



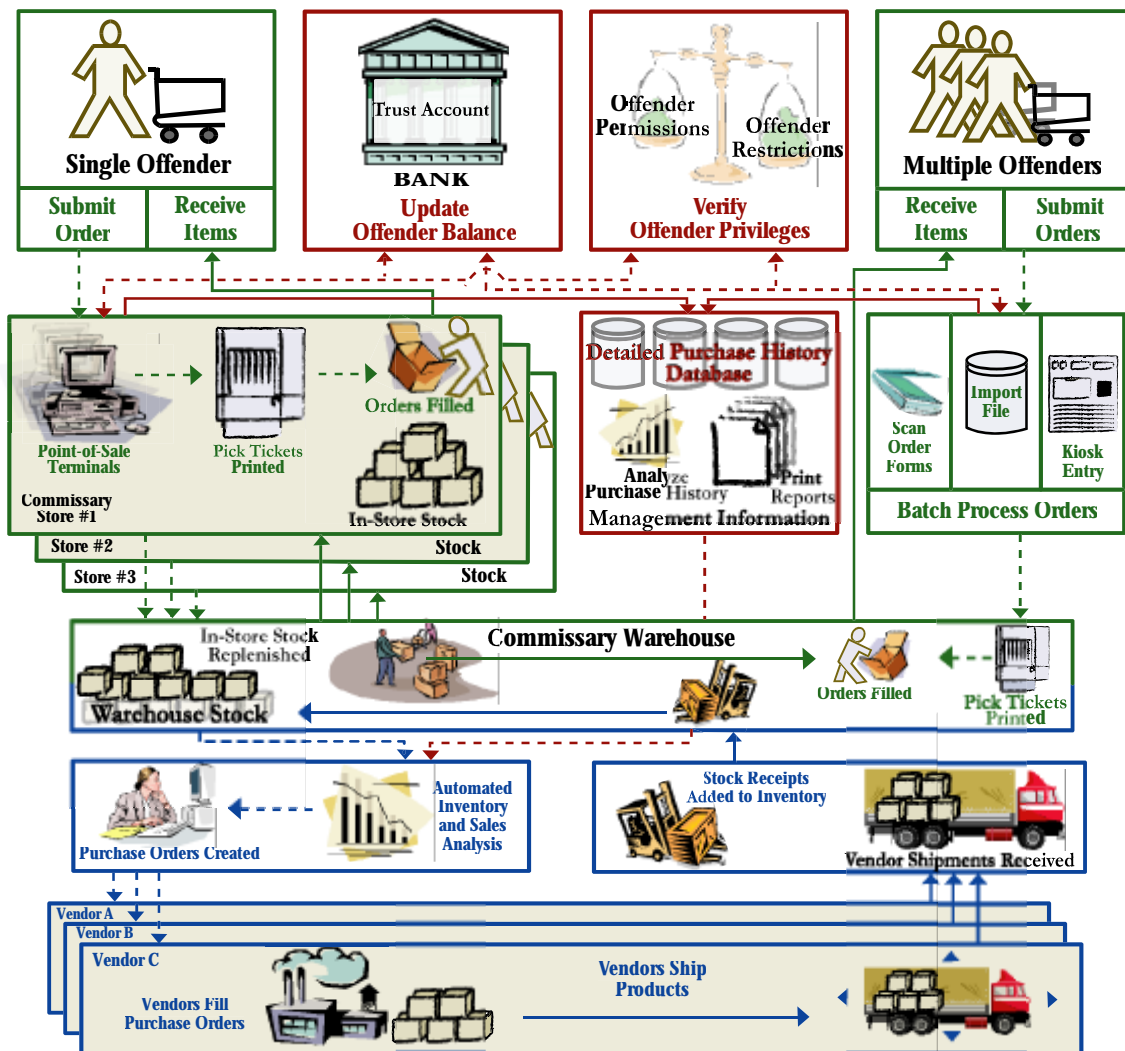
OFFENDER MANAGEMENT SUITE

COMMISSARY OPERATIONS

"standing guard with unusual discernment and foresight"

Executive Overview

OMS Commissary Operations is a state-of-the-art commissary system specifically designed for the unique requirements of the Corrections industry. It manages commissary operations and inventory for multiple correctional facilities. Through sophisticated automation routines for purchasing, inventory management and sales processes that support earned incentive programs, the system dramatically reduces personnel time needed to conduct business. At the same time it improves data accuracy and provides a comprehensive set of analytical tools to aid commissary operations and facility security. Pictured below is a high level overview of the application process:



COMMISSARY

System Benefits

- **Faster and More Accurate Commissary Transactions**

The system automates all pre-sales checks needed to verify whether the offender is allowed to purchase a particular item, including implementing the DOC's earned incentive programs such as spending limits, access to items, quantity limits etc. Its real-time interface with the Offender Funds Administration system ensures that offenders are not able to spend more than their available funds. By collecting these disparate functions into one cohesive activity, the system also ensures accuracy of information.

- **Reduce Personnel Required For Commissary and Warehouse Inventory Management**

Through the use of sophisticated software routines, UPC scanners and handheld devices, the system reduces the amount of human resources required to process commissary orders and manage warehouse inventory.

- **Increased Accessibility to Useful Information**

The Commissary system's database is specifically designed to allow detailed analysis of offender transactional history from virtually any perspective (e.g., date, location, organization, offender, item, etc). There are numerous reports that enable warehouse, business office and security personnel to discharge their responsibilities with ease. The Commissary Operations system supports the use of third-party statistical analysis software to access its database.

- **Centralize Control and Program Review**

Customers can choose whether to implement database servers at each individual site, or one database at a central site. The Commissary system employs a highly optimized custom transactional message queuing technology for data replication which allows customers to enjoy the benefits of a central server, even if they have independent servers deployed at each site.

The system uses the same technology to support a hierarchy of rules. At the central server, users can enter information such as policy changes and general ledger updates that are replicated to each institution. This allows central office to set the parameters which govern the application behavior. Similarly, each institution, and housing unit can set their own parameters.

- **Increase Efficiency in Purchase Order Processing**

The Commissary system incorporates very sophisticated inventory and sales analytics to determine optimal levels of inventory. The user has the option to use the system's recommendation to generate purchase orders, thereby freeing them from complex and time-consuming inventory calculations.

- **Increase Commissary Profitability**

With access to real-time information, sophisticated analytics, and automated purchase ordering users are able to better manage their inventory assets. The system has demonstrated its ability to simultaneously increase inventory turnover while also increasing fill rates. This reduces the capital needed to purchase inventory and personnel needed to manage inventory while maximizing sales by eliminating outages of fast moving and higher margin items. All of these directly lead to increased profitability.

- **Auditable Transactions**

Each transaction entered in the system is stamped with date, time, user ID, and location ID. Transaction cannot be deleted or changed after it is written to the database. Changes can only be made by adding a new transaction to void previous entry. In combination, the systems transaction logging, on-line queries, and extensive reporting capabilities provide a complete audit-trail for all transactions.

System Features

System functionality is extensive and is specifically designed to be customized. Key features of the Commissary Operations System are described below:

● Sales Process

The system offers multiple ways to execute commissary transactions ranging from point-of-sale terminals, to scanning bubble coded order forms, to batch processing of imported order files. All methods provide for validation of inmate privileges, real time debits to the offender account and real-time inventory update.

Each offender order that is processed goes through numerous checks to determine availability of funds, availability of inventory, and to verify whether the offender is permitted to purchase ordered items based on medical conditions and privilege levels. The following provides more detail on how the checks are established.

■ Quantity Limits

Limits can be established in the following ways:

- ▶ unit or dollar amounts
- ▶ item, category and department level
- ▶ per purchase or for inmate's lifetime

The system will compute and impose the most restrictive limit.

■ Permitted & Restricted Lists

Lists of items that are allowed to be purchased can be created as "Permitted Lists". Lists of items that are not allowed to be purchased can be created as "Restricted Lists". Both of these types of lists can be assigned to an offender, a living unit, and/or an entire facility. Each list can contain multiple items and impose its own dollar limit. Multiple lists can be applied to an offender at the same time.

■ Offender-Specific Limits

In addition to the restrictions mentioned above, offenders can have specific limits assigned to them including:

- ▶ Purchase Dollar Limit - maximum dollars to be spent on a given order/visit.
- ▶ Restricted Items - specific items a given offender is not allowed to order.
- ▶ Item Quantity Limit - specific quantity limit for a Restricted Item.
- ▶ Restriction Reason Code - for each restricted item, a specific code can be assigned to provide clarification.

Examples are: Disciplinary, Drug Interaction, or Diabetic.

● Purchasing and Receiving Process

The Commissary system tracks current rate of consumption and inventory levels for each item. This information combined with user determined shelf quantity and lead time for product delivery is used to determine appropriate inventory levels. The system suggests purchase order quantities and tracks the receipts to ensure proper accounting of payables.

To simplify this process and reduce costs, the system supports the purchase of items in bulk while sales are made in smaller denominations. For example, commissary may sell cigarettes in packs while purchasing may be done in carton or a case level. All the cost accounting, inventory and markup calculations are automatically handled by the Operations System.

- **Vendor Information**

Store and keep track of vendor information including: corporate address, billing address and multiple contacts for each vendor. There are also indicators for vendors who do partial shipments which tie into the backorder processing engine. The system tracks vendors' performance in terms of their ability to meet promised delivery dates.

- **Inventory Management**

Users define parameters to be used in managing inventory which are used in conjunction with purchasing and sales history to manage inventory levels. Some of the parameters controlled by the user are listed below.

- ▶ Historical Period -the time period used to compute the average weekly sales
- ▶ Lag Time - time period used by each vendor to deliver an order.
- ▶ Shelf Life - target number of weeks for inventory turnover.
- ▶ Reorder Lot - the unit quantity to be used when reordering items.

Each institution may have multiple inventory locations, as defined by person(s) responsible for the inventory. The system tracks inventory by location so that authority and responsibility are tied together. It allows for the inventory to move between locations through a formal inventory movement order. To facilitate physical count of inventory, users have the option of using the same handheld computers that are used to receive items at the warehouse.

- **Inventory Item Information**

The system maintains many other item specifics such as description, UPC code, vendor and vendor-SKU, department and category classifications, markup, and other qualifiers. These are used to help the DOC have a better view of inmate's purchasing habits and trend analysis.

- **Integration with DOC's General Ledger**

Every transaction in the Commissary System links to a transaction type; purchases, sales, inventory adjustment, etc. For each transaction type, business office personnel can assign general ledger codes. ATG will customize the Commissary System's general ledger interface to ensure that all necessary transactions can be electronically sent to the DOC's general ledger in a format the latter can handle.