

State of Florida



Public Service Commission

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD
TALLAHASSEE, FLORIDA 32399-0850

-M-E-M-O-R-A-N-D-U-M-

DATE: September 22, 2014

TO: Office of Commission Clerk (Stauffer)

FROM: Office of Telecommunications (Williams) *SW*
Office of the General Counsel (Page) *SMC. THP*

RE: Docket No. 140029-TP – Request for submission of proposals for relay service, beginning in June 2015, for the deaf, hard of hearing, deaf/blind, or speech impaired, and other implementation matters in compliance with the Florida Telecommunications Access System Act of 1991.

AGENDA: 10/02/14 – Regular Agenda – Participation is Limited to Commissioners and Staff

COMMISSIONERS ASSIGNED: All Commissioners

PREHEARING OFFICER: Administrative

CRITICAL DATES: Current contract with AT&T expires on May 31, 2015.

SPECIAL INSTRUCTIONS: Please place at the beginning of the agenda or at a time certain to reduce interpreter costs.

Case Background

The Telecommunications Access System Act of 1991 (TASA), Chapter 427, Part II, Florida Statutes, charges the Florida Public Service Commission (Commission) with the responsibility of selecting a relay provider and overseeing the administration of the system. The Commission currently contracts with AT&T for the provision of relay service. The existing Florida relay service provider contract expires May 31, 2015. On January 16, 2014, AT&T provided written notice to the Commission that it does not intend to extend the relay provider contract into the option periods when the existing contract to provide relay service in Florida expires.

At the June 5, 2014 Agenda Conference, the Commission approved the issuance of the Request for Proposals (RFP). Accordingly, a Notice of Bid/Request for Proposal (Notice) was published in the Florida Administrative Register on June 12, 2014. Staff also posted a link to the RFP on the home page of the Commission's website under Hot Topics and placed it on the Florida Department of Management Services Vendor Bid System. The deadline for filing proposals was August 8, 2014. Hamilton Telecommunications (Hamilton) and Sprint Communications Company, L.P. (Sprint) submitted proposals in response to the Commission's RFP.

A proposal review committee (PRC) was established which consisted of nine members, one from the TASA Advisory Committee and eight members from Commission staff. Two of the staff members served as accountants reviewing the financial information of the companies. Five staff members, plus the TASA member, reviewed and scored the technical aspects of the proposals. A staff member was selected by the Director of the Office of Telecommunications to serve as the PRC Chairman. To remain independent, the PRC Chairman did not participate in the scoring of the financial or technical proposals. The role of the PRC Chairman was to coordinate and oversee the procurement process, to gather materials from references specified by the bidders, to interface with the bidders regarding clarifications and questions about their proposals, and to tabulate scores to identify the winning bidder.

Evaluation of the proposals began with a pass/fail evaluation of 34 quasi-technical (non-financial) and two financial aspects of the proposals. This was followed by an evaluation of 36 technical aspects of the proposals, with an assignment of numerical scores for each of the technical items. As previously approved by the Commission, a weight of 50 percent was applied to the technical aspect of the proposals and a weight of 50 percent was applied to the price aspect of the proposals. The price proposals were submitted in sealed envelopes separate from the companies' technical proposals and were opened in the Office of the Commission Clerk on September 5, 2014, after the technical scoring was completed.

This recommendation addresses which provider the Commission should select as the relay services provider. The Commission has jurisdiction pursuant to Section 427.704, Florida Statutes.

Discussion of Issues

Issue 1: Should the Commission select Sprint as the relay service provider and direct the Commission's Executive Director or designee to: (1) issue the attached letter of intent (Attachment A); (2) provide notice on the Florida Department of Management Services Vendor Bid System of the Commission's decision to award a three-year contract to Sprint to be the provider of the statewide telecommunications relay service in Florida; and (3) finalize and sign a contract with Sprint to provide the Florida Relay Service?

Recommendation: Yes, based upon the RFP evaluation process, the Commission should select Sprint as the relay service provider and direct the Commission's Executive Director or designee to: (1) issue the attached letter of intent (Attachment A); (2) provide notice on the Florida Department of Management Services Vendor Bid System of the Commission's decision to award a three-year contract to Sprint to be the provider of the statewide telecommunications relay service in Florida; and (3) finalize and sign a contract with Sprint to provide the Florida Relay Service. **(Williams, Page)**

Staff Analysis: The RFP encompassed the factors set out in Section 427.704(3)(a), Florida Statutes, as to how the provider of the telecommunications relay service should be selected by the Commission. Section E of the RFP, entitled "The Evaluation Method to be Used and Filing Checklist," provides specific instructions and guidelines for the evaluation of bidders' proposals. In accordance with the instructions, each bidder's weighted percentage score for its technical proposal and its price proposal were added together and the bidder with the highest total is recommended by the PRC to the Commission.

Evaluation of Bidders

The PRC evaluated the technical proposals using a pass/fail criterion for some items and a point rating system for other items. Each bidder successfully advanced beyond the pass/fail section. After evaluating the pass/fail items, the evaluators scored the technical items and the technical scores were calculated. The price proposals were not opened until after the technical evaluations were completed.

The evaluators received specific forms on which to record their evaluations. The forms included an affidavit that each evaluator signed accepting the conflict of interest requirement contained in Section 427.704(3)(c), Florida Statutes. Also, each page of the forms included a place for the evaluator to indicate the date the evaluation was performed, a signature line, and a place to score the points or enter a pass/fail, whichever was appropriate for the item under evaluation.

Assignment of Points

Each technical evaluator independently assigned points within the RFP allotted range to 36 items. The items rated had maximum point values ranging from 25 to 200 points. The total points from each evaluator were added together to produce the total technical score for each bidder.

The technical and price proposals were evaluated, as described in Section E of the RFP, using a weighting of 50% for the technical and 50% for the price (broken down into 18.14% for TRS and 31.86% for CapTel). The weighted percentage scores for the technical proposal and the price proposal were then added together to produce a total score for each bidder. Table A below shows the results of the scoring.

TABLE A
Summary of the Technical and Price Proposals

| | Hamilton | Sprint |
|--|-----------------|---------------|
| Total Technical Points | 16,132.3 | 16,652.2 |
| Highest Technical Score - Sprint | 16,652.2 | |
| Technical Evaluation (Bidder's score/highest possible score) X 0.5 | .4302 | .4441 |
| Price Per Minute for TRS | \$1.80 | \$1.09 |
| Lowest Price – Sprint | \$1.09 | |
| Price Evaluation for TRS (Lowest Price/Bidder's Price) X 0.1814 | 0.1098 | 0.1814 |
| Price Per Minute for Captioned Telephone | \$1.61 | \$1.63 |
| Lowest Price – Hamilton | \$1.61 | |
| Price Evaluation for Captioned Telephone (Lowest Price/Bidder's Price) X 0.3186 | 0.3186 | 0.3147 |
| Total Score (Technical Evaluation + Price Evaluation) | 0.8586 | 0.9402 |

Analysis of the Scoring

As shown in Table A, Sprint received the highest technical rating with 16,652.2 points. Hamilton received 16,132.3 total points. Five of the six technical evaluators scored Sprint the highest, with one evaluator scoring Hamilton the highest. Sprint offered the lowest price per session minute for TRS at \$1.09. Hamilton's TRS price per session minute was \$1.80. Hamilton offered the lowest price per minute for captioned telephone at \$1.61. Sprint's captioned telephone price per minute was \$1.63.

Highlights of Sprint's Proposal

- **Sprint will hire an in-state Customer Relations Manager** to lead the Consumer Input program, coordinate outreach efforts with the Florida Telecommunications Relay, Inc. (FTRI), and to address relay user issues.
- **Designate a Florida Relay Quality Manager** to oversee all areas of training, quality assurance, monthly testing, and customer feedback.
- **Conduct monthly TRS and CapTel Quality compliance Testing** using an experienced third-party evaluator.

Conclusion

Of the two bidders, the one with the highest total score is Sprint (see Table A). As required by Section E of the RFP, staff recommends that the Commission contract with Sprint to provide the Florida Relay service for the next three years (June 2015 - May 2018) with the option of four additional one-year periods upon mutual agreement.

Based on the evaluation by the PRC of the technical and price proposals, staff recommends that a letter of intent be issued to both bidders that Sprint should be awarded the contract of Provider for the Florida Telecommunications Relay system. Staff should be directed to meet with Sprint to finalize a contract for the Executive Director or designee's signature.

FINALIZATION OF THE CONTRACT

After Commission vote on this recommendation, the Commission will post on the Florida Department of Management Services Vendor Bid System the notice of its decision. Persons will have 72 hours after the posting of the notice to protest the decision. In addition, the attached letter of intent (Attachment A) to contract with Sprint for relay service will be sent by certified mail to the two bidders. If no protest is filed in accordance with Section 120.57(3), Florida Statutes, using the electronic posting as the start date, staff should be directed to work with Sprint to finalize contract language and incorporate Sprint's response to the RFP as the contract. The contract is to be signed by an authorized Sprint representative, and the Commission's Executive Director or designee. Two originals would be signed so each party has an original signed contract.

Issue 2: Should the Commission approve the appointment of Mr. Rick Kottler as a TASA advisory committee member effective immediately?

Recommendation: Yes, the Commission should approve the appointment of Mr. Rick Kottler as a TASA advisory committee member effective immediately. **(Williams)**

Staff Analysis: Section 427.706, Florida Statutes, provides that the Commission shall appoint an advisory committee of up to 10 members to assist the Commission with Florida's relay system. By statute, the advisory committee provides the expertise, experience, and perspective of persons who are deaf, hard of hearing, or speech impaired to the Commission and the administrator during all phases of the development and operation of the telecommunications access system. The advisory committee advises the Commission and the administrator on the quality and cost-effectiveness of the telecommunications relay service and the specialized telecommunications devices distribution system. Members of the committee are not compensated for their services but are entitled to per diem and travel expenses provided through the Florida Public Service Commission's Regulatory Trust Fund.

Ms. Kim Schur, Director of the Center for Hearing and Communication in Ft. Lauderdale, has served on the TASA committee for many years. Ms. Schur recently retired and is no longer able to serve on the TASA committee. Ms. Lori Timson, President of the Deaf Service Center Association of Florida, recommended Mr. Rick Kottler to take Ms. Schur's place on the TASA committee. Mr. Kottler is Executive Director of the Deaf and Hard of Hearing Services of the Treasure Coast in Jensen Beach, Florida, and has served on the TASA committee previously. Staff supports this nomination and recommends that the Commission should approve Mr. Rick Kottler as a TASA advisory committee member effective immediately.

Issue 3: Should this docket be closed?

Recommendation: No. This docket should remain open for the life of the contract. **(Page)**

Staff Analysis: This docket will be used to address all matters related to the relay service throughout the life of the contract. Therefore, this docket should remain open for the life of the contract.

September xx, 2014

DELIVERED VIA FAX AND
CERTIFIED MAIL – RETURN RECEIPT REQUESTED

(ADDRESSEE)

Dear (addressee):

It is the intent of the Florida Public Service Commission to award a three year contract as provider of the statewide telecommunications relay system in Florida to Sprint. Please accept our sincere appreciation for participating in the RFP process.

You are reminded that pursuant to Section 120.57(3), Florida Statutes, any party choosing to file a protest of the Commission's intent to award the contract to Sprint must do so within 72 hours after the decision is posted on the Florida Department of Management Services Vendor Bid System 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 presubscribed time shall constitute a waiver of proceedings under Chapter 120, Florida Statutes.

All documents should be filed in Docket No. 140029-TP and addressed to Ms. Carlotta Stauffer, Office of Commission Clerk, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, Attention: Pamela Page.

Sincerely,

Executive Director or Designee