

Youth Homes, Inc.
(16-021-YSD)

THIS CONTRACT is entered into by and between the State of Montana, **Montana Department of Corrections** (Department), whose address and phone number are **5 S. Last Chance Gulch, Helena, MT 59601, (406) 444-3930** and **Youth Homes, Inc.**, (Contractor), whose address and phone number are **550 North California Street, Missoula, MT 59807 and (406)-721-2704**.

1. EFFECTIVE DATE, DURATION, AND RENEWAL

1.1 Contract Term. The contract's initial term is September 5, 2014 through **June 30, 2016**, unless terminated earlier as provided in this contract. In no event is this contract binding on the Department unless the Department's authorized representative has signed it. The legal counsel signature approving legal content of the contract does not constitute an authorized signature.

1.2 Contract Renewal. The Department may renew this contract under its then-existing terms and conditions (subject to potential cost adjustments described below in section 2) in one-year intervals, or any interval that is advantageous to the Department. This contract, including any renewals, may not exceed a total of seven (7) years.

2. COST ADJUSTMENTS

2.1 Cost Increase by Mutual Agreement. After the contract's initial term and if the Department agrees to a renewal, the parties may agree upon a cost increase. The Department is not obligated to agree upon a renewal or a cost increase. Any cost increases must be based on demonstrated industry-wide or regional increases in Contractor's costs. Publications such as the Federal Bureau of Labor Statistics and the Consumer Price Index (CPI) for all Urban Consumers may be used to determine the increased value.

3. SERVICES AND/OR SUPPLIES

Contractor shall provide the Department the following

CONTRACTOR may use a subcontractor to provide services under this contract. Subcontractor must comply with the same requirements as the CONTRACTOR.

CONTRACTOR agrees to provide Guide Home Placements for otherwise "hard to place" youth who are under juvenile parole supervision in Montana.

CONTRACTOR also agrees to provide Family Reentry Services to selected youth placed in unsubsidized settings such as with birth family or relatives and under parole supervision.

3.1 For Guide Homes CONTRACTOR will:

- A. Provide Guide Homes within or near to Missoula, Polson, Helena, Kalispell, Great Falls, Butte, Bozeman and Billings;
- B. Recruit, train, and supervise the Guide Home families to provide support to youth in out-of-home placements and all other services included in the bundled rate;
- C. Use Guide Homes that are currently licensed according to the Department of Public Health and Human Services standards for Foster Care requirements;

- D. Manage the Guide Home program by providing the following components in accordance with DEPARTMENT'S policies, procedures and other special requirements:
- i. A priority for these placements will be youth sex offenders; youth may be placed as homes are available and youth are accepted by the program and individual homes. DEPARTMENT expects to place up to twenty (20) youth in these foster placements during a contract year, but will not guarantee a minimum or maximum number of youth for placement;
 - ii. Recruit, perform criminal and child abuse registry checks, and train foster parents in the Cognitive approach before youth may be considered for placement;
 - iii. Prohibit Guide Home families from inviting or recruiting youth into their home prior to referral from Youth Homes;
 - iv. Maintain access to relevant outpatient therapy providers in the community;
 - v. Coordinate with DEPARTMENT personnel in secure facilities and in communities (note: Juvenile Parole Officers will supervise all youth served under this Contract.);
 - vi. Provide services that will include a minimum of weekly in-person contact by a Youth Homes worker, for the purpose of supporting, mentoring, and managing the success of the youth within a Guide Home, which may include purchasing needed therapy and/or activities;
 - vii. House only youth from DEPARTMENT for the Guide Homes project. No other youth may be placed in the home from any other agency or program;
 - viii. Guide Homes will house one youth at a time in respite homes. No other youth may reside or be placed in the respite care home from any other agency or program. This does not preclude using Shelter Care if respite care is unavailable;
 - ix. Provide youth with access to routine and emergency medical services;
 - x. Provide youth with access to therapist(s) providing pertinent treatment (such as outpatient sex offender treatment for sex offenders or intensive outpatient chemical dependency treatment for chemically dependent offenders); and
 - xi. Ensure that each youth placed will be provided access to a support system made up of individuals within the community. These individuals should be familiar with the youth and be able to communicate effectively with other support group members in order to monitor the youth's participation in necessary programming. Support group members must include a Juvenile Parole Officer, local law enforcement officer(s), therapist(s), and foster family. Members may also include educational staff, representatives from the religious community and youth organizations, mentors, victim advocates or representatives, and other appropriately involved individuals.

E. CONTRACTOR shall report quarterly to Youth Services Division (by January 10th, April 10th, July 10th, and October 10th of each Fiscal Year), the following Guide Home placement information:

1. Number of youth referred;
2. Number of youth placed;
3. Number of youth attempted and not placed;
4. Number of youth not accepted and reasons for each; and
5. Longest, shortest, and average length of placement.

3.2 For Family Reentry Services CONTRACTOR will:

- A. Upon mutual agreement between DEPARTMENT and CONTRACTOR, utilize the services of Youth Homes staff and its subcontractor to provide Family Reentry Services to families within or near Missoula, Hamilton, Polson, Helena, Butte, and Kalispell during fiscal year 2016 with the intent to expand these services state-wide in fiscal year 2017;
- B. Provide parent training, parent coaching, and individual/family therapy according to principles and concepts in "best practice" approaches from 1) Parent Management Training 2) Motivational Interviewing 3) Circle of Security; in a trauma-informed approach.
- C. Provide parent training, parent coaching, and individual/family therapy to parents, families and youth up to 3 months prior to a youth's anticipated release from a youth correctional facility. These services may continue for youth and families up to 3 months following release from a youth correctional facility. Youth may also be referred directly for services by juvenile parole officers.
- D. Participate in team meetings held at youth correctional facilities and in communities by videoconference or in person.
- E. Provide collateral information to juvenile parole officers as needed, and updated information at each team meeting regarding:
 1. the status of youth and family involvement; and
 2. progress with case plan goals/objectives.
- F. Provide a written discharge summary to the Juvenile Parole Officer and YCC Program Manager for each youth/family within 30 days of discharge.
- G. CONTRACTOR shall report quarterly (by January 10th, April 10th, and October 10th of each Fiscal Year), the following Family Reentry Services information:
 1. All youth and families referred for Family Reentry Services;
 2. All youth and families receiving Family Reentry Services.
 3. All youth and families not accepted for services and reasons for each;
 4. Entry and exit dates of services provided to each youth and family; and
 5. Reason for exiting services for all youth and families.
- H. Attend one reentry meeting hosted by the DEPARTMENT each fiscal year. DEPARTMENT will reimburse per-diem expenses incurred by CONTRACTOR for this meeting.

3.3 DEPARTMENT duties:

- A. Parole Officers and/or Youth Correctional Facility (YCF) Case Workers will only inquire of Youth Homes and/or its subcontractor regarding the availability of Guide Home families or specific information relative to a family.
- B. Juvenile Parole Officers and/or YCF Case Workers will refer youth to Guide Homes by submitting a completed referral packet for Youth Home Services Coordinator review. DEPARTMENT personnel will coordinate information between Juvenile Parole Officers and YCF Case Workers.
- C. A referral team meeting will be scheduled by correctional facility staff for Family Reentry Services referred by the correctional facilities. Required members will include facility treatment staff, a Juvenile Parole Officer and the Youth Homes Services Coordinator. For Family Reentry Services referrals from a community placement via parole officers, a detailed justification will be sent first to the Community Corrections Program Manager and Division Administrator for review and approval prior to making a referral to the Youth Homes.
- D. When youth on parole are considered for Guide Home placement or Family Reentry Services, the supervising Juvenile Parole Officer will provide necessary background information and progress reports to Youth Homes.
- E. Independently assess results of Family Reentry Services by initiating, managing, and documenting survey information received from recipients of these services.

4. WARRANTIES

4.1 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 Department'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 Department 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 services to be provided, the Department shall pay Contractor according to the following schedule:

- A. DEPARTMENT shall pay CONTRACTOR \$142.46 per day for each youth in Guide Home placement. This daily rate includes administrative costs of \$89.24 and \$53.22 for the Guide Home Foster parent.
- B. DEPARTMENT shall pay CONTRACTOR for each youth/family in Family Reentry Services according to the following fee-for-service schedule:
 - 1. Family/Individual Therapy by a master's level therapist and intake meeting/case plan development: \$90 per hour pro-rated in 30 minute increments after the first hour.

2. Parent Training involving one family: \$60 per hour pro-rated after the first hour in 30 minute increments.
 3. Parent Training involving two or more families: \$20 per hour for each family pro-rated after the first hour in 30 minute increments per family.
 4. Parent Coaching pro-rated at \$30 per each 30 minute unit from the start of service.
 5. Team meetings: \$60 per hour pro-rated after the first hour in 30 minute increments.
 6. Travel time to and from family homes or for team meetings: \$22.50 per 30 minute increment from the start of travel for travel outside city limits of the therapist's office.
 7. Pre-approved training costs associated with Parent Management Training or other approved training at a rate agreeable to both DEPARTMENT and CONTRACTOR.
- C. DEPARTMENT will compensate CONTRACTOR for pre-approved travel expenses incurred by CONTRACTOR while performing services identified within this Contract. Travel expenses will be paid at the State rate of \$.56 cents per mile to and from family homes or for team meetings for travel outside city limits of the therapist's office.
- D. DEPARTMENT shall pay CONTRACTOR for pre-approved youth medical costs that are not paid by Medicaid or insurance.
- E. Total payments to CONTRACTOR for Guide Home and Family Reentry Services shall not exceed **\$338,673.20 (three hundred thirty eight thousand six hundred seventy three and 20/100 Dollars)** per Fiscal Year.

6.2 Payment Terms. Unless otherwise noted in the solicitation document, the Department 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 Department's electronic funds transfer payments.

6.3 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 Department is not obligated to pay the invoice.

7. AGENCY ASSISTANCE

To the extent possible, Contractor shall use its' own equipment in providing the goods/services set forth in Section 3. However, the parties recognize that services provided to Department may occur within the confines of a secure correctional facility necessitating the use of Department facilities and equipment including, but not limited to, access to inmate records, work space within a correctional facility, and phone service (e.g., Montana State Prison does not allow cellular or digital phones within the facility).

8. ACCESS AND RETENTION OF RECORDS

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

8.2 Retention Period. Contractor shall create and retain all records supporting the services rendered for a period of eight years after either the completion date of this contract or termination of the contract.

9. ASSIGNMENT, TRANSFER, AND SUBCONTRACTING

Contractor may not assign, transfer, or subcontract any portion of this contract without the Department's prior written consent. (18-4-141, MCA) Contractor is responsible to the Department 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 Department under this contract.

10. HOLD HARMLESS/INDEMNIFICATION

Contractor agrees to protect, defend, indemnify, and hold harmless the Department, its elected and appointed officials, 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 attorneys' fees and the costs of defense, arising in favor of Contractor's employees or third parties on account of bodily injury, sickness, disease, death, personal injury, violation of an offender's constitutional or statutory rights, or to injury to or destruction of tangible property except for such claims, causes of action, damages, losses or expenses which are solely due to the fault or negligence of the party seeking indemnity.

11. REQUIRED INSURANCE

11.1 General Requirements. Contractor shall maintain for the duration of this 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 Contractor, agents, employees, representatives, assigns, or subcontractors. This insurance shall cover such claims as may be caused by any negligent act or omission.

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

11.3 Specific Requirements for Commercial General Liability. Contractor shall purchase and maintain occurrence coverage with combined single limits for bodily injury, personal injury, and property damage of \$1,000,000.00 per occurrence and \$2,000,000.00 aggregate per year to cover such claims as may be caused by any act, omission, or negligence of Contractor or its officers, agents, representatives, assigns, or subcontractors.

The Department, 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 Contractor, including the insured's general supervision of Contractor, products, and completed operations, and the premises owned, leased, occupied, or used.

11.4 Specific Requirements for Automobile Liability. Contractor shall purchase and maintain coverage with split limits of \$500,000 per person (personal injury), \$1,000,000 per accident occurrence (personal injury), and \$100,000 per accident occurrence (property damage), OR combined single limits of \$1,000,000 per occurrence to cover such claims as may be caused by any act, omission, or negligence of Contractor or its officers, agents, representatives, assigns, or subcontractors.

11.5 Specific Requirements for Professional Liability. Contractor shall purchase and maintain occurrence coverage with combined single limits for each wrongful act of \$2,000,000.00 per occurrence and \$1,000,000.00 aggregate per year to cover such claims as may be caused by any act, omission, negligence of Contractor or its officers, agents, representatives, assigns, or subcontractors. Note: If

"occurrence" coverage is unavailable or cost prohibitive, Contractor may provide "claims made" coverage provided the following conditions are met: (1) the commencement date of this contract must not fall outside the effective date of insurance coverage and it will be the retroactive date for insurance coverage in future years; and (2) the claims made policy must have a three-year tail for claims that are made (filed) after the cancellation or expiration date of the policy.

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

11.7 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 Department's Contracts Management Bureau, P.O. Box 201301, Helena, MT 59620. Contractor must notify the Department immediately of any material change in insurance coverage, such as changes in limits, coverages, change in status of policy, etc. The Department reserves the right to require complete copies of insurance policies at all times.

12. LICENSURE

Contractor agrees to provide copies of current licenses and certifications that register Contractor and any associates performing under this Contract.

13. COMPLIANCE WITH WORKERS' COMPENSATION ACT

Contractor shall comply with the provisions of the Montana Workers' Compensation Act while performing work for the Department 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 Department 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 Department's Contracts Management Bureau, P.O. Box 201301, Helena, MT 59620.

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 Department 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. INTELLECTUAL PROPERTY/OWNERSHIP

17.1 Ownership of Work Product. Contractor shall execute any documents or take any other actions as may reasonably be necessary, or as the Department may reasonably request, to perfect the Department's ownership of any Work Product.

17.2 Ownership of Contractor Pre-Existing Materials. Contractor retains ownership of all literary or other works of authorship (such as software programs and code, documentation, reports, and similar works), information, data, intellectual property, techniques, subroutines, algorithms, methods or related rights and derivatives that Contractor owns at the time this contract is executed or otherwise developed or acquired independent of this contract and employed by Contractor in connection with the services provided to the Department (the "Contractor Pre-existing Materials"). Contractor Pre-existing Materials are not Work Product. Contractor shall provide full disclosure of any Contractor Pre-Existing Materials to the Department before its use and to prove its ownership. If, however, Contractor fails to disclose to the Department such Contractor Pre-Existing Materials, Contractor shall grant the Department a nonexclusive, worldwide, paid-up license to use any Contractor Pre-Existing Materials embedded in the Work Product to the extent such Contractor Pre-Existing Materials are necessary for the Department to receive the intended benefit under this contract. Such license shall remain in effect for so long as such Pre-Existing Materials remain embedded in the Work Product. Except as otherwise provided for in Section 17.1 or as may be expressly agreed in any statement of work, Contractor shall retain title to and ownership of any hardware it provides under this contract.

18. CONTRACT TERMINATION

18.1 Termination for Cause with Notice to Cure Requirement. The Department 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.

18.2 Termination for Cause with Notice to Cure Requirement. Contractor may terminate this contract for the Department's failure to perform any of its duties under this contract after giving the Department written notice of the 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.

18.3 Reduction of Funding. The Department must by law terminate this contract if funds are not appropriated or otherwise made available to support the Department'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 Department 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 Department shall terminate this contract as required by law. The Department shall provide Contractor the date the Department's termination shall take effect. The Department 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 Department shall be liable to Contractor only for the payment, or prorated portion of that payment, owed to Contractor up to the date the Department's termination takes effect. This is Contractor's sole remedy. The Department 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.

19. EVENT OF BREACH – REMEDIES

19.1 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 Department approval; or
- voluntary or involuntary bankruptcy or receivership.

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

19.3 Actions in Event of Breach.

Upon Contractor's material breach, the Department may:

- terminate this contract under Section 18.1 and pursue any of its remedies under this contract, at law, or in equity; or
- treat this contract as materially breached and pursue any of its remedies under this contract, at law, or in equity.

Upon the Department's material breach, Contractor may:

- terminate this contract under Section 18.2 and pursue any of its remedies under this contract, at law, or in equity; 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.

20. 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.

21. 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.

22. CONFORMANCE WITH CONTRACT

No alteration of the terms, conditions, delivery, price, quality, quantities, or specifications of the contract shall be granted without the Department's Contracts Management 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.

23. LIAISONS AND SERVICE OF NOTICES

23.1 Contract Liaisons. All project management and coordination on the Department's behalf must be through a single point of contact designated as the Department's liaison. Contractor shall designate a liaison that will provide the single point of contact for management and coordination of Contractor's work. All work performed under this contract must be coordinated between the Department's liaison and Contractor's liaison.

Steve Harrel is the Department's liaison.
5 S Last Chance Gulch
Helena, MT 59601
Telephone: (406)-444-4390
E-mail: sharrel@mt.gov

Sally Stansberry is Contractor's liaison.
550 North California Street
Missoula, MT 59807-7616
Telephone: (406)-721-2704 x225

23.2 Notifications. The Department'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.

24. MEETINGS

24.1 Technical or Contractual Problems. Contractor shall meet with the Department'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 Department in the performance of their respective obligations, at no additional cost to the Department. The Department may request the meetings as problems arise and will be coordinated by the Department. The Department 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.

24.2 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

Department, 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.

24.3 Department's Failure or Delay. For a problem or circumstance identified in Contractor's status report in which Contractor claims was the result of the Department's failure or delay in discharging any Department obligation, the Department shall review same and determine if such problem or circumstance was in fact the result of such failure or delay. If the Department 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 Department 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.

25. 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 Department 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 Department shall pay Contractor for any resources utilized in performing such transition assistance at the most current contract rates. If the Department terminates a project or this contract for cause, then the Department may offset the cost of paying Contractor for the additional resources Contractor utilized in providing transition assistance with any damages the Department may have sustained as a result of Contractor's breach.

26. 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.

27. TAX EXEMPTION

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

28. AUTHORITY

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

29. 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.

30. SCOPE, ENTIRE AGREEMENT, AND AMENDMENT

30.1 Contract. This contract consists of 12 numbered pages and any Attachments as required. In the case of dispute or ambiguity arising between or among the documents, the order of precedence of document interpretation is the same.

30.2 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.

31. WAIVER

The Department'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.

32. EXECUTION

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

**DEPARTMENT OF MONTANA
Montana Department of Corrections
5 S. Last Chance Gulch
Helena, MT 59601**

**Youth Homes, Inc.
550 North California Street
Missoula, MT 59807**


Cindy McKenzie, Administrator
Youth Services Division


Geoffrey L. Birnbaum, Executive Director
Youth Homes, inc.

DATE: 10/27/15

DATE: 10/29/15

Approved as to Legal Content:


Legal Counsel 10-20-15
(Date)