

**MEMORANDUM OF
UNDERSTANDING
BETWEEN
MONTANA DEPARTMENT OF CORRECTIONS
MONTANA CORRECTIONAL ENTERPRISE DIVISION
AND
CCA OF TENNESSEE, LLC, CROSSROADS CORRECTIONAL CENTER
FOR THE PURPOSE OF
ROUGH CUT AND REPURPOSED WOOD PRODUCT MANUFACTURING**

1. PARTIES

The Montana Department of Corrections (DEPARTMENT) and CCA of Tennessee, LLC, Crossroads Correctional Center (CONTRACTOR) enter into this Memorandum of Understanding (#MCE 2016-6). The parties' names, addresses, and telephone numbers are as follows:

Montana Department of Corrections (DOC)
Montana Correctional Enterprises (MCE)
350 Conley Lake Road
Deer Lodge, MT 59722
(406) 846-1320 ext. 2772

Crossroads Correctional Center
50 Crossroads Drive
Shelby, MT 59474
(406) 434-7055

DEPARTMENT AND CONTRACTOR, AS PARTIES TO THIS MEMORANDUM OF UNDERSTANDING AND FOR THE CONSIDERATION SET FORTH BELOW, AGREE AS FOLLOWS:

2. DUTIES/RESPONSIBILITIES OF DEPARTMENT AND CONTRACTOR

The DEPARTMENT agrees to:

- A. supply the CONTRACTOR with raw materials such as rough cut and repurposed lumber, supplies, and minor tools for the construction of wooden articles.
- B. issue written orders with detailed specifications for wooden articles.
- C. provide all transportation for raw materials and supplies to Shelby and finished goods from Shelby to Deer Lodge.
- D. accept DOC offenders housed at CONTRACTOR's facility to work in the MCE program and pay them as per the MCE Days Pay and Reentry Savings policies.
- E. provide initial instruction and quality control standards on the wooden articles.

The CONTRACTOR agrees to:

- A. submit monthly payroll and evaluation records for the inmate workers to the DEPARTMENT by the 2nd business day of each month.
- B. provide the location and physical requirements for the manufacturing.
- C. meet the quality requirements set by the DEPARTMENT.
- D. keep the raw materials and supplies provided by the DEPARTMENT physically separated from other inventories.
- E. provide, select, and supervise offender workers to manufacture articles made of rough cut and repurposed wood.

Both the DEPARTMENT and the CONTRACTOR agree that:

- A. this is a pilot program for the first six months and if both parties agree to continue the program after that period, the DEPARTMENT will supply equipment.
- B. products will be sold only through state of Montana retail dealers under contract with the DEPARTMENT.

The DEPARTMENT has assured the CONTRACTOR that:

- A. the program does not fall under the Prison Industry Enhancement Certification Program (PIECP) guidelines as set forth in 18 U.S.C. § 1761 as inmate products will not be sold in interstate commerce.
- B. the program complies fully with federal, state and local laws governing the use of inmate labor.

3. COMPENSATION/BILLING/OUTCOMES

The only compensation to be paid through this MOU is to the inmate workers assigned to the program. The inmate workers will be paid by the DEPARTMENT, specifically MCE. MCE shall compensate the offender workers as per MCE 5.1.2 Inmate Pay and MCE 5.1.2.200 Reentry Savings Program policies. All offender monies will be deposited into DEPARTMENT'S offender trust accounting system by DEPARTMENT employees.

No other compensation will be paid to or due to either the DEPARTMENT or the CONTRACTOR during the term of this agreement.

4. TIME OF PERFORMANCE

This Memorandum of Understanding shall take effect on July 1, 2016 and shall terminate on June 30, 2017, unless terminated earlier in accordance with the terms of this Memorandum of Understanding. The program from July 1, 2016 to December 31, 2016 shall act as pilot program after which date, both parties will evaluate it for economic feasibility and continuance. This Memorandum of Understanding may, upon mutual agreement and according to the terms of the existing Memorandum of Understanding, be renewed for a period not to exceed a total of five (5) additional years.

Upon expiration of this Memorandum of Understanding, and in the absence of a new written agreement, the terms listed herein shall continue to govern the agreement between the parties until such time as a new Memorandum of Understanding is signed.

5. LIAISONS AND NOTICE

- A. Clara Morrison, 350 Conley Lake Road, Deer Lodge, MT 59722 (406) 846-1320 ext. 2434 or successor serves as DEPARTMENT liaison for orders and production.
- B. Ross Wagner, 350 Conley Lake Road, Deer Lodge, MT 59722 (406) 846-1320 ext. 2322 or successor serves as DEPARTMENT liaison for negotiations and MOU issues.
- C. Doug Fender, 50 Crossroads Drive, Shelby, MT 59474 (406) 434-7401 or successor serves as Contractor's liaison for all purposes. Copy to General Counsel, CCA of Tennessee, LLC, 10 Burton Hills Blvd., Nashville, TN 37215.

- D. All notices and invoices required in this Memorandum of Understanding shall be in writing, properly addressed to the liaison in (A) and (B) above, and mailed first-class, postage prepaid. All notices sent via U.S. Postal Service are deemed effective on the date of postmark. Notices and invoices mailed through another carrier (e.g., UPS or FedEx) are effective upon receipt.

6. HOLD HARMLESS AND INDEMNIFICATION

- A. Each party agrees that it is financially responsible (liable) for its own respective audit exceptions, if any, or other financial loss due to its negligence, intentional acts, or failure for any reason to comply with the terms of this MOU.
- B. Each party agrees to protect, defend, indemnify, and hold harmless the other party, its elected and appointed officials (if any), agents and employees, from and against all legal, equitable or administrative claims, causes of action, damages, losses and expenses of any kind or character including but not limited to reasonable attorneys' fees and the cost of defense (collectively, "Claims") arising from the indemnifying party's negligence, intentional acts, or failure to comply with the terms of this MOU in favor of the other's employees or third parties on account of bodily injury, sickness, disease, death, personal injury, violation of inmates' constitutional or statutory rights or injury to or destruction of tangible property. A party shall not be entitled to indemnification for Claims which are solely due to the fault or negligence of the party seeking indemnity unless said party's officials, agents, or employees are acting under the immediate direction or control of the other party.
- C. Each party agrees that with respect to Claims arising under or relating to this MOU, the foregoing indemnification provision of this Section 6 shall govern notwithstanding the absence of such a provision or the presence of any conflicting provision in the Operations and Management Contract between the parties dated September 1, 1999.

7. AMENDMENTS

All amendments to this Memorandum of Understanding shall be in writing and signed by the parties.

8. TERMINATION AND DEFAULT

- A. The DEPARTMENT may, by written notice to Warden Doug Fender or successor, terminate this Memorandum of Understanding in whole or in part at any time CONTRACTOR fails to perform as required in this Memorandum of Understanding.
- B. Either party may terminate this Memorandum of Understanding without cause by providing written notice to the other as described in this paragraph. The party desiring to terminate the Memorandum of Understanding shall provide written notice to the other, which notice will establish a termination date not less than thirty (30) days from the date of such notice.

9. INTEGRATION

This Memorandum of Understanding contains the entire agreement between the parties and no statement, promises, or inducements made by either party or agents thereof, which are not contained in the written Memorandum of Understanding, shall be binding or valid. This Memorandum of

Understanding shall not be enlarged, modified, or altered except upon written agreement signed by all parties to the Memorandum of Understanding.

10. **SEVERABILITY**


A declaration by any court, or any other binding legal source, that any provision of this Memorandum of Understanding is illegal and void shall not affect the legality and enforceability of any other provision of this Memorandum of Understanding, unless the provisions are mutually dependent.

11. **COMPLETED MEMORANDUM OF UNDERSTANDING**

The DEPARTMENT cannot disburse any payments under this Memorandum of Understanding until a fully executed original Memorandum of Understanding is returned to the Department of Corrections, Contracts Management Bureau, P.O. Box 201301, Helena, MT 59620-1301.

SIGNATURE


DEPARTMENT OF CORRECTIONS



Gayle Lambert, Administrator
Montana Correctional Enterprises

9-10-16
Date


Approved for Legal Content by:



Department of Corrections


9/6/16
Date

**CCA OF TENNESSEE, LLC
CROSSROADS CORRECTIONAL
CENTER**



Doug Fender, Warden
Crossroads Correctional Facility

9/29/16
Date



CCA of Tennessee, LLC

10/19/16
Date

