

**CONTRACT AMENDMENT NO. 2
CONTRACT FOR OFFENDER TRANSPORT SERVICES
CONTRACT # COR14-2857A**

This CONTRACT AMENDMENT is to amend the above-referenced contract between the State of Montana, Department of Corrections, (STATE), whose address and phone number are 5 South Last Chance Gulch, Helena, MT 59620-1301, and 406-444-3930 and Community Counseling and Correctional Services, Inc. (CONTRACTOR), whose address and phone number are 471 East Mercury, Butte, MT 59701 and 406-782-0417. This Contract is amended for the following purpose(s):

- 1) State and Contractor mutually agree to change section 12.4 Specific Requirements for Automobile Liability to the following:

12.4 Specific Requirements for Automobile Liability. The contractor shall purchase and maintain occurrence coverage with combined single limits of \$5,000,000 per occurrence to cover such claims as may be caused by any act, omission, or negligence of the contractor or its officers, agents, representatives, assigns, or subcontractors. The State, its officers, officials, employees, and volunteers are to be covered and listed as additional insured for automobiles owned, leased, hired, or borrowed by the Contractor.

Except as modified above, all other terms and conditions of Contract COR14-2857A remain unchanged.

STATE OF MONTANA

Department of Corrections
PO BOX 201301
Helena, MT 59620-1301

Community Counseling and Correctional
Services, Inc.
471 East Mercury
Butte, MT 59701
FEDERAL ID # 81-0413419

BY: Kevin Olson, PPD Administrator
(Name/Title)

BY: Mike Thatcher
(Name/Title)


(Signature)


(Signature)

DATE: 4/1/16

DATE: 4/1/16

Approved as to Legal Content:

Colleen Ambrose 3-31-16
Legal Counsel (Date)

Approved as to Form:

Lisa Snyder March 24, 2016
Procurement Officer (Date)
State Procurement Bureau

**CONTRACT AMENDMENT NO. 1
CONTRACT FOR OFFENDER TRANSPORT SERVICES
CONTRACT # COR14-2857A**

This CONTRACT AMENDMENT is to amend the above-referenced contract between the State of Montana, Department of Corrections, (STATE), whose address and phone number are 5 South Last Chance Gulch, Helena, MT 59620-1301, and 406-444-3930 and Community Counseling and Correctional Services, Inc. (CONTRACTOR), whose address and phone number are 471 East Mercury, Butte, MT 59701 and 406-782-0417. This Contract is amended for the following purpose(s):

- 1) In accordance with the section entitled Effective Date, Duration, and Renewal, both parties mutually agree to extend this Contract for the period January 1, 2015, through December 31, 2016 per the terms, conditions, and prices agreed upon. This is the first renewal, second and third years of the Contract.

Except as modified above, all other terms and conditions of Contract COR14-2857A remain unchanged.

STATE OF MONTANA

**Department of Corrections
PO BOX 201301
Helena, MT 59620-1301**

**Community Counseling and Correctional
Services, Inc.
471 East Mercury
Butte, MT 59701
FEDERAL ID # 81-0413419**

BY: *Mike Batista*
(Name/Title)

BY: *Mike Thatcher - C.F.C.*
(Name/Title)

Mike B
(Signature)

Mike Thatcher
(Signature)

DATE: *12/19/14*

DATE: *11/28/14*

Approved as to Legal Content:

Colleen Ambrose *12-16-14*
Legal Counsel (Date)

Approved as to Form:

Janice *11/14/14*
Procurement Officer (Date)
State Procurement Bureau

STATE OF MONTANA VENDOR CONTRACT

Department of Administration
 State Procurement Bureau
 165 Mitchell Building
 PO Box 200135
 Helena, MT 59620-0135
 Phone: (406) 444-2575 Fax: (406) 444-2529
 TTY Users-Dial 711
<http://gsd.mt.gov>

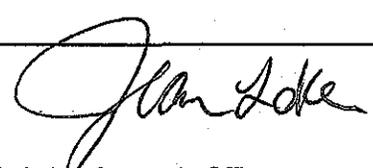
V.C. #: COR14-2857A
Title: Offender Transport Services

CONTRACT TERM	FROM	December 1, 2013	CONTRACT STATUS	NEW (x)
	TO	December 31, 2014		RENEW ()
VENDOR ADDRESS	Community Counseling, and Correctional Services Inc. 471 East Mercury Butte, MT 59701		ORDER ADDRESS	
ATTN:	Mike Thatcher		ATTN:	
PHONE:	(406) 782-0417		PHONE:	
FAX:	(406) 782 0417		FAX:	
E-MAIL:	mthatcher@cccscorp.com		E-MAIL:	

PRICES: Per Contract Agreement
 DELIVERY: Per Contract Agreement
 F.O.B.: Per Contract Agreement
 TERMS: Per Contract Agreement

REMARKS:

IFB/RFP NO.: IFB14-2857A


 Jeannie Lake, Contracts Officer

Date: 01/09/2014

AUTHORIZED SIGNATURE

OFFENDER TRANSPORT SERVICES

COR14-2857A

THIS CONTRACT is entered into by and between the State of Montana *Department of Corrections*, (State), whose address and phone number are 5 South Last Chance Gulch, Helena MT 59620-1301, and 406-444-3930 and *Community Counseling, and Correctional Services, Inc.* (Contractor), whose address and phone number are 471 East Mercury, Butte, MT 59701 and 406-782-0417.

1. EFFECTIVE DATE, DURATION, AND RENEWAL

1.1 Contract Term. The contract's initial term is **December 1, 2013**, or upon contract execution, through **December 31, 2014**, unless terminated earlier as provided in this contract. In no event is this contract binding on the State unless the State's authorized representative has signed it. The legal counsel signature approving legal content of the contract and the procurement officer signature approving the form of the contract do not constitute an authorized signature.

1.2 Contract Renewal. The State may renew this contract under its then-existing terms and conditions (subject to potential cost adjustments described below in section 2) in two-year intervals, or any interval that is advantageous to the State. This contract, including any renewals, may not exceed a total of seven years.

2. COST ADJUSTMENTS

2.1 Cost Adjustments Negotiated Based on Changes in Contractor's Costs. *After the contract's initial term and if the State agrees to a renewal*, the parties may negotiate cost adjustments at the time of contract renewal. Any cost increases must be based on demonstrated industry wide or regional increases in Contractor's costs. The State is not obligated to agree upon a renewal or a cost increase.

3. SERVICES AND/OR SUPPLIES

Contractor shall provide the State the following Offender Transport Services:

Transportation services will be provided for adult inmates only. The Contractor is required to provide inmate transportation services in accordance with the requirements listed herein and maintain scheduled pick-ups and drop-offs, as mutually agreed. Montana facilities that house Department inmates include the following:

- Montana State Prison (MSP) in Deer Lodge;
- Montana Women's Prison (MWP) in Billings;
- Crossroads Correctional Center (privately operated by Corrections Corporation of America) in Shelby;
- Cascade County Regional Adult Detention Center in Great Falls;
- Dawson County Adult Detention/Corrections Facility in Glendive;
- Missoula County Detention Center (MASC) in Missoula,
- WATCH East in Glendive,
- WATCH/CCP West in Warm Springs,
- Connections Corrections in Butte,
- Passages ADT and ASRC in Billings,
- Treasure State Correctional Training Center (TSCTC) in Deer Lodge
- Pre-release centers in Billings, Bozeman, Butte, Great Falls, Helena, and Missoula and
- Probation and parole supervision in communities on routes between Butte, Helena, and Great Falls and between Missoula and Kalispell

3.1 MANDATORY CONTRACTOR REQUIREMENTS

3.1.1 Pick Up and Transport Inmates. Contractor shall pick up and transport MDOC inmates and inmates to designated locations in Montana, as requested. All transports will be coordinated with the MDOC designee. Inmates will be picked up and dropped off at designated locations and the teams will meet and exchange inmates with other law enforcement and/or correctional agencies, as appropriate.

3.1.2 Sufficient Number of Vehicles and Personnel. Contractor shall domicile a sufficient number of transportation vehicles necessary to accomplish the transportation requirements noted herein, but not less than two, 12-passenger vans, and/or two caged sedan vehicles and/or standard transport vans (for offenders transferring to a lower level of security (Prerelease) or discharge and five Contractor agents (two teams). Pickup and delivery of inmates shall be scheduled to occur on specific days and times, as mutually agreed by the Contractor and MDOC personnel, respectively.

3.1.3 Assume Custody of Inmates and Provide Transportation. Contractor shall assume custody of inmates from authorized agents of the Department and provide transportation of said inmates from and to locations designated by Department. In assuming custody of inmates, Contractor shall perform and maintain security and control procedures in accordance with all federal, state, and MDOC requirements. In the event that there are no written policies or procedures, Contractor shall follow reasonable, customary operating procedures, and shall mutually agree upon a standard schedule of acceptable days/times for pick-up/drop-off of inmates at designated locations. Upon arrival at the inmates' destination, Contractor shall surrender custody of said inmates to the Department, Contracted Facility or to the appropriate law enforcement agency, as designated by the Department.

3.1.4 List of Transportation Officers. Contractor shall provide MDOC with a list of all transportation officers, including name, social security number, date of birth, certification of training (e.g. security, medical), and certification that no transporting officer has ever been convicted of a felony or misdemeanor as identified in MDOC Policy 1.3.4 – Employee Selection Guidelines <http://www.cor.mt.gov/Resources/Policy/default.mcp> Contractor will provide MDOC with frequent, updated lists of current transport officers. Contractor further agrees to allow the Department to reserve the right to refuse the use of any officer or supervisor under the Contract. The Contractor will perform background checks and provide copies of said checks to MDOC for review, prior to hiring.

3.1.5 Provide Inmate Meals/Restroom Stops. Contractor shall provide inmates with meals and restroom stops, as appropriate. Contractor will only stop for emergencies during transports of three hours or less in duration.

3.1.6 MDOC-Approved Manifest. Contractor shall possess an MDOC-approved "manifest" in the transport vehicle at all times. The manifest shall be readily accessible to transport officers and shall include: the number of inmates in the transport; each offender's name, AO number, and physical description; a current color photo that reflects the inmate's current physical description (it may be a Polaroid photo, but should primarily be digital); the crime(s) for which the offender was convicted; and, the aggregate amount of time to which the offender was sentenced. Contractor will provide the appropriate MSP/MWP Command Post with a travel itinerary before a prisoner transport commences.

3.1.7 Notice of Housing Requirements. Contractor shall provide at least 72 hours prior notification of housing requirements to the destination housing facility. All overnight stays must be preapproved by the Department's contract liaison. Overnight stays may be approved with offenders residing in a county jail/detention facility or a prerelease center. Notification of housing shall include the proper number of inmates and the approximate time of arrival. At the time of arrival, the Contractor will provide staff at the facility with a list of prisoners to be housed.

3.1.8 MDOC Notification. Contractor shall notify MDOC personnel [electronically] 24 hours in advance of a planned transport to and/or from MDOC facilities. The notification will include the date of

the transport, the names of inmates being transported, and where they will be picked up and/or dropped off, as well as the officers who will be doing the transport. The transportation coordinator will also e-mail the notification to the appropriate MDOC personnel when the scheduled transport is running ahead/behind schedule. MDOC will provide the Contractor with a list of contact names and e-mail addresses for this purpose.

3.1.9 Advance Notification of Arrival. Contractor shall provide one-hour advance notice of arrival to any location scheduled for delivery or pickup services as appropriate.

3.1.10 Delivery Requirements. Contractor shall deliver [with the Inmate] to the inmate's final destination, all records, files, and medications, as required by MDOC. The Contractor will be required to utilize an MDOC provided "check-off" form to ensure absolute compliance with this requirement.

3.1.11 Transport of Inmate Property. Contractor shall transport inmate property with each inmate. Contractor will transport inmate property in compliance with MDOC policy 4.1.3 - Offender Personal Property <http://www.cor.mt.gov/Resources/Policy/default.mcp>.

3.1.12 Handheld/Mobile Radios and Cell Phones. Contractor shall provide each transport agent/vehicle with handheld/mobile radios or cell phones and will provide MDOC with the cell phone numbers for each transport.

3.1.13 Transportation Officer Licensure. Contractor shall ensure all transportation officers are appropriately licensed (i.e., Commercial Driver's License (CDL)) in Montana and other states, as applicable. No personnel shall be allowed to operate a motor vehicle unless they possess the appropriate driver's license. Contractor personnel shall be required to produce their license upon demand of any authorized MDOC employee.

3.1.14 Personnel Training. Contractor shall ensure all personnel used in the direct transportation of offenders have MDOC approved training. All employees shall have a law enforcement background and/or have successfully completed a training program that focuses on the proper use of restraining devices and self-defense tactics necessary to perform the duties specified herein.

3.1.15 Inmate Transportation Policy. Contractor shall transport inmates in accordance with MDOC Policy 3.1.2 Facility Operations Manuals <http://www.cor.mt.gov/Resources/Policy/default.mcp> and shall retain copies of post orders in all vehicles at all times.

3.1.16 Documentation/Proof of Transportation Agent Training. Contractor shall provide MDOC with documentation/proof that each transportation agent in contact with Montana inmates has received complete training in all phases of offender transport and is properly licensed in accordance with applicable Montana and Federal requirements.

3.1.17 Number of Officers. Contractor shall ensure that the number of officers transporting offender(s) be governed by MDOC policy 3.1.12 Offender Escort and Transport <http://www.cor.mt.gov/Resources/Policy/default.mcp>. One officer shall be of the same sex as the inmate(s) being transported. A female transportation officer must be present when transporting female inmates. A separate and secure section shall be provided for females if male offenders are also being transported.

3.1.18 Security Search and Inspection. Contractor shall thoroughly search the vehicle and inspect all security features prior to boarding any offenders. Continuing checks are to be made periodically by the transfer officer while in route to the final destination. Exterior vehicle inspections shall be made during the time the transfer vehicle is stopped prior to continuing a transport. All inspections shall be recorded in a log provided and maintained by the Contractor. Logs must be submitted to the Department within five days of request and will be subject to immediate inspections by MDOC monitoring staff.

3.1.19 Inmate Escape Precautions. Contractor shall exercise all necessary precautions to prevent the escape of inmates in the Contractor's custody. In the event that an escape occurs, the transfer officer shall exhaust all resources immediately available to him/her in apprehending the subject and immediately notify appropriate Department personnel in compliance with MDOC policy 1.1.6 <http://www.cor.mt.gov/Resources/Policy/default.mcp>x and local law enforcement giving a detailed report of the incident. When the local law enforcement agency no longer requires assistance, the transfer officer shall continue with the transport duties. Under no circumstances shall supervision of other inmates be relaxed in order to pursue an escaping inmate. Contractor will submit an annual report containing escape information to the Department.

3.1.20 Seatbelt Usage. Contractor shall ensure that all inmates wear seat belts during all transports.

3.1.21 Dress Requirements. Contractor shall require all employees involved in transporting inmates to dress in a professional manner. Employees shall wear a uniform bearing the company logo. Street/casual clothes (jeans, T-shirts, sandals, etc.) are not acceptable. The holding authority may not release an inmate to the Contractor if the transport officer does not wear proper attire. In addition, all employees of the Contractor involved in transporting offenders shall carry a picture ID that includes the company name, employee name and photo. This ID must be presented and/or displayed properly when requested by the holding agency prior to the release of any inmate.

3.1.22 Compliance Checks and Audits. Contractor shall agree to regular compliance checks and audits, including an approved monitoring instrument developed in conjunction with MDOC personnel.

3.1.23 Emergency Procedures. In the event of an emergency during transport (i.e., sickness or accident affecting the officer or inmate or a breakdown in their method of travel), Contractor shall immediately solicit the assistance of the nearest law enforcement agency, secure the inmate(s), and contact the designated MDOC staff. Any major change of schedule or other incident that should cause undue delay in return shall be reported by phone to appropriate staff at the MDOC destination or other affected facility, including the reason for delay.

3.2 VEHICLES

3.2.1 Vehicle Size and Capacity. Contractor shall provide transport vehicles of appropriate size and capacity. Vehicles shall be properly modified and equipped to transport inmates and appropriately ventilated (air conditioning and heat), as dictated by climate. Contractor is required to have appropriate backup transport.

3.2.2 Vehicle Maintenance/Operation. Contractor shall maintain and operate its vehicles (including backup and chase vehicles) and security equipment in a safe, sanitary, and fully serviceable condition.

3.2.3 Vehicle Inspection, Repair and Maintenance Regulations. Contractor shall inspect, repair, and maintain all transportation equipment as outlined in part 396 of the Safety Regulation of the U.S. Department of Transportation, Federal Highway Administration.

3.3 REPORT REQUIREMENTS

Contractor shall provide MDOC with written reports of unusual incidents, emergencies, and/or controversial situations that arise during performance of services under the contract. Reports shall be submitted as soon as practical after occurrence, but not later than 24 hours after the incident. A copy must also be sent to the inmate transportation coordinator at the directly affected facility.

For purpose of this Section E., "unusual incident, emergency, or controversial situations" include, but are not limited to: any act of violence by an inmate or other passengers; any escape or attempted escape of an inmate or any other breach of security; any excessive delay in the transportation of an inmate; any medical condition of an inmate or other passenger requiring emergency medical treatment; any mechanical failure that would normally require formal reports to the cognizant regulatory agency; any vehicular accident involving an MDOC contract transport of inmates, and any refusal of law enforcement agencies to release an inmate to, or accept an inmate from, the Contractor.

3.4 COSTS

Contractor is responsible for all costs related to the security, care, and transportation of inmates in the custody of Contractor or its agents. Costs incurred by Contractor for emergent and non-emergent medical care during transport of MDOC inmates are the responsibility of Department, unless such costs occur as a result of negligence on the part of Contractor.

3.5 DEPARTMENT REQUIREMENTS

The Department shall provide the Contractor with:

1. **Written Procedures.** Written procedures that transportation officers must follow are on-site at MDOC facilities.
2. Department will approve overnight stays with offenders residing in a county jail/detention facility or a prerelease center at no cost to the Contractor.

3.6 DEPARTMENT/CONTRACTOR SHARED REQUIREMENTS

3.6.1 Designate Transportation Coordinators. Department and Contractor agree to designate persons whose duty is to coordinate the transportation of State inmates.

3.6.2 Standard Schedule for Pickup/Delivery of Inmates. Department and Contractor transportation coordinators shall mutually agree upon a standard schedule of acceptable days/times for pickup/delivery of inmates at designated Department facilities. In assuming custody of inmates, Contractor shall perform and maintain security and control procedures in accordance with all Department and federal requirements. In the event that there are no written policies or procedures, Contractor shall follow reasonable, customary operating procedures and accepted National Corrections Standards.

3.6.3 Determine Method of Transportation Inmates with Medical Conditions. Department and Contractor will determine the method of transporting inmates with medical conditions when there is risk of acute, chronic, or infectious medical condition(s) worsening as a result of motor vehicle transport.

4. **WARRANTIES**

4.2 Warranty of Services. Contractor warrants that the services provided conform to the contract requirements, including all descriptions, specifications and attachments made a part of this contract. The State's acceptance of services provided by Contractor shall not relieve Contractor from its obligations under this warranty. In addition to its other remedies under this contract, at law, or in equity, the State may, at Contractor's expense, require prompt correction of any services failing to meet Contractor's warranty herein. Services corrected by Contractor shall be subject to all the provisions of this contract in the manner and to the same extent as services originally furnished.

5. **CONSIDERATION/PAYMENT**

5.1 Payment Schedule. In consideration of the *Offender Transport Services* to be provided, the State shall pay the Contractor monthly. The Inmate Transportation Services provided will be billed at a flat fee of \$350.00 for each transport.

5.2 Payment Terms. Unless otherwise noted in the solicitation document, the State has 30 days to pay invoices, as allowed by 17-8-242, MCA. Contractor shall provide banking information at the time of contract execution in order to facilitate the State's electronic funds transfer payments.

5.3 Reference to Contract. The contract number MUST appear on all invoices, packing lists, packages, and correspondence pertaining to the contract. If the number is not provided, the State is not obligated to pay the invoice.

6. **COOPERATIVE PURCHASING**

Under Montana law, public procurement units, as defined in 18-4-401, MCA, have the option of cooperatively purchasing with the State of Montana. Public procurement units are defined as local or state public procurement units of this or any other state, including an agency of the United States, or a tribal procurement unit. Unless the bidder/offeror objects, in writing, to the State Procurement Bureau prior to the award of this contract, the prices, terms, and conditions of this contract will be offered to these public procurement units. However, the State Procurement Bureau makes no guarantee of any public procurement unit participation in this contract.

7. **EXCLUSIVE CONTRACT**

The intent of this contract is to provide state agencies with an expedited means of procuring supplies and/or services. This contract is considered to be an "Exclusive" use contract and state agencies must obtain the specified product/service from the contract holder(s), unless the contract allows otherwise. However, the State Procurement Bureau does not guarantee any minimum usage totals and it is the individual agency's responsibility to comply with the terms of the contract.

8. **PREVAILING WAGE REQUIREMENTS**

8.1 Montana Resident Preference. The nature of the work performed, or services provided, under this contract meets the statutory definition of a "public works contract" in 18-2-401, MCA. Unless superseded by federal law, Montana law requires that contractors and subcontractors give preference to the employment of Montana residents for any public works contract in excess of \$25,000 for construction or nonconstruction services in accordance with 18-2-401 through 18-2-432, MCA, and all administrative rules adopted under these statutes.

Unless superseded by federal law, Contractor shall ensure that at least 50% of the workers performing labor on this project are bona fide Montana residents.

The Commissioner of the Montana Department of Labor and Industry has established the resident requirements in accordance with 18-2-403 and 18-2-409, MCA. Any and all questions concerning prevailing wage and Montana resident issues should be directed to the Montana Department of Labor and Industry.

8.2 Standard Prevailing Rate of Wages. In addition, unless superseded by federal law, all employees working on a public works contract must be paid prevailing wage rates in accordance with 18-2-401 through 18-2-432, MCA, and all associated administrative rules. Montana law requires that all public works contracts, as defined in 18-2-401, MCA, in which the total cost of the contract is greater than \$25,000, contain a provision stating for each job classification the standard prevailing wage rate, including fringe benefits, travel, per diem, and zone pay that the contractors, subcontractors, and employers shall pay during the public works contract.

8.3 Notice of Wages and Benefits. Furthermore, 18-2-406, MCA, requires that all contractors, subcontractors, and employers who are performing work or providing services under a public works contract post in a prominent and accessible site on the project staging area or work area, no later than the first day of work and continuing for the entire duration of the contract, a legible statement of all wages and fringe benefits to be paid to the employees in compliance with 18-2-423, MCA.

8.4 Wage Rates, Pay Schedule, and Records. 18-2-423, MCA, requires that employees receiving an hourly wage must be paid on a weekly basis. Each contractor, subcontractor, and employer shall maintain payroll records in a manner readily capable of being certified for submission under 18-2-423, MCA, for not less than three years after the contractor's, subcontractor's, or employer's completion of work on the public works contract.

The Commissioner of the Montana Department of Labor and Industry has established the standard prevailing rate of wages in accordance with 18-2-401 and 18-2-402, MCA, for bus drivers to be \$15.46 per hour, plus a benefit rate of \$6.78.

The Commissioner of the Montana Department of Labor and Industry has established the standard prevailing rate of wages in accordance with 18-2-401 and 18-2-402, MCA, for security guards to be \$15.46 per hour, plus a benefit rate of \$6.78.

The Commissioner of the Montana Department of Labor and Industry has established the standard prevailing rate of wages in accordance with 18-2-401 and 18-2-402, MCA, for bus detention officers to be \$16.11 per hour, plus a benefit rate of \$8.60.

All contractors and employers shall classify each employee who performs labor on a public works project according to the applicable standard prevailing rate of wages for such craft, classification, or type of employee established by the Commissioner of the Montana Department of Labor and Industry, and shall pay each such employee a rate of wages not less than the standard prevailing rate as specified in the Montana Prevailing Wages Rates for unarmed security guards, detention officers, and bus drivers, for 2013.

9. ACCESS AND RETENTION OF RECORDS

9.1 Access to Records. Contractor shall provide the State, Legislative Auditor, or their authorized agents access to any records necessary to determine contract compliance. The State may terminate this contract under section 17, without incurring liability, for the Contractor's refusal to allow access as required by this section. (18-1-118, MCA.)

9.2 Retention Period. Contractor shall create and retain all records supporting the *Offender Transport Services* for a period of eight years after either the completion date of this contract or termination of the contract.

10. ASSIGNMENT, TRANSFER, AND SUBCONTRACTING

Contractor may not assign, transfer, or subcontract any portion of this contract without the State's prior written consent. (18-4-141, MCA.) Contractor is responsible to the State for the acts and omissions of all subcontractors or agents and of persons directly or indirectly employed by such subcontractors, and for the acts and omissions of persons employed directly by Contractor. No contractual relationships exist between any subcontractor and the State under this contract.

11. HOLD HARMLESS/INDEMNIFICATION

Contractor agrees to protect, defend, and save the State, its elected and appointed officials, agents, and employees, while acting within the scope of their duties as such, harmless from and against all claims, demands, causes of action of any kind or character, including the cost of defense thereof, arising in favor of Contractor's employees or third parties on account of bodily or personal injuries, death, or damage to property arising out of services performed or omissions of services or in any way resulting from the acts or omissions of Contractor and/or its agents, employees, representatives, assigns, subcontractors, except the sole negligence of the State, under this agreement.

12. REQUIRED INSURANCE

12.1 General Requirements. The Contractor shall maintain for the duration of the contract, at its cost and expense, insurance against claims for injuries to persons or damages to property, including contractual liability, which may arise from or in connection with the performance of the work by the Contractor, agents, employees, representatives, assigns, or subcontractors. This insurance shall cover such claims as may be caused by any negligent act or omission.

12.2 Primary Insurance. The Contractor's insurance coverage shall be primary insurance with respect to the State, its officers, officials, employees, and volunteers and shall apply separately to each project or location. Any insurance or self-insurance maintained by the State, its officers, officials, employees or volunteers shall be excess of the Contractor's insurance and shall not contribute with it.

12.3 Specific Requirements for Commercial General Liability. The Contractor shall purchase and maintain occurrence coverage with combined single limits for bodily injury, personal injury, and property damage of \$1,000,000 per occurrence and \$2,000,000 aggregate per year to cover such claims as may be caused by any act, omission, or negligence of the Contractor or its officers, agents, representatives, assigns, or subcontractors.

The State, its officers, officials, employees, and volunteers are to be covered and listed as additional insureds; for liability arising out of activities performed by or on behalf of the Contractor, including the insured's general supervision of the Contractor; products, and completed operations; premises owned, leased, occupied, or used.

12.4 Specific Requirements for Automobile Liability. The contractor shall purchase and maintain occurrence coverage with combined single limits of \$20,000,000 per occurrence to cover such claims as may be caused by any act, omission, or negligence of the contractor or its officers, agents, representatives, assigns, or subcontractors. The State, its officers, officials, employees, and volunteers are to be covered and listed as additional insured for automobiles owned, leased, hired, or borrowed by the Contractor.

12.5 Deductibles and Self-Insured Retentions. Any deductible or self-insured retention must be declared to and approved by the state agency. At the request of the agency either: (1) the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects the State, its officers, officials, employees, or volunteers; or (2) at the expense of the Contractor, the Contractor shall procure a bond guaranteeing payment of losses and related investigations, claims administration, and defense expenses.

12.6 Certificate of Insurance/Endorsements. A certificate of insurance from an insurer with a Best's rating of no less than A- indicating compliance with the required coverages, has been received by the State Procurement Bureau, P.O. Box 200135, Helena, MT 59620-0135. The Contractor must notify the State immediately, of any material change in insurance coverage, such as changes in limits, coverages, change in status of policy, etc. The State reserves the right to require complete copies of insurance policies at all times.

13. COMPLIANCE WITH WORKERS' COMPENSATION ACT

Contractor shall comply with the provisions of the Montana Workers' Compensation Act while performing work for the State of Montana in accordance with 39-71-401, 39-71-405, and 39-71-417, MCA. Proof of compliance must be in the form of workers' compensation insurance, an independent contractor's exemption, or documentation of corporate officer status. Neither Contractor nor its employees are State employees. This insurance/exemption must be valid for the entire contract term and any renewal. Upon expiration, a renewal document must be sent to the State Procurement Bureau, P.O. Box 200135, Helena, MT 59620-0135.

14. COMPLIANCE WITH LAWS

Contractor shall, in performance of work under this contract, fully comply with all applicable federal, state, or local laws, rules, and regulations, including but not limited to, the Montana Human Rights Act, the Civil Rights Act of 1964, the Age Discrimination Act of 1975, the Americans with Disabilities Act of 1990, and Section 504 of the Rehabilitation Act of 1973. Any subletting or subcontracting by Contractor subjects subcontractors to the same provision. In accordance with 49-3-207, MCA, Contractor agrees that the hiring of persons to perform this contract will be made on the basis of merit and qualifications and there will be no discrimination based upon race, color, religion, creed, political ideas, sex, age, marital status, physical or mental disability, or national origin by the persons performing this contract.

15. DISABILITY ACCOMMODATIONS

The State does not discriminate on the basis of disability in admission to, access to, or operations of its programs, services, or activities. Individuals who need aids, alternative document formats, or services for effective communications or other disability related accommodations in the programs and services offered are invited to make their needs and preferences known to this office. Interested parties should provide as much advance notice as possible.

16. REGISTRATION WITH THE SECRETARY OF STATE

Any business intending to transact business in Montana must register with the Secretary of State. Businesses that are incorporated in another state or country, but which are conducting activity in Montana, must determine whether they are transacting business in Montana in accordance with 35-1-1026 and 35-8-1001, MCA. Such businesses may want to obtain the guidance of their attorney or accountant to determine whether their activity is considered transacting business.

If businesses determine that they are transacting business in Montana, they must register with the Secretary of State and obtain a certificate of authority to demonstrate that they are in good standing in Montana. To obtain registration materials, call the Office of the Secretary of State at (406) 444-3665, or visit their website at <http://sos.mt.gov>.

17. CONTRACT TERMINATION

17.1 Termination for Cause with Notice to Cure Requirement. The State may terminate this contract in whole or in part for Contractor's failure to materially perform any of the services, duties, terms, or conditions contained in this contract after giving Contractor written notice of the stated failure. The written notice must demand performance of the stated failure within a specified period of time of not less than 30 days. If the demanded performance is not completed within the specified period, the termination is effective at the end of the specified period.

17.2 Reduction of Funding. The State must by law terminate this contract if funds are not appropriated or otherwise made available to support the State's continuation of performance of this contract in a subsequent fiscal period. (18-4-313(4), MCA.) If state or federal government funds are not appropriated or otherwise made available through the state budgeting process to support continued performance of this contract (whether at an initial contract payment level or any contract increases to that initial level) in subsequent fiscal periods, the State shall terminate this contract as required by law. The State shall provide Contractor the date the State's termination shall take effect. The State shall not be liable to Contractor for any payment that would have been payable had the contract not been terminated under this provision. As stated above, the State shall be liable to Contractor only for the payment, or prorated portion of that payment, owed to Contractor up to the date the State's termination takes effect. This is Contractor's sole remedy. The State shall not be liable to Contractor for any other payments or damages arising from termination under this section, including but not limited to general, special, or consequential damages such as lost profits or revenues.

18. EVENT OF BREACH – REMEDIES

18.1 Event of Breach by Contractor. Any one or more of the following Contractor acts or omissions constitute an event of material breach under this contract:

- products or services furnished fail to conform to any requirement;
- failure to submit any report required by this contract;
- failure to perform any of the other terms and conditions of this contract, including but not limited to beginning work under this contract without prior State approval and breaching Section 23.1 obligations; or
- voluntary or involuntary bankruptcy or receivership.

18.2 Event of Breach by State. The State's failure to perform any material terms or conditions of this contract constitutes an event of breach.

18.3 Actions in Event of Breach.

Upon the Contractor's material breach, the State may:

- terminate this contract under section 17; or
- treat this contract as materially breached and pursue any of its remedies under this contract, at law, or in equity.

Upon the State's material breach, the Contractor may:

- terminate this contract after giving the State written notice of the stated failure. The written notice must demand performance of the stated failure within a specified period of time of not less than 30 days. If the demanded performance is not completed within the specified period, the termination is effective at the end of the specified period; or
- treat this contract as materially breached and, except as the remedy is limited in this contract, pursue any of its remedies under this contract, at law, or in equity.

19. FORCE MAJEURE

Neither party is responsible for failure to fulfill its obligations due to causes beyond its reasonable control, including without limitation, acts or omissions of government or military authority, acts of God, materials shortages, transportation delays, fires, floods, labor disturbances, riots, wars, terrorist acts, or any other causes, directly or indirectly beyond the reasonable control of the nonperforming party, so long as such party uses its best efforts to remedy such failure or delays. A party affected by a force majeure condition shall provide written notice to the other party within a reasonable time of the onset of the condition. In no event, however, shall the notice be provided later than five working days after the onset. If the notice is not provided within the five day period, then a party may not claim a force majeure event. A force majeure condition

suspends a party's obligations under this contract, unless the parties mutually agree that the obligation is excused because of the condition.

20. WAIVER OF BREACH

Either party's failure to enforce any contract provisions after any event of breach is not a waiver of its right to enforce the provisions and exercise appropriate remedies if the breach occurs again. Neither party may assert the defense of waiver in these situations.

21. CONFORMANCE WITH CONTRACT

No alteration of the terms, conditions, delivery, price, quality, quantities, or specifications of the contract shall be granted without the State Procurement Bureau's prior written consent. Product or services provided that do not conform to the contract terms, conditions, and specifications may be rejected and returned at Contractor's expense.

22. LIAISONS AND SERVICE OF NOTICES

22.1 Contract Manager. The State Contract Manager identified below is the State's single point of contact and shall perform all contract management under 2-17-512, MCA, on the State's behalf. Written notices, requests, complaints, or any other issues regarding this contract should be directed to the State Contract Manager.

Rick Deady is the State's Contract Manager.
5 S. Last Chance Gulch
Helena, MT, 59601
Telephone: 406-444-4902
Fax: 406-444-7909
E-mail: rdeady@mt.gov

Mike Thatcher is Contractor's Contract Manager.
471 E. Mercury Street
Butte, MT 59701
Telephone: 406-782-0417
Fax: 406-782-6964
E-mail: mthatcher@cccscorp.com

22.2 Notifications. The State's liaison and Contractor's liaison may be changed by written notice to the other party. Written notices, requests, or complaints must first be directed to the liaison. Notice may be provided by personal service, mail, or facsimile. If notice is provided by personal service or facsimile, the notice is effective upon receipt; if notice is provided by mail, the notice is effective within three business days of mailing. A signed and dated acknowledgement of the notice is required of both parties.

22.3 Identification/Substitution of Personnel. The personnel identified or described in Contractor's proposal shall perform the services provided for the State under this contract. Contractor agrees that any personnel substituted during the term of this contract must be able to conduct the required work to industry standards and be equally or better qualified than the personnel originally assigned. The State reserves the right to approve Contractor personnel assigned to work under this contract and any changes or substitutions to such personnel. The State's approval of a substitution will not be unreasonably withheld. This approval or disapproval shall not relieve Contractor to perform and be responsible for its obligations under this contract. The State reserves the right to require Contractor personnel replacement. If Contractor personnel become unavailable, Contractor shall provide an equally qualified replacement in time to avoid delays to the work plan.

23. MEETINGS

23.1 Technical or Contractual Problems. Contractor shall meet with the State's personnel, or designated representatives, to resolve technical or contractual problems occurring during the contract term or to discuss the progress made by Contractor and the State in the performance of their respective obligations, at no additional cost to the State. The State may request the meetings as problems arise and will be coordinated by the State. The State shall provide Contractor a minimum of three full working days notice of meeting date, time, and location. Face-to-face meetings are desired; however, at Contractor's option and expense, a conference call meeting may be substituted. Contractor's consistent failure to participate in problem resolution meetings, Contractor missing or rescheduling two consecutive meetings, or Contractor's failure to make a good faith effort to resolve problems may result in termination of the contract.

23.2 Progress Meetings. During the term of this contract, the State's Project Manager shall plan and schedule progress meetings with Contractor to discuss Contractor's and the State's progress in the performance of their respective obligations. These progress meetings will include the State Project Manager, the Contractor Project Manager, and any other additional personnel involved in the performance of this contract as required. At each meeting, Contractor shall provide the State with a written status report that identifies any problem or circumstance encountered by Contractor, or of which Contractor gained knowledge during the period since the last such status report, which may prevent Contractor from completing any of its obligations or may generate charges in excess of those previously agreed to by the parties. This may include the failure or inadequacy of the State to perform its obligation under this contract. Contractor shall identify the amount of excess charges, if any, and the cause of any identified problem or circumstance and the steps taken to remedy the same.

23.3 Failure to Notify. If Contractor fails to specify in writing any problem or circumstance that materially affects the costs of its delivery of services or products, including a material breach by the State, about which Contractor knew or reasonably should have known with respect to the period during the term covered by Contractor's status report, Contractor shall not be entitled to rely upon such problem or circumstance as a purported justification for an increase in the price for the agreed upon scope.

23.4 State's Failure or Delay. For a problem or circumstance identified in Contractor's status report in which Contractor claims was the result of the State's failure or delay in discharging any State obligation, the State shall review same and determine if such problem or circumstance was in fact the result of such failure or delay. If the State agrees as to the cause of such problem or circumstance, then the parties shall extend any deadlines or due dates affected thereby, and provide for any additional charges by Contractor. This is Contractor's sole remedy. If the State does not agree as to the cause of such problem or circumstance, the parties shall each attempt to resolve the problem or circumstance in a manner satisfactory to both parties.

24. TRANSITION ASSISTANCE

If this contract is not renewed at the end of this term, if the contract is otherwise terminated before project completion, or if particular work on a project is terminated for any reason, Contractor shall provide transition assistance for a reasonable, mutually agreed period of time after the expiration or termination of this contract or particular work under this contract. The purpose of this assistance is to allow for the expired or terminated portion of the services to continue without interruption or adverse effect, and to facilitate the orderly transfer of such services to the State or its designees. The parties agree that such transition assistance is governed by the terms and conditions of this contract, except for those terms or conditions that do not reasonably apply to such transition assistance. The State shall pay Contractor for any resources utilized in performing such transition assistance at the most contract current rates. If the State terminates a project or this contract for cause, then the State may offset the cost of paying Contractor for the additional resources Contractor utilized in providing transition assistance with any damages the State may have sustained as a result of Contractor's breach.

25. CHOICE OF LAW AND VENUE

Montana law governs this contract. The parties agree that any litigation concerning this bid, proposal, or this contract must be brought in the First Judicial District in and for the County of Lewis and Clark, State of Montana, and each party shall pay its own costs and attorney fees. (18-1-401, MCA.)

26. TAX EXEMPTION

The State of Montana is exempt from Federal Excise Taxes (#81-0302402).

27. AUTHORITY

This contract is issued under authority of Title 18, Montana Code Annotated, and the Administrative Rules of Montana, Title 2, chapter 5.

28. SEVERABILITY CLAUSE

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

29. SCOPE, ENTIRE AGREEMENT, AND AMENDMENT

29.1 Contract. This contract consists of 15 numbered pages, any Attachments as required, Solicitation # IFB14-2857 A as amended, and Contractor's response, as amended. In the case of dispute or ambiguity arising between or among the documents, the order of precedence of document interpretation is the same.

29.2 Entire Agreement. These documents are the entire agreement of the parties. They supersede all prior agreements, representations, and understandings. Any amendment or modification must be in a written agreement signed by the parties.

30. WAIVER

The State's waiver of any Contractor obligation or responsibility in a specific situation is not a waiver in a future similar situation or is not a waiver of any other Contractor obligation or responsibility.

31. **EXECUTION**

The parties through their authorized agents have executed this contract on the dates set out below.

STATE OF MONTANA

Department of Corrections
PO BOX 201301
Helena MT 59620-1301

Community, Counseling, and Correctional
Services, Inc.
471 East Mercury
Butte, MT 59701
FEDERAL ID # 81-0413419

BY: *Mike Batista*
Mike Batista, Director

BY: *M. H. Thatcher - CEO*
(Name/Title)

Mike Batista
(Signature)

M. H. Thatcher
(Signature)

DATE: *11/15/13*

DATE: *11/24/13*

Approved as to Legal Content:

Colleen Ambrose *11/26/13*
Colleen Ambrose, Legal Bureau Chief (Date)

Approved as to Form:

Jeannie Lake *11/21/13*
Procurement Officer, Jeannie Lake (Date)
State Procurement Bureau

