May 31, 1997.

On August 14, 1996, the Commission issued its RFP for relay service. The RFP described the relay service that should be provided beginning June 1, 1997. Each bidder was required to submit its bid on the basis of a charge per billable minute for a three-year contract. Bids were received from 1) AT&T Communications of the Southern States, Inc. (AT&T) 2) MCI

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Telecommunications Corporation (MCI) and 3) Sprint Communications Company, Limited Partnership (Sprint).

The most recent RFP was in many cases similar to the previous RFP but it does contain somewhat different standards. For example, the RFP reflects two standards for answer time and blockage, one at the relay center and one from an end user's perspective. Definitions of the terms were also added for additional clarity. The RFP required that the caller get feedback from the communications assistant (CA) on the status of the call, such as dialing, ringing, or busy, 10 seconds after giving the CA the number to be dialed. This procedure was part of the previous RFP; however, the 10 second standard was not defined. The RFP also defined how total billable minutes per month will be rounded. A definition of billable minutes was in the previous RFP but it did not address monthly rounding. Therefore, with the modifications and clarifications it is believed that the contract to be signed will result in better relay service to Floridians.

A point system was used for evaluating the proposals. A weight of 60% was given to the technical aspect of the proposal and a weight of 40% was given to the price aspect of the proposal. The Proposals Review Committee (PRC), consisting of three FPSC staff members and two Advisory Committee members, evaluated each proposal. (In addition, three staff members from the Division of Auditing & Financial Analysis reviewed certain financial data in the proposals.) The price proposals were submitted in sealed envelopes separate from the company's technical proposal and were opened on November 18, 1996.

DISCUSSION OF ISSUES

ISSUE 1: Should the Executive Director issue the attached letter of intent (Attachment A, p.8) notifying all bidders of the Commission's decision to award a three year contract to MCI to be the provider of the statewide telecommunications relay service in Florida and to finalize and sign a contract with them to provide the Florida Relay Service?

RECOMMENDATION: Yes, the Executive Director should issue the letter of intent notifying all bidders that MCI should be awarded a three - year contract as the provider of the statewide telecommunications relay service in Florida, and the Executive Director should finalize and sign a contract with MCI to provide the Florida Relay Service.

STAFF ANALYSIS: TASA requires the Commission to establish a proposals review committee (PRC) that includes Commission staff and members of the Advisory Committee to evaluate the proposals received by the Commission. The PRC consists of five primary evaluators (three from the Commission staff and two from the Advisory Committee) and three staff accountants that evaluated two items in the technical filing (Items E-52 & E-54). In addition, one staff member contacted the bidders' references, and the results of these contacts were used by the PRC in the evaluation process. During the review period, approximately 200 letters (mostly form letters) were received from consumers supporting primarily one of the bidders. These letters were not solicited by the Commission and the other bidders were not given an opportunity to solicit letters of support. Therefore, these letters were not considered by the PRC in scoring the proposals.

EVALUATION OF BIDDERS

The technical proposals were evaluated using both a pass/fail criteria for some items and using a point rating for other items. Only upon completion of evaluating the pass/fail items were the evaluators advised to score the remaining items. The price proposals were not opened until after the technical evaluation took place.

The evaluators received specific forms in which to perform their evaluation (Form A, Form B, and Form C). The forms included the names of each of the bidders that filed proposals, a place for each evaluator to agree with the conflict of interest requirement contained in Section 427.704(3)(c), Florida Statutes, a place on each page of the evaluation form to score each of the bidders on

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the item referenced on that page, and on each page of the evaluation form a place for the evaluator to sign verifying that the score and notes on that page were his/hers.

The pass/fail items in Forms A and B were evaluated simultaneously by the two sets of evaluators. The evaluation team of accountants evaluated the two items mentioned above using Form A, while the primary technical evaluation team at the same time evaluated all other pass/fail items using Form B. After the pass/fail evaluation, the evaluators proceeded with scoring.

Utilizing Form C, each of the five technical evaluators independently assigned points to 22 items. The items rated had point values ranging from 25 to 200 points and included such things as experience, staff training, answer time and end user billing. Points were also awarded for relay center location based on the percentage of traffic that would be handled within the state. For example, if a provider were to handle 90% of the relay traffic in its Florida center then they would have been awarded 90 points. The total points from each evaluator (plus location points added to each evaluator's final score) on the technical proposals were added together to produce the total technical score.

The technical and price proposals were evaluated, as described above and in Section E of the RFP, using a weighting of 60% for the technical proposal and 40% for the price proposal. Thus, quality of the proposed system was given a 50% higher weight than price. The weighted percentage scores for the technical proposal and price proposal were then added together to produce a total score for each bidder. Table I is a summary of all of the bidders' scores for both the technical and price proposals along with their total score. The highest score is for MCI (.9736).

TABLE I

SUMMARY OF TECHNICAL AND PRICE PROPOSALS

		AT&T	MCI	SPRINT
Total Technical Points (Sum of points from each member of the PRC plus points for location of center)		7799.1	7618.8	7969
Highest Score	7969			
Technical Evaluation (Bidder's score/highest score) X .6		.5872	.5736	.6000
Price Per Minute		\$.64	\$.60	\$.65
Lowest Price	\$.60			
Price Evaluation (Lowest Price/Bidder's Price) x .4		.3750	.4000	.3692
Total Score (Technical evaluation + Price evaluation)		.9622	.9736	.9692

Based on the evaluation by the PRC of the technical proposals and the results of the price proposals, staff recommends that a letter of intent be issued notifying all bidders that MCI should be awarded the contract as Provider of the Florida Telecommunications Relay System. The staff will meet with MCI to finalize a contract for the Executive Director's signature.

Highlights of MCI's Proposal

MCI will continue to operate its relay center in Florida (currently located in Miami) and has committed to handling at minimum, 95% of all Florida traffic within the state. In addition, MCI will continue to subcontract with D.E.A.F., Inc. (Deafness Education and Advocacy Foundation, Inc.).

At no charge to the customer or State, MCI currently provides and will continue to provide a Customer Profile Option. This is a listing of customers who have expressed particular preferences about how their calls are to be handled.

Although the RFP only requires that communications assistants (CA) be tested on their basic skills in English grammar, MCI tests CAs for Spanish language grammar and spelling skills as well. In

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addition, while the RFP requires clarity of speech testing be performed on an annual basis, MCI will evaluate clarity of speech quarterly.

Finally, MCI's price per minute of \$.60 is \$.145 less than the current per minute rate of \$.745. At this rate it is expected that the state will save at least \$1.4 million a year (based on an estimated 9,515,000 billable minutes). It is believed these savings will increase because the number of billable minutes continues to grow.

Optional Services Not Included in Basic Relay Service but Available to Provide at Additional Cost

Bidders were asked to propose optional services (for which a separate price is proposed), that were not part of their basic relay service, and for which additional points will not be awarded. MCI's proposal discussed the following optional services:

- 1) Custom Calling Services (such as three-way calling)
- 2) Access to 900/976
- 3) Enhanced Transmission Speed and Interrupt Capability
- 4) Video Relay Enhancement
- 5) Text to Speech
- 6) Caller ID

Staff has not yet determined which of the optional services may be added to the basic relay service because the descriptions of some of the optional services are not very clear, and further discussion with the relay provider is necessary. Therefore, the FPSC staff and MCI will meet to discuss the conditions under which these optional services will be offered. If any of these services are made available at no additional cost to the Commission and either with or without a user fee, those will be included in the contract. If MCI proposes an additional charge to the basic contract for optional features, and staff recommends adding these services to the contract, staff will return to the Commission for approval before finalizing the contract.

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ISSUE 2: Should this docket be closed?

RECOMMENDATION: No.

STAFF ANALYSIS: This docket should remain open throughout the life of the contract.

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Attachment A

December 3, 1996

**DELIVERED VIA FAX AND
CERTIFIED MAIL
RETURN RECEIPT REQUESTED**

(Addressee)

Dear Sir or Madam:

The Florida Public Service Commission intends to award a 3 year contract as provider of the statewide telecommunications relay system in Florida to MCI Telecommunications Corporation.

Please accept our sincere thanks for participating in the RFP process. Your willingness to respond helps make the system function in a fair and responsible manner and allows the Commission to effectively allocate its resources.

You are reminded that pursuant to Commission Rule 25-25.021 any party adversely affected by the Commission's decision or intended decision shall file protests within the time prescribed in Section 120.53(5), Florida Statutes.

Any person affected by the agency's intended decision shall file with the Florida Public Service Commission a notice of protest in writing within 72 hours after receipt of the notice of agency decision and shall file a formal written protest within 10 days after filing the initial protest. Such formal written protest shall state with particularity the facts and law upon which the protest is based. Failure to file a protest within the prescribed time shall constitute a waiver of proceedings under Chapter 120, Florida Statutes.

All documents should be filed in Docket No. 960598-TP and should be addressed to Blanca Bayo at Division of Records and Reporting, Florida Public Service Commission, 2540 Shumard Oak Blvd., Tallahassee, Florida 32399-0850, Attention: Richard Tudor.

Sincerely,

William D. Talbott
Executive Director