1. PARTIES

The Montana Department of Corrections (DEPARTMENT) and **Community, Counseling, and Correctional Services, Inc. (CONTRACTOR)** enter into this Contract **(06-052-ACCD)**. The parties names, addresses, and telephone numbers are as follows:

Montana Department of Corrections
Adult Community Corrections Division
1539 11th Avenue
PO Box 201301
Helena, MT 59620-1301
(406) 444-3930

Community, Counseling, and Correctional Services, Inc.
81 West Park Street

Butte, MT 59701
(406) 782-0417

This contract replaces Contract #CCD-02-027-10-PRC in its entirety, effective upon receipt of all signatures.

The parties agree that upon request of the Legislative Audit Committee, the Legislative Audit Division shall review the procedures by which a contract was awarded and shall review each contract prior to execution to determine if the contract includes requirements provided in section 53-1-203, MCA.

NOW THEREFORE, DEPARTMENT AND CONTRACTOR, AS PARTIES TO THIS AGREEMENT AND FOR THE CONSIDERATION SET FORTH BELOW, AGREE AS FOLLOWS:

2. DUTIES AND RESPONSIBILITIES OF THE PARTIES

CONTRACTOR agrees to comply with DEPARTMENT policies in effect as of the date of this agreement, which are applicable to CONTRACTOR'S program and have been provided to CONTRACTOR prior to execution of this Agreement. CONTRACTOR will provide residential and non-residential prerelease services to offenders under the control of DEPARTMENT to: 1) assist offenders in making the transition from incarceration to a free society; and 2) assist offenders with rehabilitation in a structured setting. Offenders possess no right to participate in a prerelease program and nothing in this Agreement creates a right or liberty interest for offenders to participate in the program.

CONTRACTOR is a non-profit corporation organized under the laws of Montana for the purpose of providing comprehensive community correctional services. CONTRACTOR and DEPARTMENT agree to the following conditions:

A. SCREENING

1. DEPARTMENT shall determine the initial eligibility of offenders it will refer to the Facility for screening.

2. CONTRACTOR shall establish a local screening committee that shall include at a minimum a local law enforcement officer, a probation and parole officer, and a member of the public. The committee will convene as a group, in person, or via conference call or web cam, met net, etc., so that all persons participating in the meeting can hear each other at the same time, to consider and accept or deny referrals within ten (10) workings days of the referral's receipt. At each screening meeting, the committee must discuss each

offender referral and report to DEPARTMENT in writing, the committee's results. After due consideration and discussion, the committee must decide to admit or deny an offender through mutual agreement between a majority of committee members. The screening committee shall have the final determination regarding the admission of any candidate to the center. Each committee member shall have one vote. In the case of a tie vote, the center administrator will cast a vote to break the tie.

3. If the committee decides to deny an offender admission to CONTRACTOR'S facility the committee must in writing, specify the reasons for the denial. The committee may deny an offender admission only for the following reasons:

   a. The offender presents an unacceptable level of risk for future criminal activity in the community;

   b. The offender presents an unacceptable level of risk of harm to other facility offenders, staff, or self;

   c. The offender presents an unacceptable level of risk of escape;

   d. The offender cannot fulfill the program obligations. The committee and facility may not discriminate against an offender on the basis of the offender's mental or medical condition, but may deny admission to an offender who due to one of these conditions, cannot fulfill program objectives with reasonable accommodation or "special needs" assistance from DEPARTMENT;

   e. The offender has insufficient time remaining on his or her sentence to complete the program;

   f. The offender has committed a sexual or violent offense in the local community where his or her victim resides;

   g. The file material submitted was incomplete (note specifically what is missing).

   h. Other penological reasons (must specifically note what these are).

4. CONTRACTOR will submit an electronic report (e-mail) to the Contract Programs Manager within the next business day after the screening committee meets. The report must outline all offenders that the committee screened and for each one indicate:

   a. The referral source;

   b. Whether the committee accepted or denied the offender;

   c. If the committee denied the offender, the reason for the denial;

   d. If screening was not completed within ten (10) working days, the report must indicate the reason the screening took longer than ten (10) working days to complete.

5. DEPARTMENT may not transfer an offender to the Facility until CONTRACTOR has

provided notice of acceptance of the offender.

6. CONTRACTOR will arrange an annual meeting between DEPARTMENT staff and screening committee members, and a separate annual meeting between DEPARTMENT staff and CONTRACTOR'S Board of Directors, to discuss relative issues.

7. DEPARTMENT will release the following non-confidential information to the screening committee:

   a. Information, Judgments, and Sentence Review Decisions;

   b. Initial Board of Pardons and Parole Report and Disposition;

   c. Probation and Parole Bureau Violation Reports;

   d. Department of Corrections' Basic Information Sheet;

   e. Department of Corrections' Initial Classification Summary and Report;

   f. Department of Corrections' Summary of Offender's Institutional Conduct.

8. An offender who wants to be considered for prerelease placement must execute appropriate releases so DEPARTMENT can release appropriate confidential information such as Medical, psychological, and treatment information necessary to evaluate the offender's ability to complete the prerelease program; the Pre-sentence Investigation Report, and information necessary to evaluate the offender's needs for transitional services. DEPARTMENT will obtain all releases and information and provide it to CONTRACTOR.

B. OFFENDER RECORDS AND REPORTS

1. In accordance with DOC 1.5.6, Offender Records Access and Release and P&P 40-6 Case Records Management, CONTRACTOR shall protect offender records as confidential and not allow other offenders access to view or handle offender records. Offenders may make written requests to review file materials and may be granted access to review non-confidential portions of their file. All information to be provided to an offender from a file must be evaluated by a designated CONTRACTOR employee to ensure that release of information will not endanger either the offender or others, or violate the privacy rights of the offender or others. The offender and supervising staff member will sign and date the request. CONTRACTOR shall maintain offender records on-site in a locked, secure area. DEPARTMENT will provide written direction to CONTRACTOR regarding the appropriate release of offender information to outside parties. CONTRACTOR may require a subpoena to release information, if it deems necessary.

2. With the sole exception of information in the offender records that is necessary to accomplish continuity of care or treatment by a community agency or provider, CONTRACTOR may not copy or disseminate offender records, unless otherwise authorized by law. In the case of information released for continuity of care or treatment,

CONTRACTOR shall obtain consent from the offender in accordance with state and federal law governing confidential information.

3. CONTRACTOR shall retain offender records for a period of five years from the date of an offender's release from the Facility.

4. REPORTS - CONTRACTOR shall submit a written progress report within 15 days following an offender's four (4) months of residency in the program.

   a. If an offender's stay at the Facility extends beyond a six (6) month period, CONTRACTOR must submit monthly progress reports to DEPARTMENT until the offender is released or terminated from the program.

   b. CONTRACTOR will submit reports to the Contract Programs Manager.

   c. DEPARTMENT reserves the right to request more frequent progress reports on problematic or special needs offenders. CONTRACTOR shall complete a final case summary (a.k.a. "termination report") on each offender and submit copies to the Contract Programs Manager within thirty (30) days of the offender's release or termination. A copy of this report will also be forwarded to the MSP Classification Bureau, and, in the case of offenders being released to supervision, the Probation & Parole Office that will supervise the offender. CONTRACTOR shall retain all original reports in the offenders' records.

C. TRANSPORTATION

DEPARTMENT will arrange and provide the initial transportation of each offender to the Facility and back to DEPARTMENT custody.

D. PROGRAMMING & COUNSELING

1. Within ten (10) working days of an offender's arrival, CONTRACTOR shall immediately commence an individualized program for each new offender, describing the offender's treatment, vocational, educational, behavioral and social expectations and goals. The offender's individualized program will include measurable criteria of expected behavior and accomplishments, a time schedule for achieving specific goals, and scheduled progress reviews. Offenders' individualized programs must be set forth in writing and signed by the offender and staff, subject to review and approval by DEPARTMENT. Offenders will be subject to phase progression criteria, subject to DEPARTMENT review and approval.

2. CONTRACTOR shall develop a written release program for each offender in conjunction with DEPARTMENT. CONTRACTOR will make all recommendations relative to an offender's release or continued stay at the facility, in writing, and will coordinate offender's release plans by submitting appropriate pre-parole planning paperwork, conditional release reports, and interstate compact requests, in accordance with P&P 120-1 Parole Placement and Investigation Procedures, P&P 150-6 Conditional Release of DOC Offenders, and P&P 130-1 Interstate Commission Transfers. CONTRACTOR will ensure that Case Managers have appropriately investigated and verified offender's release

plans verbally, or in writing, prior to submission to State Probation and Parole or Interstate Compact.

3. Depending on the needs of the offender, CONTRACTOR shall provide or make referral to individual and group counseling in substance abuse, employment, health, education, parenting, financial management, Mental Health, Vocational Rehabilitation, and Cognitive Principles & Restructuring (CP&R). CONTRACTOR'S utilizing CP&R will follow DEPARTMENT CP&R Facilitator's Manual guidelines for completion of Phase I, II and III. Offenders will be permitted to enter Phase I, II, or III groups within thirty (30) calendar days of their arrival to the facility, unless other treatment program scheduling precludes this. Offenders will be permitted to discontinue CP&R upon completion of Phase II or Relapse Phase III requirements. All CP&R groups will be scheduled to allow offender completion within a six (6) month time period. CONTRACTOR will submit a biannual report to DEPARTMENT, which outlines current programming available to offenders within the Facility, and programming available through referral to community resources. CONTRACTOR will post, maintain, and periodically update a directory of community agencies available to assist offenders, or will use a directory that is maintained and updated by another agency.

4. CONTRACTOR shall, at a minimum, provide offenders with the following:

   a. emergency and crisis intervention services;

   b. an assigned staff member to meet with and advise that offender on a weekly basis;

   c. Case Management between a Case Manager and one or more offenders; and

   d. individual or group sessions directed toward a need or problem, such as health, education, family and interpersonal relationships, financial management, substance abuse, or sexual victimization;

   e. guidance, instruction, and information relating to obtaining and maintaining gainful employment commensurate with the offender's needs and abilities, including identification of job openings, arrangements for interviews, and transportation options, as necessary.

5. CONTRACTOR shall ensure that Case Managers document all scheduled meetings with offenders in writing, subject to review by DEPARTMENT. Documentation should note the offender's progress in attaining goals relative to their individualized program, identified needs, and any other pertinent issues.

E. OFFENDER MISCONDUCT & REMOVAL FROM FACILITY

1. CONTRACTOR shall provide to each offender at orientation a written agreement setting forth all rules, conditions, and procedures governing the offender's residency at the facility.

2. Disciplinary Procedures

a. Pursuant to DOC 3.4.1, Adult Institutional Discipline and P&P 140-1, Adult Offender Discipline and Disciplinary Hearings (attached and incorporated herein by reference), if offender is alleged to have violated his furlough or residency agreement, the rules of the facility, or other circumstance making the offender's continued residency unsuitable, CONTRACTOR shall serve the offender with written notice of the allegation and immediately forward a copy to the Probation & Parole Officer II or designee assigned to conduct hearings for the Facility ("hearing officer").

b. In accordance with DOC 3.4.1, Adult Institutional Discipline and P&P 140-1, Adult Offender Discipline and Disciplinary Hearings, CONTRACTOR may internally handle Class II violations, subject to consultation with a hearing officer prior to finalizing a disciplinary decision. CONTRACTOR agrees to forward all Class I violations to the hearing officer. All violation codes used by CONTRACTOR will be consistent with established DEPARTMENT guidelines.

c. Within five (5) working days if the offender is incarcerated and ten (10) working days if he is not, the hearing officer shall conduct a hearing to determine whether the allegation is true, and if so, whether to impose a penalty, including whether the offender should remain in the Facility. The hearing officer shall then provide a written disposition to the offender, including, if applicable, the reasons for removal of the offender from the program. CONTRACTOR will submit a monthly report to DEPARTMENT, outlining all offenders that have received class I and II violations resulting in a hearing that month, including the disposition of each hearing.

d. If the hearing results in a decision to terminate the offender's participation in the program, CONTRACTOR shall complete a termination report and forward it to the Contract Programs Manager and the MSP Classification Bureau.

e. An offender or CONTRACTOR may appeal the decision of the hearing officer to the Community Corrections Division Administrator (also referred to as the appeal hearing officer), or designee. The appeal hearing officer will review the decision to determine if the appropriate procedure was followed in the disciplinary matter and if appropriate findings of fact were made. The appeal hearing officer will also review the determination on disposition of the offender. The standard of review will be whether the facility clearly did not follow appropriate procedure in the disciplinary matter or that the findings of fact were clearly erroneous. If the appeal hearing officer determines the findings of fact were clearly erroneous or the facility clearly did not follow appropriate procedure in the disciplinary matter, the appeal hearing officer may reinstate the offender and CONTRACTOR agrees to reinstate the offender at the Facility at the next available opening. If the appeal hearing officer determines the disposition is not proportionate to the offense, or if through the appeal process it is determined that the offender should be reinstated contrary to the recommendation of CONTRACTOR, CONTRACTOR will re-screen the offender through the local prerelease screening committee according to the terms of this Agreement. During the screening process, the offender will remain in the custody of the local detention facility until a determination is made by the committee. If deemed appropriate, subject to screening and approval

procedures, the Administrator may also recommend placement of an offender in an alternative placement.

3. Detention

a. In the case of controlling an offender's threatening or harmful behavior, the Probation & Parole Officer II, or other designee of DEPARTMENT, may authorize an offender's placement for a specified duration in the county detention center. If CONTRACTOR is unable to contact the PO II or designee, CONTRACTOR may place the offender in the county detention center pursuant to a pre-signed warrant. CONTRACTOR shall inform the PO II or designee of the detention placement by 8:00 a.m. the next business day.

b. In such cases, the cost of the offender's detention will be borne by the offender. CONTRACTOR will establish procedures to inform offenders of this potential cost. When an offender does not reimburse CONTRACTOR for detention costs, DEPARTMENT will reimburse CONTRACTOR for said detention costs.

c. Per Diem - During an offender's detention placement, DEPARTMENT will continue payment to CONTRACTOR at the contracted per diem rate to allow CONTRACTOR to "hold" the bed until the offender's return. However, upon determination by DEPARTMENT Hearing Officer that the offender will be returned to prison from the County detention center, CONTRACTOR will discontinue receiving per diem payments for the offender and may immediately fill the bed with another offender.

4. Removal from Facility - Upon request by DEPARTMENT, CONTRACTOR will surrender custody of the offender to a designated officer of DEPARTMENT or law enforcement official. In the event that CONTRACTOR determines that the continued participation of an offender in the program presents an undue threat to community safety or will hinder the orderly operation of the program, CONTRACTOR may request an administrative transfer of that offender out of the facility. Upon request by CONTRACTOR, when such request is proportionate to the circumstances, DEPARTMENT will take custody of an offender through a designated officer of DEPARTMENT or law enforcement official. Under no circumstances will CONTRACTOR transfer any offender from the Facility until DEPARTMENT has authorized the transfer and made arrangements to take the offender into custody.

F. FACILITY MANAGEMENT

1. CONTRACTOR shall provide offenders with an environment that complies with local, state, and federal health and safety laws and regulations and treatment goals. CONTRACTOR shall maintain records of inspections by local, state and federal authorities and conduct annual and quarterly inspections as recommended by the authority having jurisdiction or if applicable, as specified by the equipment manufacturer. CONTRACTOR will forward reports of violation to DEPARTMENT within five (5) working days of their receipt, along with subsequent plans of correction and final agency disposition with regard to the report of violation. DEPARTMENT reserves the right to request documentation of the Facility's inspection reports on an annual basis or more

frequently as needed.

2. CONTRACTOR shall provide furnishings, fixtures, and equipment to accommodate all offenders.

3. CONTRACTOR shall require offenders to maintain their living quarters as defined in writing and provided to offenders at orientation. CONTRACTOR shall document that these responsibilities do not constitute full-time, reimbursable work, but are an integral part of the therapeutic treatment.

4. CONTRACTOR shall regulate the use and location of noise-producing equipment and appliances, such as televisions, radios, or other audio or video players to avoid interference with therapeutic activities of the program or offender privacy.

5. Subject to reasonable restrictions set forth in written policies and procedures of the facility, CONTRACTOR must provide offenders with:

   a. semi-private toilet and bathing facilities;

   b. well-ventilated living space of a minimum of twenty-five (25) feet in single or multiple-occupancy rooms;

   c. adequate space to store clothing and personal property, including lockable space; and

   d. furnished areas that provide for conversations with family, friends or therapists or where the offender may be alone; and a full range of social activities for all offenders, from two-person conversations to group activities.

G. OFFENDER TRAVEL

1. CONTRACTOR shall establish permanent "sign out" and "sign in" logs to detail: offender destination; the reason for the trip; where the offender may be reached; the expected time of return; and, the actual time of return.

2. Non-employment related requests for offenders to travel in excess of 65 miles from the facility or outside of the county in which the Facility is located, require approval by the Contract Programs Manager or designee. Except for program level or phase appropriate passes, an offender may not be absent from the Facility without written authorization of the Contract Programs Manager, the Probation and Parole Officer II, and the Facility Director. CONTRACTOR agrees to comply with DOC Policy 5.8.2, Prerelease Center Offender Travel, attached hereto and incorporated by reference herein, in submitting requests for travel to DEPARTMENT.

H. OFFENDER ABSENCE/ESCAPE

1. When an offender is unaccounted for and determined to be Absent Without Leave (AWOL), CONTRACTOR shall follow DOC Policy 3.2.2 - Facility Escapes and DOC Policy 1.1.6 – Incident Reporting and Duty Officer System, attached hereto and

incorporated by reference herein.

2. Within one (1) hour of determining a male or female offender's escape, CONTRACTOR'S on-duty staff member shall contact the Montana State Prison shift commander by telephone and fax a written Escapee Wanted Form (if electronic photo available), Escape Information Report (Attachment 2 and Attachment A of DOC 3.2.2, respectively), and an Incident Report Form (standard form attached to DOC 1.1.6 noted above) to the Helena Central Office (Contracts Program Manager) and Montana State Prison Investigation Unit, with the following information:

   a. Name and Adult Offender (AO) number;

   b. How, when, and where the escape was discovered;

   c. Circumstance surrounding the escape (i.e., did not show up for work or school, etc.);

   d. Probable companions;

   e. Suspected destination and mode of transportation;

   f. Personal and clothing description; and

   g. Agencies and persons who have been notified.

3. If there are extenuating circumstances, the reporting staff person must so indicate to DEPARTMENT representative. If the circumstance indicates that there is a possibility of the offender returning on his own, DEPARTMENT may use its discretionary power and choose not to issue the escape warrant at that time.

4. Montana State Prison (male) is responsible for listing the escapee with the National Crime Information Center (NCIC), issuing the felony warrant and complaint, and the All Points Bulletin (APB). The Interstate Compact Unit is responsible for listing female escapees with the National Crime Information Center, by issuing an administrative felony warrant.

5. CONTRACTOR will cooperate fully with instructions from DEPARTMENT and assist in returning the offender to appropriate custody.

6. CONTRACTOR will submit an annual report containing escape information to DEPARTMENT. This report will include offender names, crimes, type of commitment, date of entry and escape, center status or level at time of escape, and will be due by July 30th of each year. DEPARTMENT will provide a program spreadsheet to CONTRACTOR for use in reporting applicable escape information.

I. UNLAWFUL OFFENDER BEHAVIOR

CONTRACTOR shall report allegations of criminal conduct of offenders to local law enforcement officials and DEPARTMENT. CONTRACTOR shall cooperate with any

administrative or criminal investigation regarding an offender. In accordance with P&P 40-2, Offender Informants, under no circumstances may an offender be permitted to act as an operative (i.e. actively engaging in "controlled enforcement" activities that would ordinarily be considered a violation of the law) for law enforcement officials. Allowing offenders to act as informants (i.e. providing confidential information to qualified law enforcement officials) is discouraged by DEPARTMENT and can only occur on a limited and restricted basis with prior written approval from the Community Corrections Division Administrator.

J. OPERATION OF MOTOR VEHICLES

Generally, offenders are not permitted to operate motor vehicles. An offender, who may have a specific need to operate a motor vehicle on a public roadway, as a function of his or her job, shall do so only with the written permission of DEPARTMENT. The Contract Programs Manager and P&P Officer II shall monitor these procedures and approve, in writing, any exceptions. Per P&P 60-6–DUI Offender Driving Privileges, attached and incorporated herein by reference, felony DUI offenders will not be allowed to operate a motor vehicle under any circumstances while a resident of the Facility, or while participating in Transitional Living.

K. URINALYSIS SCREENING

1. CONTRACTOR shall conduct regular, random urinalysis (UA) screening of all offenders and submit quarterly reports to the Contract Programs Manager outlining the total number of UA samples taken and tested, how many of these samples were positive and what substances they were positive for. DEPARTMENT will develop a program spreadsheet for CONTRACTOR to use in reporting urinalysis information. CONTRACTOR will submit a copy of their current Urinalysis Screening Policy to DEPARTMENT annually by July 30th of every year, or upon revision, for DEPARTMENT review and mutual approval.

2. If CONTRACTOR agrees to make available to the Department of Corrections, Probation & Parole Bureau, the necessary resources to conduct UA screening, DEPARTMENT agrees to reimburse CONTRACTOR a maximum of $6.00 per UA screening.

L. INMATE WORKER POSITIONS

1. CONTRACTOR may request placement of an offender as an inmate worker by submitting to the Contract Programs Manager a work position agreement, signed by the offender, that sets forth a description of the work assignment, compensation, length of assignment in the position, and counseling services to be provided. DEPARTMENT authorizes CONTRACTOR to have no more than 7 % of total contracted beds to be filled with inmate workers, unless prior DEPARTMENT approval to exceed this amount has been received.

2. Inmate workers may remain in the position for a maximum of six months, unless approved by the Contract Programs Manager.

3. CONTRACTOR shall provide inmate workers room and board exempt from the service charges that apply to traditional program participants. During the offender's placement in an inmate work position, CONTRACTOR may charge DEPARTMENT the daily per

diem rate assessed regular program participants. Out of this per diem, CONTRACTOR shall pay inmate workers a minimum of $6.00 and a maximum of $12.00 per day for their work.

4. Inmate workers shall follow all Facility rules, regulations, and provisions of their inmate work position agreement, and be subject to the same disciplinary procedures as traditional program participants.

5. DEPARTMENT will cover the cost of an inmate worker's necessary medical, dental and psychiatric expenses, if CONTRACTOR has submitted a request to DEPARTMENT'S Managed Care Coordinator for prior review and approval is deemed appropriate. In an emergency, CONTRACTOR may proceed with the necessary treatment without prior authorization, but shall contact the Managed Care Coordinator ("MCC" herein) as soon as possible to furnish full information regarding the nature of the illness, the type of treatment to be provided, and the estimated costs thereof. The MCC will review each case individually.

M. HEALTH SERVICES

Offenders shall receive such medical, psychiatric, and dental treatment as may be necessary to safeguard their health and prevent pain and suffering. The cost of all such medical, psychiatric and dental treatment is the primary responsibility of offenders. CONTRACTOR is not responsible for the cost of such treatment. DEPARTMENT will assist in the cost of a Facility or locally contracted Registered Nurse, who is available to aid in offender's health care at a minimum of fifteen (15) hours per week, at no cost to offenders. If available and appropriate, offenders will be referred to this Registered Nurse before being referred to an outside agency for care. CONTRACTOR shall report all major recommended medical, psychiatric, and dental care and medical and dental emergencies directly to DEPARTMENT'S Managed Care Coordinator ("MCC" herein) or designee for review. In an emergency, CONTRACTOR may proceed with the necessary treatment without prior authorization, but shall contact the MCC as soon as possible to furnish full information regarding the nature of the illness, the type of treatment to be provided, and the estimated costs thereof. The MCC will review each case individually.

CONTRACTOR shall have in writing and subject to review by DEPARTMENT, an emergency mental health care plan for offenders, which outlines the use of designated hospital emergency room or appropriate health facility; emergency on-call mental health professional or agency, and security procedures for the immediate transfer of offenders, when appropriate.

N. OFFENDER DEATH

All expenses relative to an offender's, death, including preparation, shipment of the body, and burial, shall be the responsibility of DEPARTMENT. If possible, DEPARTMENT shall be notified in advance of such expenses and CONTRACTOR will follow DEPARTMENT instructions.

O. FOOD SERVICES

1. CONTRACTOR shall provide offenders with the minimum daily adult level of caloric intake and nutritional levels as recommended by the U.S. Department of Agriculture. A

nutritionist, dietician, or physician will annually approve the nutritional value of the food served. Food services will be guided by the following:

a. A written plan for the delivery of dietetic services and naming the person in charge of the food operation and the duties that may be delegated to others.

b. Food shall be served at planned meal times.

c. Food services shall comply with all applicable federal, state, and local law regulations.

d. Provisions shall be made to accommodate residents who work irregular hours and are not available at regularly scheduled meal times.

P. STAFFING

CONTRACTOR shall maintain sufficient staff to deliver the services required by this Agreement, including a minimum of two (2) staff persons on the premises at all times to supervise activities. When both males and females are housed in the Facility, at least one male and one female staff member are on duty at all times.

Q. LENGTH OF STAY

Offenders shall not reside in FACILITY for more than 180 days without prior written approval from the Contract Programs Manager.

R. GRIEVANCES

CONTRACTOR shall maintain a system through which offenders may present grievances concerning the operation of the program. This procedure does not apply to applicants who have not been accepted and have not signed a residency agreement.

S. OFFENDER FEES

1. CONTRACTOR shall inform offenders in writing at the time of orientation of all applicable fees CONTRACTOR may charge the offender under this agreement and Administrative Rules 20.7.201, 20.7.202, and 20.7.204. CONTRACTOR shall submit for DEPARTMENT approval, a schedule covering all applicable charges and fees. CONTRACTOR agrees to provide offenders and DEPARTMENT 90 days' advance notice of adjustments to the fee schedule.

2. CONTRACTOR may charge an offender for room, board, and services. Upon request, CONTRACTOR shall, in addition to the required monthly invoice, submit reports to DEPARTMENT within ten (10) working days of the following month, showing the offender's monthly gross income, the number of days in the facility, and the offender's expenses. "Expenses" include room, board, and service charges, medical and dental expenses, and restitution as set forth in this agreement.

3. CONTRACTOR may charge up to $12.00/day for room and board each day of the

offender's residence. Effective September 1, 2005, CONTRACTOR agrees not to charge any additional percentage of an offender's net earnings for room and board. After an offender's absence from the facility for seven (7) consecutive working days, the facility shall suspend the charge until the offender returns, unless an exception is approved through the Contract Programs Manager. CONTRACTOR may charge up to $4.00/day for an offender engaged in CONTRACTOR'S transitional living program.

4. CONTRACTOR may require an offender to pay for damage to the facility, its equipment, furnishings, and fixtures.

5. CONTRACTOR has the discretion to forgive all charges, or any portion thereof, based on CONTRACTOR'S assessment of the offender's ability to pay. DEPARTMENT may, on a case-by-case basis with written approval, pay CONTRACTOR for room and board fees of special needs offenders.

T. COLLECTION OF COURT ORDERED FINES AND FEES

1. Pursuant to ARM 20.7.201, CONTRACTOR shall develop and submit for DEPARTMENT approval, procedures to document the collection of court-ordered restitution, court-ordered fines, and court-ordered child and spousal support. CONTRACTOR shall submit reimbursement collection data to DEPARTMENT by July 30th of each year.

2. Pursuant to 46-18-241, M.C.A., CONTRACTOR shall withhold and submit all Felony District Court ordered restitution to the Department of Corrections Collection Unit on a monthly basis.

U. BANK ACCOUNTS

CONTRACTOR shall provide offenders with interest or non-interest bearing bank accounts. If the bank account is interest bearing, the interest shall be credited to the offender.

V. STATISTICAL REPORTS

Upon reasonable request of DEPARTMENT, CONTRACTOR agrees to prepare statistical reports/reviews of the program. CONTRACTOR agrees not to release said information without approval of DEPARTMENT.

W. DNA TESTING

CONTRACTOR will comply with DOC Policy 1.5.13, DNA Testing/Collection of Biological Samples, attached and incorporated herein by reference, by following the procedures outlined within the policy or utilizing a community resource to obtain DNA samples from designated offenders. Upon an applicable offender's release or return to custody, CONTRACTOR will forward written documentation that sampling was conducted to the supervising Probation and Parole Office or appropriate facility.

X. TRANSITIONAL LIVING PROGRAM (TLP)

In accordance with DOC 5.8.3, Transitional Living Program for Adult Offenders, attached and incorporated herein by reference, CONTRACTOR agrees to provide (TLP) services to offenders as approved by DEPARTMENT. CONTRACTOR agrees to allow offenders who have not completed all treatment mandates to participate in TLP, as long as they are projected to have these finished before parole or conditional release. At a minimum, TLP will include a review to determine the offender's appropriateness for the program, a structured orientation to the program through a group or individual process, weekly documented one-on-one meetings with the offender's assigned TLP Case Manager, daily offender check-ins with Facility staff, one on-site collateral check and offender house check weekly, random urinalysis and breathalyzer testing, development of a weekly offender itinerary with periodic verification by Facility staff, maintenance of treatment programming, and referral to appropriate community resources if necessary. Electronic monitoring is optional. CONTRACTOR will ensure that TLP staff maintains written documentation of all scheduled groups, meetings and communications relative to supervised offenders, subject to DEPARTMENT review.

Y. ENHANCED SUPERVISION PROGRAM (ESP)

In accordance with P & P Policy 140-3, Sanction Programs, CONTRACTOR agrees to provide (ESP) services to offenders as referred and approved by DEPARTMENT Probation and Parole Bureau. At a minimum, ESP services will include daily offender check-ins with Facility staff, daily breathalyzer testing, and one random urinalysis per week after 5:00 p.m. and/or on weekends. In addition, offender services options may include: development of a weekly itinerary with periodic verification by Facility personnel; additional random urinalysis; participation in Cognitive Principles and Restructuring (CP&R) groups; job development services; and where available, participation in or referral to Chemical Dependency Assessment, Treatment, or Aftercare; and 24-hour Secure, Continuous, Remote, Alcohol Monitoring (SCRAM). CONTRACTOR will ensure that ESP staff maintains written documentation of all scheduled meetings and communications relative to supervised offenders, subject to DEPARTMENT review. CONTRACTOR will submit monthly reports to Contracts Program Manager for one (1) year following inception of its ESP Program. This report should include a current list of offenders on the ESP caseload, number of referrals that month, type of referral (probation, parole, or conditional release violator) referral source, number of days ordered, and completion information.

Z. WATCh AFTERCARE PROGRAM

Upon referral and acceptance of appropriate offenders, CONTRACTOR agrees to provide four (4) facility beds for female offenders transitioning from the WATCh Program, not to exceed a placement of 120 days, unless an exception has been approved by the Contract Programs Manager. CONTRACTOR agrees to provide treatment continuity for all accepted WATCh aftercare referrals.

AA. EMERGENCY & DISASTER PLAN

CONTRACTOR shall maintain written procedures to provide for the continued operation of the program in the event of an employee work stoppage, emergency, or disaster. The procedures shall include, but not limited to: assignment of tasks and responsibilities, instructions for the use

of alarm systems, notification of authorities, use of special emergency equipment, and specifications of escape routes and procedures. The emergency evacuation routes shall be posted at highly visible locations and explained to each new offender at orientation. The Facility shall conduct and maintain documentation of quarterly drills and evaluate the effectiveness of disaster procedures.

3. COMPENSATION/BILLING

DEPARTMENT shall compensate CONTRACTOR for successful delivery of services provided pursuant to Section 2, in the following manner:

1. **DEPARTMENT shall pay CONTRACTOR a one-time payment of forty seven thousand three hundred sixty seven and 00/100 dollars ($47,367) for fiscal year 2006 and up to sixty two thousand and 00/100 dollars ($62,000) for fiscal year 2007**, for no less than fifteen (40) hours per week of service from a registered nurse. The amount of payment for this service will be pro-rated, should nursing service not be available for an entire fiscal year. Should CONTRACTOR provide sick call, CONTRACTOR must comply with all applicable laws and regulations regarding practices of nursing and medicine.

2. **DEPARTMENT shall pay CONTRACTOR a share of fifty thousand and 00/100 dollars ($50,000) per fiscal year** to be distributed on a first come, first serve basis between Alternatives, Inc., Great Falls Prerelease Services, Inc., Missoula Correctional Services, Inc., Community, Counseling & Correctional Services, Inc., and Boyd Andrew Community Services to pay for expenses related to necessary services provided to offenders qualifying as "special needs" offenders. This amount will not be counted toward the maximum amount paid under the contract in section 3(7).

3. **DEPARTMENT shall pay CONTRACTOR a share of fifty thousand and 00/100 dollars ($50,000) per fiscal year** to be allocated by contract capacity between Alternatives, Inc., Great Falls Prerelease Services, Inc., Missoula Correctional Services, Inc., Community, Counseling & Correctional Services, Inc., and Boyd Andrew Community Services to pay for expenses related to stipend requests, and allocated by Facility contract capacity. **Community, Counseling & Correctional Services, Inc. (Butte Prerelease and Women's Transitional Center) combined allocation amount for FY 2006 will be $12,242.00 and $11,334.00 for FY 2007.**

4. DEPARTMENT agrees to purchase **transitional living services (TLP)** as set forth in Section 2(X) of this Agreement for a maximum of twenty (20) offenders at the rate of **$17.42 per offender, per day.**

5. DEPARTMENT agrees to purchase **enhanced supervision program (ESP) services** as set forth in Section 2(Y) of this Agreement for a maximum of twelve (12) offenders at a rate of **$15.00 per offender, per day**, with a guarantee of payment for six (6) ESP offenders, regardless of the actual number of offenders in the program.

6. DEPARTMENT agrees to purchase **WATCh Aftercare beds** as set forth in Section 2(Z) of this agreement for a maximum of four (4) female offenders at a rate of **$53.18 per offender, per day**, with a guarantee of payment, regardless of the actual number of offenders in the program.

7. Invoice amounts will be for up to one-hundred-and-sixteen (116) male offenders and fifty-five

(55) female offenders for FY 2006 and FY 2007. CONTRACTOR shall not exceed the combined capacity level for the facility. However, capacity levels between male and female offenders may be adjusted within this combined capacity total to account for occasional population fluctuations. **The maximum amount paid under this Contract for FY 2006 is $3,151,536.10 and $3,342,323.86 for FY 2007.** Should CONTRACTOR bill DEPARTMENT in excess of these amounts, DEPARTMENT will not reimburse CONTRACTOR. When CONTRACTOR fills additional male beds, to compensate for deficits in the female ADP, CONTRACTOR agrees to accept the per diem rate reimbursed for male offenders.

8. Within fifteen (15) working days following the last day of each calendar month, CONTRACTOR shall invoice DEPARTMENT for contractual services rendered during the preceding month using electronic invoices provided by DEPARTMENT. Electronic invoices will automatically populate as to whether offender's referral source was from an "institutional" or "non-institutional" setting. For reporting purposes, an "institutional" setting will be defined as Montana State Prison, Montana Women's Prison, a regional or private prison, or Sanction, Treatment, Assessment, Revocation, and Transition (START) Program. A "non-institutional" setting will be defined as the Missoula Assessment and Sanctioning Center (MASC), Billings Assessment and Sanctioning Center (BASC), the Connections Corrections Program (CCP), Warm Springs Addiction Treatment and Change Program (WATCh), Treasure State Correctional Training Center (TSCTC), parole or conditional release revocations coming directly from the community, and DOC commitments being placed directly from the community, with the exception of those offenders who were in prison immediately prior to placement at TSCTC or CCP. Invoices are subject to audit and adjustment by DEPARTMENT before and after payment is made. Unless such invoice is subjected to a special review or audit, CONTRACTOR is entitled to payment, or written explanation of exception, within 15 days of DEPARTMENT receiving a correct invoice.

9. During the transition period from July 1, 2005 to October 1, 2005, DEPARTMENT will pay CONTRACTOR a per diem rate of at least $43.33 per offender, per day for male offenders and $53.70 per offender, per day for female offenders, with no requirement for a 90-95% bed occupancy rate, or maintenance of a male offender population consisting of no less than 50% or more than 65% from an "institutional" setting (4% increase).

10. Beginning October 1, 2005 and ending June 30, 2006, if CONTRACTOR does not meet the minimum requirements of a 90-95% bed occupancy rate per month, or maintenance of a male offender population consisting of no less than 50% nor more than 65% from an "institutional" setting per month, DEPARTMENT will pay CONTRACTOR a per diem rate of at least $42.91 per offender, per day for male offenders from both an "institutional" and "non-institutional" setting and $53.18 per offender per day for female offenders (3% increase).

11. Should CONTRACTOR have an expansion between October 1, 2005 and June 30, 2007 DEPARTMENT will pay CONTRACTOR a per diem rate of at least $42.91 per offender, per day, for male offenders and $53.18 per offender, per day for female offenders for additional offenders included in the expansion, for the first three (3) months following an expansion, with no requirement for a 90-95% bed occupancy rate, or maintenance of a male offender population consisting of no less than 50% or more than 65% from an "institutional" setting (3% increase). After completion of the initial three (3) month transition period following expansion, if CONTRACTOR fails to maintain occupancy and population consistency rates, the per diem rate per offender, per day will be paid at the minimum FY 2006 rate of $42.91 for male offenders and

$53.18 for female offenders (3% increase). ***NOTE: Should CONTRACTOR'S "institutional" offender population ever exceed 65% of their total capacity during FY 2006 or FY 2007, CONTRACTOR will not be penalized for this, however, a higher per diem rate will only be paid for up to 65% and not above.**

12. From October 1, 2005 through June 30, 2006, should CONTRACTOR maintain a bed occupancy rate of 90% and a male offender population consisting of at least 50% and no more than 65% originating from an "institutional" setting, DEPARTMENT will pay CONTRACTOR a per diem rate of $44.58 per offender, per day for male offenders referred from an "institutional setting" and $42.08 per offender per day for males from a "non-institutional" setting and $53.18 per female offender per day (4% increase overall).

13. From October 1, 2005 through June 30, 2006, should CONTRACTOR maintain a bed occupancy rate of 95% and an offender population consisting of at least 50% and no more than 65% from an "institutional" setting, DEPARTMENT will pay CONTRACTOR a per diem rate of $46.24 per offender, per day for male offenders from an "institutional" setting and $42.08 per offender, per day, for male offenders from a "non-institutional" setting and $53.18 per offender per day for female offenders (6% increase overall).

14. Fiscal Year 2007 (July 1, 2006 through June 30, 2007), if CONTRACTOR maintains a male offender population consisting of at least 50% and no more than 65% originating from an "institutional" setting, DEPARTMENT will pay CONTRACTOR a per diem rate of $43.74 per offender, per day, for male offenders from an "institutional setting" and $43.74 per offender, per day for male offenders from an "non-institutional" setting and $54.21 per offender, per day for female offenders (5% increase overall). Should CONTRACTOR fail to maintain the above population consistency, no per diem increase will be paid, and the per diem will be paid at the FY 2006 rate of $42.91 per offender, per day for males and $53.18 per offender, per day for females.

15. Fiscal Year 2007 (July 1, 2006 through June 30, 2007), should CONTRACTOR maintain a bed occupancy rate of 90% and a male offender population consisting of at least 50% and no more than 65% originating from an "institutional" setting per month, DEPARTMENT will pay CONTRACTOR a per diem rate of $46.24 per offender, per day for male offenders from an "institutional" setting and $42.08 per offender, per day for male offenders from a "non-institutional" setting and $54.21 per offender per day for female offenders (6% increase overall).

16. Fiscal Year 2007 (July 1, 2006 through June 30, 2007), should CONTRACTOR maintain a bed occupancy rate of 95% and a male offender population consisting of at least 50% and no more than 65% originating from an "institutional' setting per month, DEPARTMENT will pay CONTRACTOR a per diem rate of $47.91 per offender, per day for male offenders from an "institutional" setting and $42.08 per offender, per day for male offenders from a "non-institutional" setting and $54.21 per offender, per day for female offenders (8% increase overall).

17. To determine the bed occupancy percentage, male and female beds will be combined and Transitional Living services, WATCh Aftercare beds, and Enhanced Supervision beds will not be included in this figure or in the offender population consistency percentage. CONTRACTOR will determine appropriate per diem pay plan to bill each month, and note this on its monthly invoice. DEPARTMENT will conduct random audits of CONTRACTOR'S monthly billing invoice. DEPARTMENT shall make adequate referrals to CONTRACTOR to allow

CONTRACTOR to maintain a male bed occupancy rate of 95%. The parties agree to arbitrate the issue of adequate referrals if it is raised by CONTRACTOR, pursuant to the arbitration provisions of this Agreement. DEPARTMENT shall pay CONTRACTOR at the rate CONTRACTOR alleges it would have been entitled to during the pendency of arbitration.

18. DEPARTMENT shall not reimburse CONTRACTOR for any offender whose length of stay extends beyond 180 days unless specifically authorized and approved in writing by the Contract Programs Manager prior to the expiration of the 180-day period. For good cause shown, as determined in the sole discretion of the Contract Programs Manager, exercised in good faith, DEPARTMENT may reimburse CONTRACTOR beyond the 180-day period. DEPARTMENT will assume custody of the offender at the end of the 180-day period if DEPARTMENT and CONTRACTOR have not come to an alternative agreement.

19. DEPARTMENT may withhold payments to CONTRACTOR for failure to perform in accordance with the terms of this Agreement. However, prior to withholding payment, DEPARTMENT shall notify CONTRACTOR in writing, of its failure to perform. The notice shall specify acts or omissions constituting the default. If CONTRACTOR fails to remedy the default or submit an action plan deemed acceptable by DEPARTMENT within 60 days of receiving notice, DEPARTMENT may withhold payments.

20. CONTRACTOR shall reference the Contract number on all invoices and correspondence pertaining to this Agreement.

21. The conditions of reimbursement outlined above are effective for Fiscal Years 2006 and 2007. CONTRACTOR retains the right to renegotiate for Fiscal Year 2008 with the guarantee that compensation by DEPARTMENT will not be less than compensation paid in Fiscal Year 2007, subject to availability of funding. While the parties are renegotiating CONTRACTOR'S compensation, DEPARTMENT shall continue to compensate CONTRACTOR at the same rate as the previous fiscal year. After renegotiations have concluded, DEPARTMENT shall compensate CONTRACTOR at the new compensation rate retroactive to the beginning of the fiscal year.

4. TIME OF PERFORMANCE

This agreement shall take effect on July 1, 2005 and shall terminate on June 30, 2025. On or about March 1, 2007 and every two years thereafter during the term of this Agreement, the parties will meet to review the number of beds to be provided and the compensation rates described in Section 3 of this Agreement, as well as all other rates for services listed in this contract and, upon presentation of reasonable documentation, agree to amend the Agreement as necessary.

5. LIAISONS AND NOTICE

1. Michelle Jenicek, Contract Programs Manager (444-4910), 1539 11th Avenue, P.O. Box 201301, Helena, MT 59620-1301 or successor serves as DEPARTMENT liaison.

2. Mike Thatcher, Executive Director, Community, Counseling, and Correctional Services, Inc., (782-0417) Butte, MT or successor serves as CONTRACTOR liaison.

3. Montana Facility Finance Authority, Executive Director, P.O. Box 200506, Helena, Montana

59620

4. All notices and invoices required in this Agreement shall be in writing, properly addressed to the liaison in (1) and (2) above. 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. OWNERSHIP AND PUBLICATION OF MATERIALS

All materials CONTRACTOR develops or utilizes (i.e., reports, spreadsheets, etc.) in performing the services set forth in Section 2 above shall be the sole property of DEPARTMENT. Any programs, processes, or other intellectual property that CONTRACTOR develops or creates as part of its performance of services hereunder shall remain the sole property of CONTRACTOR.

7. COMPLIANCE WITH WORKERS' COMPENSATION ACT

Neither CONTRACTOR nor its employees are employees of the state. In accordance with sections 39-71-120, 39-71-401, and 39-71-405, MCA, Contractors are required to comply with the provisions of the Montana Workers' Compensation Act while performing work for the State of Montana. CONTRACTOR shall provide proof of compliance in the form of workers' compensation insurance, an independent contractor exemption, or documentation of corporate officer status and maintain such insurance, exemption, or corporate officer status for the duration of the agreement. CONTRACTOR shall submit a copy of all renewals of expired insurance and exemptions to: Department of Corrections, Fiscal Bureau, Attn: Contracts Manager, P.O. Box 201301, Helena, MT 59620-1301.

8. HOLD HARMLESS AND INDEMNIFICATION

CONTRACTOR agrees to defend and indemnify DEPARTMENT, its appointed officials, agents, and employees, while acting in the scope of their duties as such, harmless from and against all claims, demands, and 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 its agents, employees, subcontractors representatives under this agreement, except that arising out of the sole negligence of DEPARTMENT, its appointed officials, agents, and employees.

DEPARTMENT agrees to defend and indemnify CONTRACTOR, its appointed officials, agents, and employees, while acting in the scope of their duties as such, harmless from and against all claims, demands, and causes of action of any kind or character, including the cost of defense thereof, arising in favor of DEPARTMENT'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 DEPARTMENT its agents, employees, subcontractors representatives under this agreement, except that arising out of the sole negligence of CONTRACTOR, its appointed officials, agents, and employee.

9. INSURANCE

1. **General Requirements:** 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 CONTRACTOR, agents, employees, representatives, assigns, or subcontractors. This insurance shall cover such claims as may be caused by any negligent act or omission.

Primary Insurance: CONTRACTOR'S insurance coverage shall be primary insurance as 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 in excess of CONTRACTOR'S insurance and shall not contribute with it.

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

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 must be received by the Contracts Manager, PO Box 201301, Helena, MT 59620-1301 prior to start of work under this Contract. CONTRACTOR must immediately notify DEPARTMENT of any material change in insurance coverage, such as changes in limits, coverages, policy status, etc. DEPARTMENT reserves the right to require complete copies of insurance policies at all times.

2. **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 per occurrence and $2,000,000 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.

   Additional Insured Status: The State, its officers, officials, employees, and volunteers are to be covered 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; premises owned, leased, occupied, or used.

3. **Specific Requirements for Automobile Liability:** CONTRACTOR shall purchase and maintain occurrence coverage with combined single limits for bodily injury, personal injury, and property damage of $500,000 per occurrence and $1,000,000 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.

   Additional Insured Status: The State, its officers, officials, employees, and volunteers are to be covered as additional insureds for automobiles leased, hired, or borrowed by CONTRACTOR.

4. **Specific Requirements for Professional Liability:** CONTRACTOR shall purchase and maintain occurrence coverage with combined single limits for each wrongful act 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, 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 the 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.

10. ACCESS TO FACILITY AND BUSINESS RECORDS

1. Except in the case of suspected malfeasance, upon reasonable notification to CONTRACTOR, and subject to rights of privacy and confidentiality, CONTRACTOR agrees to provide DEPARTMENT or their agents and assigns with access to any records necessary to determine compliance with this agreement. Per 53-1-203, MCA, CONTRACTOR shall grant access to the Legislative Audit Division or a person contracting with the Legislative Audit Division for compliance auditing. CONTRACTOR shall provide access to all areas of the facility and to all records maintained onsite or offsite that pertain to all aspects of the facility, including but not limited to operation, financial, and inmate records. CONTRACTOR agrees to create and retain all records supporting the services rendered and/or supplies delivered for a period of five years after either the records are created or the conclusion of any claim, litigation, or exception relating to this Agreement taken by the State of Montana or a third party. CONTRACTOR shall maintain offender records as provided in Part 2, Paragraph B, Section 4 of this Agreement.

2. CONTRACTOR agrees to maintain program and financial records required by this Agreement. In case of financial review, DEPARTMENT will make every effort to provide CONTRACTOR with two weeks advance notice. CONTRACTOR agrees that an independent financial audit, at its expense, shall be conducted annually and at the termination of this Agreement. CONTRACTOR shall submit all audits no later than December 1st of each calendar year.

3. Except in the case of suspected malfeasance, upon reasonable notification to CONTRACTOR, CONTRACTOR agrees to allow DEPARTMENT personnel or other duly authorized persons access to the Facility at reasonable times to inspect the facility and offender records, to interview offenders and staff, and to observe procedures, including, but not limited to screenings, group meetings, intake, release, and security procedures, and all day to day operations of the Facility.

4. CONTRACTOR agrees to maintain program data as mutually agreed upon with DEPARTMENT at the beginning of the fiscal year. CONTRACTOR will produce program narrative and descriptive data in a form agreed upon between CONTRACTOR and DEPARTMENT. CONTRACTOR shall be given reasonable time to produce program narrative and descriptive data in a form agreed upon between CONTRACTOR and DEPARTMENT. All records pertaining to treatment of offenders will be available to DEPARTMENT or its authorized agents, but shall remain in the property of CONTRACTOR. CONTRACTOR may copyright material it deems appropriate.

11. QUALITY ASSURANCE

CONTRACTOR shall cooperate with and provide information to DEPARTMENT or DEPARTMENT'S authorized agents to assess program effectiveness and quality assurance.

12. PUBLIC INFORMATION

CONTRACTOR recognizes that this Agreement is subject to public inspection pursuant to Article 2, § 9 of the Montana Constitution.

13. ASSIGNMENT, TRANSFER AND SUBCONTRACTING

CONTRACTOR shall not assign, sell, transfer, subcontract or sublet rights, or delegate duties under this Agreement, in whole or in part, without the prior written approval of DEPARTMENT. No such written approval shall relieve CONTRACTOR of any obligation of this Agreement and any transferee or subcontractor shall be considered the agent of CONTRACTOR. CONTRACTOR shall remain liable as between the original parties to the Agreement as if no such assignment had occurred.

CONTRACTOR shall submit all subcontracts directly affecting offender security procedures or treatment needs to the Contract Programs Manager for review and approval at least 30 days prior to beginning performance of the contract. DEPARTMENT shall submit its approval or revision recommendations in writing to CONTRACTOR.

14. AMENDMENTS

All amendments to this Agreement shall be in writing and signed by the parties.

15. COMPLIANCE WITH LAWS

CONTRACTOR must, in performance of work under the Agreement, fully comply with all applicable federal, state, or local laws, rules and regulations, including the Prison Rape Elimination Act of 2003, 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 section 49-3-207, MCA, CONTRACTOR agrees that the hiring of persons to perform the Agreement 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 persons performing the Agreement.

CONTRACTOR will ensure that a criminal background investigation, including a CJIN and NCIC check, is conducted on each Facility employee, treatment or security subcontractor, or volunteer, prior to allowing access to offender records or personal authority over an offender. CONTRACTOR shall not employ a person with a felony record without DEPARTMENT approval.

16. TERMINATION AND DEFAULT

1. DEPARTMENT, at its sole discretion, may terminate or reduce the scope of this Agreement if available funding is reduced for any reason.

2. CONTRACTOR shall notify DEPARTMENT and the MFFA, whenever CONTRACTOR believes it is, or will be, unable to provide the required quality or quantity of services. Upon such notification, the parties (including a representative of MFFA) shall meet to determine whether such inability requires modification of this Agreement.

3. DEPARTMENT may terminate this contract for the following reasons:

    a. Contractor Insolvency
    b. Destruction/Condemnation

4. DEPARTMENT may, by written notice to CONTRACTOR, terminate this Agreement in whole or in part at any time CONTRACTOR fails to perform as required in this Agreement, subject to the notice and right to cure provisions set out in Section 3(19) above.

5. DEPARTMENT agrees to notify the MFFA and Trustee within 15 days of the DEPARTMENT'S decision, if, for any reason, DEPARTMENT decides not to seek funding for the prerelease program through the executive budget process.

17. CHOICE OF LAW AND VENUE

The laws of Montana govern this Agreement. The parties agree that any mediation, arbitration or litigation concerning this Agreement 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 (Ref. 18-1-401, MCA).

18. LICENSURE

CONTRACTOR agrees to maintain and provide as requested, documentation to confirm registration, licensure, or certification of any person performing services under this Agreement that requires such registration, licensure, or certification.

19. INTEGRATION

This Agreement 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 Agreement, shall be binding or valid. This Agreement shall not be enlarged, modified, or altered except upon written agreement signed by all parties to the Agreement.

20. SEVERABILITY

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

21. COMPLETED CONTRACT

CONTRACTOR cannot disburse any payments under this Agreement until a fully executed original Agreement is returned to the Department of Corrections, Fiscal Bureau, P.O. Box 201301, 1539 11th Avenue, Helena, MT 59620-1301. A second Original shall be maintained at CONTRACTOR'S corporate office at 81 West Park Street, Butte, Montana 59701.

22. NOTICE OF POLICY CHANGES

DEPARTMENT shall notify CONTRACTOR whenever DEPARTMENT has proposed or considered administrative rule or policy changes which could affect CONTRACTOR'S financial operation or the intent of this contract. Should this occur, DEPARTMENT agrees to negotiate these changes or this contract, prior to implementation of these administrative rules or policies. CONTRACTOR must comply with all other rule or policy changes and DEPARTMENT shall transmit written copies of any

such changes within ten (10) working days of their adoption.

23. ARBITRATION

Any claim arising out of, or related to this contract shall be settled in binding arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association. Judgment on the award rendered by the Arbitrator may be entered in any Court having jurisdiction thereof. The prevailing party in arbitration is entitled to costs and reasonable attorney fees connected with the arbitration.

24. MISCELLANEOUS MATTERS

The parties agree that electronic transmissions, such as e-mails, may be used and considered as written transmissions under the terms of this agreement. The parties agree that where there are references to statutes, policies or administrative rules, those references shall automatically be amended to refer to renumbered statutes, policies, or administrative rules as appropriate.

DEPARTMENT

Mike Ferriter, Administrator
Adult Community Corrections Division

3-23-06
Date

CONTRACTOR

Mike Thatcher, Executive Director
Community, Counseling, and Correctional Services, Inc.

7/05/06
Date

Approved for Legal Content by:

Legal Counsel
Department of Corrections

3/22/06
Date

Approved by Legislative Audit Division: See attached memo dated January 31, 2006.

CONTRACT AMENDMENT
CONTRACT #06-052-ACCD

THIS CONTRACT AMENDMENT (**Amendment #1**) is made and entered into by and between the Montana Department of Corrections (DEPARTMENT) 1539 11th Ave., Helena, Montana 59620-1301 and **Community, Counseling, and Correctional Services** (CONTRACTOR) ~~81 West Park Street~~ 471 East Mercury, Butte, Montana 59701 and is effective upon receipt of all signatures.

WHEREAS, the parties have entered a Contract with an original effective date of July 1, 2005 and Section 19 provides that the parties may modify their agreement in writing.

NOW THEREFORE, the parties agree to amend the Contract as follows **(new language underlined, old language interlined)**:

2. DUTIES AND RESPONSIBILITIES OF THE PARTIES

CONTRACTOR agrees to comply with DEPARTMENT policies in effect as of the date of this agreement, which are applicable to CONTRACTOR'S program and have been provided to CONTRACTOR prior to execution of this Agreement. CONTRACTOR will provide residential and non-residential prerelease services to offenders under the control of DEPARTMENT to: 1) assist offenders in making the transition from incarceration to a free society; and 2) assist offenders with rehabilitation in a structured setting. Offenders possess no right to participate in a prerelease program and nothing in this Agreement creates a right or liberty interest for offenders to participate in the program.

CONTRACTOR is a non-profit corporation organized under the laws of Montana for the purpose of providing comprehensive community correctional services. CONTRACTOR and DEPARTMENT agree to the following conditions:

A-L No Changes

M. HEALTH SERVICES

Offenders shall receive such medical, psychiatric, and dental treatment as may be necessary to safeguard their health and prevent pain and suffering. The cost of all such medical, psychiatric and dental treatment is the primary responsibility of offenders. CONTRACTOR is not responsible for the cost of such treatment. DEPARTMENT will assist in the cost of a Facility or locally contracted Registered Nurse, who is available to aid in offender's health care at a minimum of fifteen (15) hours per week, at no cost to offenders. If available and appropriate, offenders will be referred to this Registered Nurse before being referred to an outside agency for care. CONTRACTOR shall report all major recommended medical, psychiatric, and dental care and medical and dental emergencies directly to DEPARTMENT'S Managed Care Coordinator ("MCC" herein) or designee for review. In an emergency, CONTRACTOR may proceed with the necessary treatment without prior authorization, but shall contact the MCC as soon as possible to furnish full information regarding the nature of the illness, the type of treatment to be provided, and the estimated costs thereof. The MCC will review each case individually.

CONTRACTOR shall have in writing and subject to review by DEPARTMENT, an emergency mental health care plan for offenders, which outlines the use of designated hospital emergency room or appropriate health facility; emergency on-call mental health professional or agency, and security procedures for the immediate transfer of offenders, when appropriate.

1. In accordance with DOC Policy 4.5.28, Services for Offenders with Mental Illness, CONTRACTOR may distribute funds for services for eligible offenders that must include, but are not limited to, the following:

   a. direct clinical services on an individual, group, and family basis in the appropriate office and/or community setting;
   b. individual supportive therapy, social skill development, and assertiveness training to increase client social and interpersonal activities in community settings;
   c. case management services;
   d. benefit enrollment;
   e. clinical assessment;
   f. emergency counseling;
   g. crisis management/stabilization;
   h. consultation with probation and parole staff, as requested, and participation with staffing of cases;
   i. ongoing support and medication monitoring;
   j. housing assistance;
   k. establishing and maintaining complete clinical records of all clients served; and
   l. dedicated prerelease beds.

   CONTRACTOR will provide a monthly status report to include: name, adult offender number, birth date, current program/placement of the offender receiving services, primary mental health diagnosis, services provided, number of units provided (actual cost and benefit paid by the DEPARTMENT) and the reason for release from the project.

   DEPARTMENT will work with CONTRACTOR to monitor progress, assess compliance with supervision, and ensure that needs are being met. DEPARTMENT will provide CONTRACTOR with a report of payments made in accordance with this section.

N-R No Changes

S. OFFENDER FEES

1. No Changes

2. No Changes

3. CONTRACTOR may charge up to ~~**$12.00**~~ **$14.00**/day for room and board each day of the offender's residence. Effective September 1, 2005, CONTRACTOR agrees not to charge any additional percentage of an offender's net earnings for room and board. After an offender's absence from the facility for seven (7) consecutive working days, the facility shall suspend the charge until the offender returns, unless an exception is approved through the Contract Programs Manager. CONTRACTOR may charge up to **$4.00**/day for an offender engaged in CONTRACTOR'S transitional living program.

4. No Changes

5. No Changes

T-AA No Changes

BB. GPS Monitoring

CONTRACTOR agrees to provide GPS monitoring for up to ten (10) "hard to place" offenders from the BOPP's list of approved offenders for parole upon completion of a pre-release or the IPPO's list of offenders who are denied at all pre-releases. The ten (10) GPS units will be issued at the CONTRACTOR'S discretion between the Gallatin County and Butte facilities.

CONTRACTOR may use GPS units to monitor offenders who have been charged with a Class II major violation and are awaiting a hearing. GPS usage will begin when an offender is served with the violation notice and end when the offender has completed the hearing, not to include the time awaiting an appeal of a hearing decision.

3. COMPENSATION/BILLING

DEPARTMENT agrees to pay a daily per diem rate, where "daily" means each day, or part of day, including the first day but not the last day of confinement in a pre-release facility. DEPARTMENT shall compensate CONTRACTOR for successful delivery of services provided pursuant to Section 2, in the following manner:

1. **DEPARTMENT shall pay CONTRACTOR ~~a one time payment of forty seven thousand three hundred sixty seven and 00/100 dollars ($47,367) for fiscal year 2006 and up to~~ sixty two thousand and 00/100 dollars ($62,000) ~~for~~ in both fiscal year ~~2007~~ 2008 and fiscal year 2009**, for no less than fifteen (40) hours per week of service from a registered nurse. The amount of payment for this service will be pro-rated, should nursing service not be available for an entire fiscal year. Should CONTRACTOR provide sick call, CONTRACTOR must comply with all applicable laws and regulations regarding practices of nursing and medicine.

2. No Changes

3. **DEPARTMENT shall pay CONTRACTOR a share of fifty thousand and 00/100 dollars ($50,000) per fiscal year** to be allocated by contract capacity between Alternatives, Inc., Great Falls Prerelease Services, Inc., Missoula Correctional Services, Inc., Community, Counseling & Correctional Services, Inc., and Boyd Andrew Community Services to pay for expenses related to stipend requests, and allocated by Facility contract capacity. **Community, Counseling & Correctional Services, Inc. (Butte Prerelease and Women's Transitional Center) combined allocation amount for FY 2008 will be $12,242.00 and $11,334.00 for FY 2009.** This amount will not be counted toward the maximum amount paid under the contract in section 3(7).

4. DEPARTMENT agrees to purchase **transitional living services (TLP)** as set forth in Section 2(X) of this Agreement for a maximum of twenty (20) offenders at the rate of **~~$17.42~~ $21.00 per offender, per day~~.~~, effective September 11, 2007.**

5. No Changes

6. No Changes

7. Invoice amounts will be for up to one-hundred-and-sixteen (116) male offenders and fifty-five (55) female offenders for FY ~~2006~~ 2008 and FY ~~2007~~ 2009. CONTRACTOR shall not exceed the combined capacity level for the facility. However, capacity levels between male and female offenders may be adjusted within this combined capacity total to account for occasional

offenders may be adjusted within this combined capacity total to account for occasional population fluctuations. **The maximum amount paid under this Contract for FY ~~2006~~ 2008 is ~~$3,151,536.10~~ $3,670,560.51 and ~~$3,342,323.86~~ $3,746,327.49 for FY ~~2007~~ 2009.** Should CONTRACTOR bill DEPARTMENT in excess of these amounts, DEPARTMENT will not reimburse CONTRACTOR. When CONTRACTOR fills additional male beds, to compensate for deficits in the female ADP, CONTRACTOR agrees to accept the per diem rate reimbursed for male offenders.

8. Within fifteen (15) working days following the last day of each calendar month, CONTRACTOR shall invoice DEPARTMENT for contractual services rendered during the preceding month using electronic invoices provided by DEPARTMENT. Electronic invoices will automatically populate as to whether offender's referral source was from an "institutional" or "non-institutional" setting. For reporting purposes, an "institutional" setting will be defined as ~~Montana State Prison, Montana Women's Prison, a regional or private prison, Sanction, Treatment, Assessment, Revocation, and Transition (START) Program.~~ one of the following:

A. Montana State Prison.
B. Montana Women's Prison.
C. Cascade County Detention Center.
D. Dawson County Correctional Facility.
E. Crossroads Correctional Center.
F. Sanction, Treatment, Assessment, Revocation, and Transition Program (START) This would be cases that your PRC screening committee screens and accepts out of START that were a revocation from another PRC or the community. If a PRC resident is sanctioned to START but was originally received at your center as an Institutional placement they will remain as Institutional placement upon their return.
G. Missoula Assessment and Sanction Center (MASC) The only cases that would be considered Institutional from MASC would be offenders from Missoula PRC who are sanctioned to MASC, revocations will go to START, and were originally received at Missoula PRC as an Institutional placement and will remain Institutional upon return.
H. Connections Corrections Program (CCP) Only those offenders that were in an Institutional setting immediately prior to placement at CCP.
I. Treasure State Correctional Training Center (TSCTC) Only those cases that were in prison immediately prior to placement at TSCTC.

A "non-institutional" setting will be defined as ~~the Missoula Assessment and Sanctioning Center (MASC), Billings Assessment and Sanctioning Center (BASC), the Connections Corrections Program (CCP), Warm Springs Addiction Treatment and Change Program (WATCh), Treasure State Correctional Training Center (TSCTC), parole or conditional release revocations coming directly from the community, and DOC commitments being placed directly from the community, with the exception of those offenders who were in prison immediately prior to placement at TSCTC or CCP.~~ one of the following:

A. Missoula Assessment and Sanction Center (MASC) All DOC commits referred from MASC to a new community placement. Also includes those offenders referred from Missoula PRC as a sanction and who are returning to Missoula PRC that were originally received as a Non-Institutional referral.
B. Connections Corrections Program (CCP) Those cases where the offender was referred to CCP directly from the community or a Non-Institutional setting.
C. Treasure State Correctional Training Center (TSCTC) Those cases where the

offender was referred to TSCTC directly from the community or a Non-Institutional setting.

D. Sanction, Treatment, Assessment, Revocation, and Transition Program (START) If an offender from your center is sanctioned to START and was originally received at your center as a Non-Institutional offender, they will remain Non-Institutional upon their return.

E. Parole or Conditional Release revocations being placed directly from the community.

F. DOC commits that were placed in your center directly from the community.

G. All WATCh referrals regardless of their prior placement.

H. All Nexus referrals regardless of their prior placement.

Invoices are subject to audit and adjustment by DEPARTMENT before and after payment is made. Unless such invoice is subjected to a special review or audit, CONTRACTOR is entitled to payment, or written explanation of exception, within 15 days of DEPARTMENT receiving a correct invoice.

~~9. During the transition period from July 1, 2005 to October 1, 2005, DEPARTMENT will pay CONTRACTOR a per diem rate of at least $43.33 per offender, per day for male offenders and $53.70 per offender, per day for female offenders, with no requirement for a 90-95% bed occupancy rate, or maintenance of a male offender population consisting of no less than 50% or more than 65% from an "institutional" setting (4% increase).~~

10. Beginning ~~October 1, 2005~~ July 1, 2007 and ending June 30, ~~2006~~ 2008, if CONTRACTOR does not meet the minimum requirements of a 90-95% bed occupancy rate per month, or maintenance of a male offender population consisting of no less than 50% nor more than 65% from an "institutional" setting per month, DEPARTMENT will pay CONTRACTOR a per diem rate of at least ~~$42.91~~ **$43.77** per offender, per day for male offenders from both an "institutional" and "non-institutional" setting and ~~$53.18~~ **$55.29** per offender per day for female offenders ~~(3% increase)~~. ***NOTE: Should CONTRACTOR'S "institutional" offender population ever exceed 65% of their total capacity during FY 2008, CONTRACTOR will not be penalized for this, however, a higher per diem rate will only be paid for up to 65% and not above.**

11. ~~Should CONTRACTOR have an expansion between October 1, 2005 and June 30, 2007 DEPARTMENT will pay CONTRACTOR a per diem rate of at least $42.91 per offender, per day, for male offenders and $53.18 per offender, per day for female offenders for additional offenders included in the expansion, for the first three (3) months following an expansion, with no requirement for a 90-95% bed occupancy rate, or maintenance of a male offender population consisting of no less than 50% or more than 65% from an "institutional" setting (3% increase). After completion of the initial three (3) month transition period following expansion, if CONTRACTOR fails to maintain occupancy and population consistency rates, the per diem rate per offender, per day will be paid at the minimum FY 2006 rate of $42.91 for male offenders and $53.18 for female offenders (3% increase). ***NOTE: Should CONTRACTOR'S "institutional" offender population ever exceed 65% of their total capacity during FY 2006 or FY 2007, CONTRACTOR will not be penalized for this, however, a higher per diem rate will only be paid for up to 65% and not above.**~~

12. From ~~October 1, 2005~~ July 1, 2007 through June 30, ~~2006~~ 2008, should CONTRACTOR maintain a bed occupancy rate of 90% and a male offender population consisting of at least 50% and no more than 65% originating from an "institutional" setting, DEPARTMENT will pay CONTRACTOR a per diem rate of ~~$44.58~~ **$47.16** per offender, per day for male offenders referred from an "institutional setting" and ~~$42.08~~ **$42.92** per offender per day for males from a

"non-institutional" setting and ~~$53.18~~ **$55.29** per female offender per day ~~(4% increase overall)~~.

13. From ~~October 1, 2005~~ July 1, 2007 through June 30, ~~2006~~ 2008, should CONTRACTOR maintain a bed occupancy rate of 95% and an offender population consisting of at least 50% and no more than 65% from an "institutional" setting, DEPARTMENT will pay CONTRACTOR a per diem rate of ~~$46.24~~ **$48.87** per offender, per day for male offenders from an "institutional" setting and ~~$42.08~~ **$42.92** per offender, per day, for male offenders from a "non-institutional" setting and ~~$53.18~~ **$55.29** per offender per day for female offenders ~~(6% increase overall)~~.

~~14. Fiscal Year 2007 (July 1, 2006 through June 30, 2007), if CONTRACTOR maintains a male offender population consisting of at least 50% and no more than 65% originating from an "institutional" setting, DEPARTMENT will pay CONTRACTOR a per diem rate of $43.74 per offender, per day, for male offenders from an "institutional setting" and $43.74 per offender, per day for male offenders from an "non-institutional" setting and $54.21 per offender, per day for female offenders (5% increase overall). Should CONTRACTOR fail to maintain the above population consistency, no per diem increase will be paid, and the per diem will be paid at the FY 2006 rate of $42.91 per offender, per day for males and $53.18 per offender, per day for females.~~ Beginning July 1, 2008 and ending June 30, 2009, if CONTRACTOR does not meet the minimum requirements of a 90-95% bed occupancy rate per month, or maintenance of a male offender population consisting of no less than 50% nor more than 65% from an "institutional" setting per month, DEPARTMENT will pay CONTRACTOR a per diem rate of at least **$44.64** per offender, per day for male offenders from both an "institutional" and "non-institutional" setting and **$56.40** per offender per day for female offenders. ***NOTE: Should CONTRACTOR'S "institutional" offender population ever exceed 65% of their total capacity during FY 2009, CONTRACTOR will not be penalized for this, however, a higher per diem rate will only be paid for up to 65% and not above.**

15. Fiscal Year ~~2007~~ 2009 (July 1, ~~2006~~ 2008 through June 30, ~~2007~~ 2009), should CONTRACTOR maintain a bed occupancy rate of 90% and a male offender population consisting of at least 50% and no more than 65% originating from an "institutional" setting per month, DEPARTMENT will pay CONTRACTOR a per diem rate of ~~$46.24~~ **$48.11** per offender, per day for male offenders from an "institutional" setting and ~~$42.08~~ **$43.78** per offender, per day for male offenders from a "non-institutional" setting and ~~$54.21~~ **$56.40** per offender per day for female offenders ~~(6% increase overall)~~.

16. Fiscal Year ~~2007~~ 2009 (July 1, ~~2006~~ 2008 through June 30, ~~2007~~ 2009), should CONTRACTOR maintain a bed occupancy rate of 95% and a male offender population consisting of at least 50% and no more than 65% originating from an "institutional' setting per month, DEPARTMENT will pay CONTRACTOR a per diem rate of ~~$47.91~~ **$49.85** per offender, per day for male offenders from an "institutional" setting and ~~$42.08~~ **$43.78** per offender, per day for male offenders from a "non-institutional" setting and ~~$54.21~~ **$56.40** per offender, per day for female offenders ~~(8% increase overall)~~.

17. To determine the bed occupancy percentage, ~~male and~~ female beds, ~~will be combined and~~ Transitional Living services, WATCh Aftercare beds, and Enhanced Supervision beds will not be included in this figure or in the offender population consistency percentage. Only male beds will be considered. CONTRACTOR will determine appropriate per diem pay plan to bill each month, and note this on its monthly invoice. DEPARTMENT will conduct random audits of CONTRACTOR'S monthly billing invoice. DEPARTMENT shall make adequate referrals to CONTRACTOR to allow CONTRACTOR to maintain a male bed occupancy rate of 95%. The parties agree to arbitrate the issue of adequate referrals if it is raised by CONTRACTOR,

pursuant to the arbitration provisions of this Agreement. DEPARTMENT shall pay CONTRACTOR at the rate CONTRACTOR alleges it would have been entitled to during the pendency of arbitration.

18. No Changes

19. No Changes

20. No Changes

21. The conditions of reimbursement outlined above are effective for Fiscal Years ~~2006~~ 2008 and ~~2007~~ 2009. CONTRACTOR retains the right to renegotiate for Fiscal Year ~~2008~~ 2010 with the guarantee that compensation by DEPARTMENT will not be less than compensation paid in Fiscal Year ~~2007~~ 2009, subject to availability of funding. While the parties are renegotiating CONTRACTOR'S compensation, DEPARTMENT shall continue to compensate CONTRACTOR at the same rate as the previous fiscal year. After renegotiations have concluded, DEPARTMENT shall compensate CONTRACTOR at the new compensation rate retroactive to the beginning of the fiscal year.

22. DEPARTMENT shall pay CONTRACTOR a one-time payment of **$2.00** (two and 00/100 dollars) per offender, per day, for actual population during the time period of October 1, 2007 through December 31, 2007 (92 days) for lost time not being able to charge the increased rate.

23. DEPARTMENT shall pay CONTRACTOR **$11.00** (eleven and 00/100 dollars) per offender, per day, for offenders placed under GPS monitoring by CONTRACTOR.

24. DEPARTMENT shall pay CONTRACTOR for actual utilization and delivery of services provided in accordance with Section 2 (M)(1) of this Agreement. Payment will be based upon current Medicaid rates, not to exceed **$55,000.00** (fifty five thousand and 00/100 dollars) annually.

5. LIAISONS AND NOTICE

1. ~~Michelle Jenicek~~ Kerry Pribnow, Contract Programs Manager (444-4910), 1539 11th Avenue, P.O. Box 201301, Helena, MT 59620-1301 or successor serves as DEPARTMENT liaison.

2. Mike Thatcher, Executive Director, Community, Counseling, and Correctional Services, Inc., (782-0417) Butte, MT or successor serves as CONTRACTOR liaison.

3. Montana Facility Finance Authority, Executive Director, P.O. Box 200506, Helena, Montana 59620

4. All notices and invoices required in this Agreement shall be in writing, properly addressed to the liaison in (1) and (2) above. 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.

This constitutes the Amendment to the Contract. All other provisions contained in the original Contract, as amended, shall remain unchanged.

DEPARTMENT

Pam Bunke, Administrator
Adult Community Corrections Division

5-12-08
Date

CONTRACTOR

Mike Thatcher, Executive Director
Community, Counseling, and Correctional Services, Inc.

6/03/08
Date

Reviewed for Legal Content by:

Legal Counsel
Department of Corrections

5/9/08
Date