

STATE OF MICHIGAN
CENTRAL PROCUREMENT SERVICES
 Department of Technology, Management, and Budget
 525 W. ALLEGAN ST., LANSING, MICHIGAN 48913
 P.O. BOX 30026 LANSING, MICHIGAN 48909



CONTRACT CHANGE NOTICE

Change Notice Number **3**
 to
 Contract Number **071B6600069**

| | |
|-------------------|--|
| CONTRACTOR | PTS OF AMERICA, LLC DBA U.S. Corrections, LLC |
| | 517 Hickory Hills Blvd. |
| | Whites Creek, TN 37189 |
| | Tanisha Cheek |
| | 866-388-8488 |
| | tcheek@prisonertransport.net |
| | CV0060111 |

| | | | |
|--------------|-------------------------------|--------------------------|------|
| STATE | Program Manager | Kyle Williams | MDOC |
| | | 517-335-1371 | |
| | | WilliamsK36@michigan.gov | |
| | Contract Administrator | Sarah Walter | DTMB |
| | | 517-256-4237 | |
| | | walters6@michigan.gov | |

CONTRACT SUMMARY

| | | | |
|---|--------------------------------|----------------------------------|---|
| PRISONER TRANSPORT SERVICES DBA US CORRECTIONS, LLC | | | |
| INITIAL EFFECTIVE DATE | INITIAL EXPIRATION DATE | INITIAL AVAILABLE OPTIONS | EXPIRATION DATE BEFORE |
| April 15, 2016 | April 15, 2019 | 2 - 1 Year | April 15, 2019 |
| PAYMENT TERMS | | DELIVERY TIMEFRAME | |
| NET 45 | | N/A | |
| ALTERNATE PAYMENT OPTIONS | | | EXTENDED PURCHASING |
| <input type="checkbox"/> P-Card <input type="checkbox"/> PRC <input type="checkbox"/> Other | | | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |
| MINIMUM DELIVERY REQUIREMENTS | | | |
| N/A | | | |

DESCRIPTION OF CHANGE NOTICE

| | | | | |
|--------------------------|-------------------------------|---|----------------------------|--------------------------|
| OPTION | LENGTH OF OPTION | EXTENSION | LENGTH OF EXTENSION | REVISED EXP. DATE |
| <input type="checkbox"/> | N/A | <input type="checkbox"/> | N/A | April 15, 2021 |
| CURRENT VALUE | VALUE OF CHANGE NOTICE | ESTIMATED AGGREGATE CONTRACT VALUE | | |
| \$805,500.00 | \$0.00 | \$805,500.00 | | |

DESCRIPTION

Effective May 1, 2019 please note the following:

- Pricing on this Contract is hereby updated, please refer to the attached Revised EXHIBIT C - Pricing.
- PTS of America, LLC is hereby Doing Business As (DBA): US Corrections, LLC.
 - U.S. Corrections will maintain the same Tax Identification Number, and same PTS of America, LLC employees, under the new DBA name of US Corrections, LLC.

All other terms, conditions, specifications and pricing remain the same, per Contractor and Agency agreement, and DTMB Central Procurement Services Approval.

STATE OF MICHIGAN

Contract # 071B6600069 - PTS of America, LLC DBA U.S. Corrections, LLC
Transport Services for Prisoners/Offenders and Detainees

Revised EXHIBIT C - Pricing

1. Pricing includes all costs, including but not limited to, fuel, mileage, staffing, etc.
2. This will be a fixed unit price Contract and will be based on the cost per mile of a prisoner transport.

| Transport | Unit of Measure | Unit Cost |
|---|-----------------|---|
| Basic Transports: | | |
| *Ground Transport: Contiguous United States; no fuel surcharge | Per Mile | \$1.15 |
| Minimum Trip Fee for Ground Transport: Contiguous United States | Per Trip | \$400.00 |
| Multiple Prisoner Transport: A discount will be applied for transporting additional prisoner(s) from the same pick-up location or to the same drop-off location. | Each Occurrence | 50% discount |
| Limited Service Areas: | | |
| Are areas of the Country that are not within Prisoner Transportation Services, LLC's normal routes and are transported by Flight only. <ul style="list-style-type: none"> • Alaska (AK) • Hawaii (HI) • Washington (WA) • Oregon (OR) • Nebraska (NE) • North Dakota (ND) • South Dakota (SD) • Montana (MT) • Idaho (ID) • Wyoming (WY) • US Territories' Included | Per Trip | Cost includes: <ul style="list-style-type: none"> • *Current Airfare • Officers' Hourly Rate • Meals for two officers *Any surcharges must be approved by the Program Manager before the transport begins or continues. |
| Medical Transport: | | |
| *Medical Conditions that <u>exclude</u> persons from ground transport eligibility include, but are not limited to the following: <ul style="list-style-type: none"> • Cardiovascular problems requiring medication or prescribed procedures; • Diabetics whereby prescribed medication must be injected and/or refrigerated; • Epilepsy whereby seizure activity is not adequately controlled; • Pregnancy; • Fractured bones requiring casts or braces designed to immobilize injured areas; | Each Occurrence | Cost includes: <ul style="list-style-type: none"> • Current Airfare • Officers' Hourly Rate |

| | | |
|--|-----------------|--------------|
| <ul style="list-style-type: none"> • Critical wounds; • Communicable diseases or any other medical condition that may place the passenger, transport personnel and other passengers at risk; • HIV positive or AIDS; • Inmates in excess of 280lbs will require additional charge for transport | | |
| Custom Transports: | | |
| Custom Transport that would require special concessions to be made to safely transport the offender. | Each Occurrence | Case-by-Case |
| Juvenile Transport – may include airfare | Each Occurrence | Case-by-Case |
| Special Requests: | | |
| Special Requests include the following: <ul style="list-style-type: none"> • Release Dates • Court Dates • Specific Date Pick-up/Drop-off • Obese transport Short Deadlines <ul style="list-style-type: none"> • Transportation requests given with less than a 10-day notice for pick up | Each Occurrence | \$400.00 |



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CONTRACT CHANGE NOTICE

Change Notice Number **2**

to

Contract Number **071B6600069**

| | |
|-------------------|------------------------------|
| CONTRACTOR | PTS of America, LLC |
| | 517 Hickory Hills Blvd. |
| | Whites Creek, TN 37189 |
| | Tanisha Cheek |
| | 866-388-8488 |
| | tcheek@prisonertransport.net |
| | CV0060111 |

| | | | |
|--------------|-------------------------------|--------------------------|------|
| STATE | Program Manager | Kyle Williams | MDOC |
| | | 517-335-1371 | |
| | | WilliamsK36@michigan.gov | |
| | Contract Administrator | Sarah Walter | DTMB |
| | | (517) 256-4237 | |
| | | walters6@michigan.gov | |

CONTRACT SUMMARY

| | | | |
|---|--------------------------------|----------------------------------|---|
| PRISONER TRANSPORT SERVICES | | | |
| INITIAL EFFECTIVE DATE | INITIAL EXPIRATION DATE | INITIAL AVAILABLE OPTIONS | EXPIRATION DATE BEFORE |
| April 15, 2016 | April 15, 2019 | 2 - 1 Year | April 15, 2019 |
| PAYMENT TERMS | | DELIVERY TIMEFRAME | |
| NET 45 | | N/A | |
| ALTERNATE PAYMENT OPTIONS | | | EXTENDED PURCHASING |
| <input type="checkbox"/> P-Card <input type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other | | | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |

MINIMUM DELIVERY REQUIREMENTS

N/A

DESCRIPTION OF CHANGE NOTICE

| | | | | |
|-------------------------------------|-------------------------------|---|----------------------------|--------------------------|
| OPTION | LENGTH OF OPTION | EXTENSION | LENGTH OF EXTENSION | REVISED EXP. DATE |
| <input checked="" type="checkbox"/> | 2 years | <input type="checkbox"/> | N/A | April 15, 2021 |
| CURRENT VALUE | VALUE OF CHANGE NOTICE | ESTIMATED AGGREGATE CONTRACT VALUE | | |
| \$655,500.00 | \$800,000.00 | \$1,455,500.00 | | |

DESCRIPTION

- Effective December 31, 2018 please note the following:
- This Contract is hereby increased by \$800,000.00
 - This Contract is exercising the two (2) option years available on this Contract, the revised Contract expiration date is April 15, 2021.
 - The Program Manager for MDOC is hereby updated to: Kyle Williams, MDOC Central Office 206 E. Michigan Ave. Grandview Plaza, Lansing MI 48933; Email: WilliamsK36@michigan.gov; Phone: 517-335-1371.
 - MDOC Contract Monitor. The Contract Monitor will work with the State and Contractor Program Managers if performance concerns are identified. The Contract Monitor will review, document and assess Contractor performance to this agreement: Jordan Vollmar Conley; 206 E. Michigan Ave. – 5th Floor, Grand View Plaza, Lansing, MI 48933, Email: conlevj@michigan.gov; Phone: 517-285-6400 is hereby added to the Contract.
 - Exhibit D – MDOC Vendor Handbook is here by incorporated to this Contract.
 - Exhibit A – Statement of Work Contract Activities Language updates are hereby incorporated, please refer to Attachment A.

All other terms conditions specifications and pricing remain the same. Per Contractor and Agency agreement, DTMB Procurement approval and the State Administrative Board Approval on December 11, 2018.

EXHIBIT D

MDOC VENDOR HANDBOOK FOR VENDOR EMPLOYEES WORKING WITH PROBATIONERS AND PAROLEES UNDER SUPERVISION WITH THE MDOC – FIELD OPERATIONS ADMINISTRATION (Rev.10-10-2016)

When a Vendor's employees are working under a Contract (#071B6600069) between the Vendor and the State of Michigan/Michigan Department of Corrections (MDOC), due to safety and security concerns, the following rules apply to all of the Vendor's employees (Employees) working with probationers and parolees under MDOC supervision with the Field Operations Administration. Any violation of the Vendor Employee Handbook may result in a Stop Order being issued against the Employee, the Employee's removal from his/her assignment under the Contract and may result in additional sanctions from the Vendor and/or law enforcement.

Definitions

Contraband: Articles not permitted in a FOA office include but are not limited to guns, knives, drones, Tasers®, mace, illegal substances and pepper spray.

Employee Permitted Items: Employees are permitted to take the following items in a FOA office: photo ID, money, a cell phone (but they cannot record). If services are offered on the Vendor's premises, the Vendor's employees may not have alcohol, illegal substances or firearms on the premises while providing services to MDOC offenders.

Discriminatory Harassment: Unwelcome advances, requests for favors, and other verbal or non-verbal communication or conduct, for example comments, innuendo, threats, jokes, pictures, gestures, etc., based on race, color, national origin, disability, sex, sexual orientation, age, height, weight, marital status, religion, genetic information or partisan considerations.

Employee: A person employed by the Vendor or the Vendor's subcontractor and the subcontractor's employees.

Offender: A parolee or probationer under the jurisdiction of the MDOC.

Overfamiliarity: Overfamiliarity, establishing a friendship, mutual attraction or intimate relationship with an offender, is strictly prohibited. Examples are:

- Conduct which has resulted in or is likely to result in intimacy; a close personal or non-work related association,
- Being at the residence of an offender,
- Being at the residence of an offender's family,
- Giving or receiving non-work related letters, messages, money, personal mementos, pictures, telephone numbers, to or from an offender or a family member of a listed visitor of an offender,
- Exchanging hugs with an offender,
- Dating or having sexual relations with an offender, etc.

Sexual Harassment of Offenders: Sexual harassment includes verbal statements or comments of a sexual nature to an offender, demeaning references to gender or derogatory comments about body or clothing, or profane or obscene language or gestures of a sexual nature. Sexual harassment is strictly prohibited.

Sexual Conduct with Offenders: The intentional touching, either directly or through clothing, of an offender's genitals, anus, groin, breast, inner thigh, or buttock with the intent to abuse, arouse or gratify the sexual desire of any person. Permitting an offender to touch you either directly or through clothing with the intent to abuse, arouse or gratify the sexual desire of any person. Invasion of privacy for sexual gratification, indecent exposure, or voyeurism. An attempted, threatened, or requested sexual act or helping, advising, or encouraging another person to engage in a sexual act with an offender. Sexual conduct with offenders is strictly prohibited.

General Requirements

Discrimination. Employee shall not discriminate against a person on the basis of race, religion, sex, sexual orientation, race, color, national origin, age, weight, height, disability, marital status, genetic information or partisan considerations.

Political Activities. Employees cannot proselytize for any political group or religion in a FOA Office.

Conflict of Interest. If any Employee has a family member or friend who is incarcerated, on parole or on probation he/she must immediately notify their supervisor and the MDOC for proper assignment so that the assignment does not create a conflict of interest and to fill out a written request indicating the name of the offender, offender number, nature of relationship and purpose of the request.

Public Information. Employees are not authorized to make public statements on behalf of the MDOC.

Role Model. Employees serve as role models to offenders. Therefore, Employees are to act in a professional manner at all times. Any arrest, citation, issuance of a warrant for a felony or misdemeanor offense or issuance of a personal protection order against the Employee must be immediately reported to his/her supervisor. Any action or inaction by an Employee which jeopardizes the safety or security of the facility, MDOC employees, the public or offenders is prohibited.

Fitness for Duty. Employees are required to be physically and mentally fit to perform their job duties. If you do not believe you are mentally or physically fit, please report this issue to your immediate supervisor. Employees shall immediately notify their supervisor if they are taking medication which may interfere with their work responsibilities.

Use of Leave/Notice of Absence. Employees are required to obtain preapproval of leave from their immediate supervisor. In the event of an unauthorized Employee absence, the Vendor must provide back-up staff.

Punctuality: Employees are required to be punctual and adhere to the work schedule approved by their supervisor and to be at their assignment at the start of their shift. This means that Employees must plan for proper travel time and inclement weather, in order to be at their assigned location at the start of their work shift.

Jail Time or Other Restricted Supervision. No Employee shall be allowed to work in a FOA office or provide services to an offender while under electronic monitoring of any type, house arrest, or sentenced to jail time for any reason, including weekends, even if granted a work release pass.

Specific Vendor Employee Rules

- 1. Humane Treatment of Individuals.** Employees are expected to treat all individuals in a humane manner while on duty in a facility. Examples of actions of an Employee in violation of this rule include but are not limited to, displaying a weapon, using speech, an action or gesture or movement that causes physical or mental intimidation or humiliation, using abusive or profane language which degrades or belittles another person or group, etc.
- 2. Use of Personal Position for Personal Gain.** Employees shall not engage in actions that could constitute the use of their position for personal gain. Example, employees are forbidden from exchanging with, giving to, or accepting gifts or services from an offender or an offender's family.
- 3. Discriminatory Harassment.** Employees shall not engage in discriminatory harassment which includes but is not limited to, unwelcomed advances, requests for favors, other verbal or non-verbal communication or conduct based on race color, national origin, disability, sex, sexual orientation, age, height, weight, marital status, religion, genetic information, etc.
- 4. Misuse of State or Vendor Property/Equipment.** Employees shall not misuse State or Vendor property. Examples: using a computer for unauthorized purposes, using property for a personal purpose beyond that of your job duties, removing items from the premises without authorization, etc. This includes but is not limited to sexual images and pornography.
- 5. Conduct Unbecoming.** Employees shall not behave in an inappropriate manner or in a manner which may harm or adversely affect the reputation or mission of the MDOC. If an employee is arrested or charged with a criminal offense, this matter shall be reported to the Employee's supervisor. Any conduct by an Employee involving theft is not tolerated.
- 6. Physical Contact.** Inappropriate physical contact with offenders and MDOC staff is prohibited. Examples include inappropriately placing of hands on another person, horseplay, etc.

7. **Confidential Records/Information.** Employees shall respect the confidentiality of other employees, MDOC staff and offenders. Employees shall not share confidential information.
8. **Reserved.**
9. **Insubordination.** Based on the safety and security of the FOA office, there may be times where Employees are provided guidance from MDOC staff. Willful acts of Employees contrary to MDOC instructions that compromise the MDOC's ability to carry out its responsibilities are prohibited.
10. **Reserved.**
11. **Reserved.**
12. **Emergency.** Employees must immediately respond during an emergency, e.g. call for assistance, respond to an emergent situation, etc. This may include participating in emergency drills conducted by the MDOC, e.g. fire drills.
13. **MDOC Rules, Regulations, Policies, Procedures, Post Orders, Work Statements.** Employees must be familiar with and act in accordance with MDOC rules, regulations, policies, etc. Employees are prohibited from interfering with and undermining the MDOC's efforts to enforce rules, regulations, etc.
14. **Maintaining Order.** Any action or inaction that may detract from maintaining order within the FOA office is prohibited, e.g. antagonizing offenders, inciting to riot, etc.
15. **Chain of Command.** Employees shall follow their chain of command. Complaints and concerns are to be submitted to the immediate supervisor unless the situation is an emergency.
16. **Criminal Acts.** Employees shall not engage in conduct that results in a felony or misdemeanor conviction. Employees must provide a verbal report to their immediate supervisor within 24 hours of a felony or misdemeanor citation or arrest, the issuance of any warrant, any arraignment, pre-trial conference, pleas of any kind, trial, conviction, sentencing, federal, diversion or dismissal.
17. **Contraband and Controlled Substances.** There is a zero tolerance policy regarding any Employee possessing, using or introducing controlled substances into a FOA office. The possession and presence of contraband presents a safety and security risk and is prohibited. Possession, introduction, or attempting to introduce any substance including controlled substances or intoxicants into any FOA office is prohibited.
18. **Use of Alcohol or Controlled Substance.** Employees are prohibited from consuming alcohol or any controlled substance while on duty or on breaks. Employees who report for duty with alcohol on his/her breath or when suspected of being under the influence of alcohol or a controlled substance, may be immediately removed from their assignment.
19. **Reserved.**
20. **Reserved.**
21. **Reserved.**
22. **Reserved.**
23. **Possession and/or Use of Medication.** Employees shall immediately notify their supervisor if taking prescribed medication which may interfere with the Employee's work responsibilities or the safety and security of the facility. Such medication includes but is not limited to: narcotic pain medication, psychotropic medication, mood altering medication and antihistamines. The Michigan Medical Marihuana Act (the Act), Initiated Law 1 of 2008, MCL 333.26421 – 333.26430, allows for the use of medical marihuana for individuals who have been diagnosed with a "debilitating medical condition." It is the position of the MDOC that Employees may not possess or use medical marihuana as it is both a federal and state offense.
24. **Reserved.**
25. **Reserved.**

26. **Reserved.**
27. **Dereliction of Duty.** Employees shall fully perform their job duties. Failure to do so is considered dereliction of duty and will be reported to the Vendor.
28. **Use of Force.** Employees shall use the least amount of force necessary to perform their duties. Employees may act to reasonably to defend themselves against violence.
29. **Exchange of Duties.** Employees shall not exchange duties or responsibilities with any MDOC staff.
30. **Reserved.**
31. **Security Precautions.** Any action or inaction by an Employee which jeopardizes the safety or security of offenders is prohibited. Examples include but are not limited to, loss of equipment (knives, tools), propping open security doors or doors that should remain locked, allowing an unknown or unidentified individual into a building, unauthorized distribution of any MDOC exempt policy directives/operating procedures, etc.
32. **Attention to Duty.** Employees shall remain alert while on duty. Sleeping or failure to properly observe an assigned area or offenders are examples of inattention to duty and are prohibited. Items that detract from the alertness of an Employee are prohibited. These items include but are not limited to computer games, books, reading pamphlets, newspapers, or ipads, kindles other non-work related reading materials while on duty.
33. **Reporting Violations.** Employees, who are approached by offenders to introduce, transport or deliver contraband or violate the safety and security of the office, shall concurrently report each time they are approached to the Employee's immediate supervisor and MDOC Program Manager. Employees must report conduct involving drugs, escape, sexual misconduct, sexual harassment, workplace safety or excessive use of force. A complete written report of the approach must be made no later than the end of the Employee's work day.
34. **Reserved.**
35. **Reserved.**
36. **Reserved.**
37. **Reserved.**
38. **Reserved.**
39. **Reserved.**
40. **Reserved.**
41. **Reserved.**
42. **Employee Dress Requirements.** Employees must wear business appropriate clothing as approved by the Vendor and the MDOC. Employees will not be permitted to enter the office without the proper Vendor approved work attire. Examples of inappropriate attire are cut-off shorts, tube tops, bathing suits, see-through clothing, excessively ripped clothing, etc. Shirts and shoes are required.
43. **Reserved.**
44. **Reserved.**
45. **Reserved.**
46. **Reserved.**
47. **Falsifying, Altering, Destroying, Removing Documents or Filing False Report.** Employees shall not falsify, alter, or destroy documents or remove documents from the FOA office. Fraudulent reporting of an Employee's time is expressly prohibited.

- 48. **Giving or Receiving Gifts or Services.** Employees are prohibited from exchanging with, giving to, or accepting any gifts or services from offenders or an offender's family. This includes but is not limited to food and beverage items, shoe shines, clothing, paper products, stamps, delivering letters/correspondence, etc.
- 49. **Reserved.**
- 50. **Overfamiliarity or Unauthorized Contact.** Employees are prohibited from engaging in overfamiliarity with an offender, or an offender's family member. Relationships with an offender, other than an Employee with his or her MDOC approved family member, is prohibited regardless of when the relationship began. Any exceptions must have Vendor and MDOC prior approval.
- 51. **Sexual Conduct.** Employees are prohibited from engaging in sexual conduct with anyone while on duty.
- 52. **Sexual Harassment.** Employees are prohibited from sexual harassing anyone. Employees are prohibited from assisting, advising or encouraging any person to sexually harass another.
- 53. **Workplace Safety.** Threats made by Employees such as bomb threats, death threats, threats of assault, threats of violence are prohibited. Employees are prohibited from engaging with prisoners in contests like running or sprint challenges, weight lifting contests, etc. Employees shall not physically fight or assault any person. Employees may act to reasonably defend themselves against violence. If an Employee becomes aware of a threat of violence or an act of violence, the Employee shall immediately report this information to their supervisor/chain of command.

Employees will ensure proper storage and handling of tools, keys, equipment, and other items.

ACKNOWLEDGMENT

I acknowledge that I have received a copy of, have read, understand and agree to abide by the above additional conditions. If I have any questions, I will ask my supervisor/manager.

| | | |
|---------------------|--------------------|------|
| Print Employee Name | Employee Signature | Date |
|---------------------|--------------------|------|

Attachment A

Exhibit A – Statement of Work Contract Activities – Revisions

Please Note: Revisions are highlighted in Yellow.

Section 1.1 Work and Deliverables,

A. General Requirements:

2. The Contractor must utilize the most economical mode of transportation for returning escapees, parole violators and absconders to Michigan, while not compromising safety and security of the public, the rights of the offender being returned, nor enhancing the risk of the escape of the offender while in transit/Contractor's custody. Ground transport of offenders is the primary method of transport. The Contractor must use air transport only in extreme circumstances, as defined in 1.1 J.10.a and b.
9. When transporting female prisoners/offenders, female Contractor personnel must accompany the offender and be present throughout the transport. The Contractor must retain trained female personnel to cover the entire transport of female escapees, parole violators and absconders as referenced in section 3.D.

Section 1.1 Work and Deliverables,

B. Medical Information:

2. The Contractor must require the holding facility to supply medical information on a standardized form. The Contractor must ensure the confidentiality of offender medical records/information, and to comply with the Health Insurance Portability and Accountability Act (HIPAA).

Section 1.1 Work and Deliverables,

I. Delays in Departure or Arrival:

- 1.a. In the event of delays necessitating lodging of offenders for one or more nights, the Contractor must arrange for lodging in accordance with the Standards set forth in the MDOC Transportation Manual as referenced in Exhibit A Section 1.1A.3, in an appropriate local detention facility, if available, in that area. The Contractor must notify the requesting department's transport destination contact individual immediately of the new holding location and the length of time the offender(s) will be held there.

Section 1.1 Work and Deliverables,

J. Transportation Vehicles:

- 9.e. Contractor's female staff must accompany female prisoners throughout the transport. See section 1.1A.9.
- 9.p. Proof of license of current drivers must be provided. Proof of license of new drivers must be forwarded to the Program Manager upon request.

Section 1.1 Work and Deliverables,

L. Meals Lodging and Miscellaneous Costs:

3. All medical costs, including pharmaceuticals, for offenders, including cost of transportation to or from any medical facility, must be paid by the requesting State Department. See section 1.1. B.8.
4. The Contractor must be authorized to obtain emergency and routine medical treatment for offenders and prisoners. See section 1.1.B.10.

Section 1.1 Work and Deliverables,

M. Medical Transports – transporting offenders with special medical needs and transporting offenders for medical reasons:

1. For MDOC transports, the **Field Operations Administration (FOA)** Deputy Director or designee, determines medical and custody coverage for special circumstances during transport.
 - a. For any special circumstance, use of local jails for drop-offs must be subject to the approval of the **FOA Deputy Director** or designee, who will also determine the chain-of-custody.
 - b. The Contractor's agents must notify the MDOC, **FOA Deputy Director** or designee when an offender is out of its custody.

Exhibit A,

Section 3. Staffing

- A. Contractor staff's training (See Section 3. C – D must be documented by the Contractor and must be submitted to the **applicable department Program Manager** within 5 business days of hire or completion of training, whichever is later.
- B. The Contractor must submit valid driver's licenses for all new employees hired during this contract who may engage in transporting prisoners/offenders to the applicable **department Program Manager**.
- D. The Contractor must retain trained female personnel to cover the entire transport of female escapees, parole violators and absconders as referenced in **1.1.A.9**.

Exhibit A,

Section 3.9 Security

The Contractor, subcontractor, and any staff assigned to this Contract will be subject will be subject to the following security procedures:

- A. **No active warrants or pending charges on any staff assigned to this Contract.**
- B. **May not be under Federal, State or local jurisdiction as an offender currently or in the last five years. MDOC FOA Deputy Director reserves the right to approve or decline applicants who have been involved in the criminal justice system depending on the circumstances notwithstanding the five year period.**
- C. **Not under investigation or under disciplinary action of the Michigan Department of Licensing and Regulatory Affairs (LARA).**
- D. **Has not engaged in sexual abuse in a prison, jail, lockup, community confinement facility, juvenile facility or other institution as defined in 42 U.S.C. 1997;**
- E. **Has not been convicted of engaging in, attempting to engage in or conspiracy to engage in sexual activity facilitated by force, overt or implied threats of force or coercion, or if the victim did not consent of was unable to consent or refuse.**
- F. **Has not been civilly or administratively adjudicated to have engaged in the activity described in Number E. above.**
- G. **The MDOC may investigate the Contractor and subcontractor's staff before they may have access to MDOC facilities and systems. The scope of the background check I at the discretion of the MDOC and the results will be used to determine Contractor and subcontractor's staff eligibility for working within MDOC facilities and systems. The investigation will include Michigan State Police Background checks (ICHAT) and the Law Enforcement Information Network (LEIN), and may include the National Crime Information Center (NCIC). Proposed Contractor and subcontractor staff may be required to complete and submit and RI-8 Fingerprint Card for the NCIC Finger Print Check. Any request for background checks will be initiated by the MDOC and**

- will be reasonably related to the type of work requested.
- H. The Contractor and subcontractor's staff must be LEIN cleared and received written approval from the MDOC's Program Manager and Contract Monitor initially and annually by MDOC prior to any work with MDOC offenders.
- I. A completed LEIN Information Form for each staff assigned to the Contract must be sent to the MDOC-PMCD-FOA-LEINS@michigan.gov and approved by MDOC prior to Contractor and subcontractor's staff working with MDOC offenders and annually following approval. There is no cost associated with the LEIN. The LEIN form will be provided to the Contractor.
- J. The Contractor and subcontractor must document if a Contractor or subcontractor's staff assigned to the Contract is related to or acquainted with an offender incarcerated and under the jurisdiction of the MDOC. For Contractor and subcontractor's staff who are related to or acquainted with an offender, the Contractor or subcontractor's staff member must complete the Offender Contract Exception Request (CAJ-202) and submit it to the MDOC Program Manager or designee. The Contractor must ensure its staff and subcontractor's staff complete the form and notify the MDOC Program Manger of any changes throughout the Contract term.
- K. The Contractor and subcontractor's staff will be required State facilities. The State may require the Contractor and subcontractor's staff to wear State-issued identification badges.
- L. The Contractor and subcontractor's staff must anticipate delays when visiting any correctional facility due to issues within the facility.
- N. The MDOC reserved the right to deny access to any correctional facility to anyone who fails to comply with any applicable State, Federal, or local law, ordinance or regulation or whose presence may compromise the security of the facility, its offenders, or staff. Weapons, alcoholic beverages, poison, and prescription drugs and controlled substances without written certification of needs from a licensed physician (does not include medical supplies for the facility), cellular devices, cameras, and audio or visual recordings devices are prohibited from being brought into all MDOC correctional facilities. Tobacco products and smoking also are prohibited both inside a correctional facility and on facility grounds except as specifically authorized by MDOC policy. Wardens may prohibit other items from being brought into their respective correctional facilities.
- O. Security is the facility's first priority; therefore the Contractor, subcontractor and its staff must be responsive and respectful of these needs.
- P. The Contractor, subcontractor, and its staff must comply with and cooperate with all correctional facility rules, procedures and processes, as well as State and Federal laws. Contractor and subcontractor staff must ensure they are complying with all facility rules and regulations including, but not limited to, dress code and items allowed to be possessed.
- Q. The Contractor and subcontractor staff must follow the facility entry, exit, manifest process, including the following:
1. The Contractor must ensure that all Contractor and subcontractor staff working in a correctional facility are familiar and in compliance with the necessary routines and increased awareness of working inside a facility. Working inside the facility requires that the Contractor and subcontractor staff develop positive and cooperative relationships with MDOC facility staff.
 2. The Contractor and subcontractor staff must report any concerns, issues, or rule violations to the MDOC facility staff immediately.
 3. The Contractor and subcontractor staff must use the MDOC facility staff as a resource for questions and guidance working with prisoners and inside a correctional facility.
 4. The Contractor and subcontractor staff must defer to MDOC correctional facility staff for directions. The Contractor and subcontractor staff must remember they are a guest in the facility and that security is the first priority of the facility.

**Exhibit A,
Section 4.5 Reporting**

- A.** The Contractor must submit upon the department's request, to the Program Manager or Contract Administrator the following reports:
- a.** Usage by department
 - b.** Usage by type of transport
 - c.** Usage by geographical area
 - d.** Any type of accidents, such as vehicular, prisoner related etc. Accidents must be reported to the department Program Manager and Contract Monitor verbally or by email within 12 hours of the occurrence.
 - e.** Number or extension requested by Contractor
 - f.** Number of incidents requiring a surcharge

**Exhibit A,
Section 8 Additional Requirements**

A. Prisoner Rape Elimination Act of 2003 (PREA), 42 U.S.C. § 15601

- 1.** The Contractor and the Contractor Personnel shall comply with the Final Rule implementing PREA, all applicable PREA standards and the agency's policies. The Contractor and Contractor Personnel shall make itself familiar with and at all time shall observe and comply with all PREA regulations that in any manner affect the performance under this Contract. Failure to comply with the PERA standards and related polices of the MDOC will be considered a breach of contract any may result in termination of the contract.
- 2.** Contract Personnel who may have contract with prisoners must complete PERA training Program A – Correctional Facilities Administration (CFA) Security Regulations prior to entrance in any MDOC Facility. Upon completion, Contractor Personnel shall submit a signed memorandum to the Contract Administrator document completion of the training and date of completion.
- 3.** As deemed necessary, the MDOC Contract Monitor or Program Manager will provide the Contractor with current copies of all PERA documents via email. Any revisions to the documents will be emailed to the Contractor throughout the Contract period, and the Contractor must comply with all documentation provided.
- 4.** The Contractor must report any information concerning violations of PREA as soon as made aware of the alleged occurrence to the MDOC Program Manager and Contract Monitor.

B. Procurement, Monitoring and Compliance Division

The MDOC has developed a contract monitoring unit known as the Procurement Monitoring and Compliance Division (PMCD). This unit has oversight for the Department's contracts and ensures that the Contractor is delivering services according to the contract requirements. The Contract Manager or designee will serve as the lead for all contract related issues, and will assist in facilitating kick off meetings, determining service level agreements, overseeing the transition timeline and working with the MDOC program staff to ensure the contractual requirements are being met. A contract monitor will be assigned to monitor the contract(s), and as part of his or her role they will conduct regular monitoring of all contract related activities.

C. Vendor Handbook

Contractor staff that provide direct services to offenders (prisoner, parolee, probationer), handle or may have access to offender records, or provides supervisory services to staff performing these functions, must read and sign the MDOC Vendor Handbook as directed by the MDOC. As deemed necessary, the MDOC will provide the Contractor with a copy of the applicable Vendor Handbook via email. Any revisions to the documents will be emailed to the Contractor throughout the Contract period, and the Contractor must comply with all documentation provided.



STATE OF MICHIGAN
CENTRAL PROCUREMENT SERVICES
 Department of Technology, Management, and Budget
 525 W. ALLEGAN ST., LANSING, MICHIGAN 48913
 P.O. BOX 30026 LANSING, MICHIGAN 48909

CONTRACT CHANGE NOTICE

Change Notice Number 1

to

Contract Number 071B6600069

| | |
|-------------------|------------------------------|
| CONTRACTOR | PTS of America, LLC |
| | 517 Hickory Hills Blvd. |
| | Whites Creek, TN 37189 |
| | Tanisha Cheek |
| | 866-388-8488 |
| | tcheek@prisonertransport.net |
| | CV0060111 |

| | | | |
|--------------|-------------------------------|-------------------------|------|
| STATE | Program Manager | Arnold Vandemark | MDOC |
| | | 517-373-4447 | |
| | | vandemarka@michigan.gov | |
| | Contract Administrator | Sarah Walter | DTMB |
| | | (517) 284-7024 | |
| | | walters6@michigan.gov | |

| CONTRACT SUMMARY | | | | |
|--|-------------------------|------------------------------------|---|-------------------|
| PRISONER TRANSPORT SERVICES | | | | |
| INITIAL EFFECTIVE DATE | INITIAL EXPIRATION DATE | INITIAL AVAILABLE OPTIONS | EXPIRATION DATE BEFORE | |
| April 15, 2016 | April 15, 2019 | 2 - 1 Year | April 15, 2019 | |
| PAYMENT TERMS | | DELIVERY TIMEFRAME | | |
| NET 45 | | N/A | | |
| ALTERNATE PAYMENT OPTIONS | | | EXTENDED PURCHASING | |
| <input type="checkbox"/> P-Card <input type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other | | | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No | |
| MINIMUM DELIVERY REQUIREMENTS | | | | |
| N/A | | | | |
| DESCRIPTION OF CHANGE NOTICE | | | | |
| OPTION | LENGTH OF OPTION | EXTENSION | LENGTH OF EXTENSION | REVISED EXP. DATE |
| <input type="checkbox"/> | | <input type="checkbox"/> | N/A | N/A |
| CURRENT VALUE | VALUE OF CHANGE NOTICE | ESTIMATED AGGREGATE CONTRACT VALUE | | |
| \$655,500.00 | \$150,000.00 | \$805,500.00 | | |
| DESCRIPTION | | | | |
| Effective September 17, 2018 this Contract is hereby increased by \$150,000.00. | | | | |
| All other terms, conditions, specifications and pricing remain the same, per Contractor and Agency agreement, and DTMB Procurement approval. | | | | |

STATE OF MICHIGAN
 DEPARTMENT OF TECHNOLOGY, MANAGEMENT & BUDGET
 PROCUREMENT

525 W. ALLEGAN STREET
 LANSING, MI 48933

P.O. BOX 30026
 LANSING, MI 48909

NOTICE OF CONTRACT NO. 071B6600069

between
 THE STATE OF MICHIGAN
 and

| NAME & ADDRESS OF CONTRACTOR | PRIMARY CONTACT | EMAIL |
|---|-----------------|--|
| PTS of America, LLC 517 Hickory Hills Blvd Whites Creek, TN 37189 | Tanisha Cheek | tcheek@prisonertransport.net |
| | PHONE | VENDOR TAX ID # (LAST FOUR DIGITS ONLY) |
| | 866-388-8488 | 3449 |

| STATE CONTACTS | AGENCY | NAME | PHONE | EMAIL |
|------------------------|--------|------------------|--------------|------------------------|
| PROGRAM MANAGER | MDOC | Michael Whitford | 517-241-7661 | whitfordm@michigan.gov |
| CONTRACT ADMINISTRATOR | DTMB | William Camp | 517-284-7022 | campw@michigan.gov |

CONTRACT SUMMARY

| DESCRIPTION: | | | |
|---|----------------|-------------------------|---|
| Transport Services for Prisoners and Detainees – for Multiple State Departments | | | |
| INITIAL TERM | EFFECTIVE DATE | INITIAL EXPIRATION DATE | AVAILABLE OPTIONS |
| 3 Years | 4/15/2016 | 4/15/2019 | 2 1-year |
| PAYMENT TERMS | F.O.B. | SHIPPED TO | |
| Net 45 | N/A | N/A | |
| ALTERNATE PAYMENT OPTIONS | | | EXTENDED PURCHASING |
| <input type="checkbox"/> P-card <input type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other | | | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |
| MINIMUM DELIVERY REQUIREMENTS | | | |
| N/A | | | |
| MISCELLANEOUS INFORMATION | | | |
| THIS IS NOT AN ORDER: This Contract Agreement is awarded on the basis of our inquiry bearing the solicitation #007115B0005909. Orders for delivery will be issued directly by Departments through the issuance of a Purchase Order Form, fax, phone, or e-mail. | | | |
| ESTIMATED CONTRACT VALUE AT TIME OF EXECUTION | | | 655,500.00 |

For the Contractor:

_____,
Contract Administrator

Date

For the State:

Tom Falik,
Director, Services Division
DTMB Procurement
State of Michigan

Date



STATE OF MICHIGAN
Contract # 071B6600069
Transport Services for Prisoners/Offenders and Detainees

EXHIBIT A
STATEMENT OF WORK
CONTRACT ACTIVITIES

This Contract is for transport of male and female prisoners, escapees, parole violators, parole absconders, and detainees from out-of-state locations back to Michigan, and if requested in-state transports in Michigan, by law enforcement-trained, professional, custodial personnel, serving multiple state departments, described in Exhibit A (the "Contract Activities"). Transport Services are required to all of Michigan's 83 counties, as well as locations across the contiguous United States, as well as Alaska, Hawaii, Guam and Puerto Rico. This will be a 3-year contract with two optional one-year renewals.

Background

- A. The Michigan Attorney General's Office (AG), Child Support Division (CSD) transports male and female adult prisoners, escapees, parole violators and parole absconders, as well as individuals charged with violating Michigan law who have not yet been convicted. The CSD requires the Contractor to transport male and female prisoners from the contiguous United States, as well as Alaska, Hawaii, Guam and Puerto Rico, back to Michigan to the local county jail in the county where they have been charged as a defendant. Thus, transportation back to Michigan may be to any of Michigan's 83 counties. CSD does not currently require transport from county to county when a prisoner or detainee is moved within Michigan.
- B. The Michigan Department of Corrections (MDOC) requires services for the transportation of male and female prison escapees, parole violators and parole absconders from out-of-state locations back to Michigan by law enforcement-trained, professional, custodial personnel. Transport Services are required to all of Michigan's 83 counties, as well as locations across the contiguous United States, including Alaska, Hawaii, Guam and Puerto Rico. The MDOC requires the Contractor to train its employees involved in transportation prior to any transport. This training must be documented by the Contractor and records of the trainings made available to the MDOC upon request. The primary responsibility of the MDOC is to protect and serve the public. To that end, it monitors and oversees those individuals who are sentenced to its custody/care. Security must never be compromised. Public safety and security must remain constant and become a primary duty of the Contractor providing services required by the Contract. It is essential to realize that every confined offender may consider escape at one time or another and the greatest opportunity may occur during the transportation process. To lessen the probability of escape, the transportation of offenders must be viewed as a serious undertaking, demanding the highest level of professionalism, competence, and diligence.

Currently, the Michigan Attorney General's Office and the Michigan Department of Corrections use these transportation services. However, the State reserves the right to request the Contractor to provide these services to additional state agencies and/or departments, as needed. Further the State reserves the right to make alternative transport arrangements to this Contract or use another Contractor or more than one Contractor.

1.0 Requirements

1.1 Work and Deliverables

A. General Requirements:

The following is a description of the requirements for this Contract.



1. The Contractor must provide transport services for the transportation of male and female prisoners, escapees, parole violators, parole absconders, and detainees from out-of-state locations back to Michigan, and in-state transports in Michigan, as requested by the State of Michigan.
2. The Contractor must utilize the most economical mode of transportation for returning escapees, parole violators and absconders to Michigan, while not compromising safety and security of the public, the rights of the offender being returned, nor enhancing the risk of escape of the offender while in transit/Contractor's custody. Ground transport of offenders is the primary method of transport. The Contractor must use air transport only in extreme circumstances, as defined in 1.1.K.9.a and b of this RFP.
3. Prisoner transportation must be performed in compliance with the policies, procedures, rules, regulations and guidelines set forth in the MDOC Transportation Manual. The MDOC Transportation Manual is to be the minimum standard used for guidelines for the Contract, and will be issued to the Contractor upon award. The MDOC Program Manager will ensure the Contractor has the department's current version of the Transportation Manual.
4. The Contractor must provide pick up of an offender within ten days from receipt of a transportation request. However, the requesting department shall notify the Contractor within ten days of desired departure or pick-up time, unless emergency or special circumstances i.e. court orders, accommodating holding facilities, require transport arrangements sooner.
5. If a transportation request for a release date cannot be accomplished on a specific date, the Contractor is responsible for making other arrangements with the holding facility. The Contractor is responsible for making requests and receiving approval for extensions to time frames, and making any related holding/custody arrangements, directly with the department requesting the transport. The Contractor must provide confirmation of receipt of transportation requests to the respective department's Program Manager.
6. The Contractor must provide 24 hour advance notice to the holding facility prior to pick up of the offender.
7. The Contractor must provide means for the State to submit transportation requests to the Contractor, such as email address, fax number, online and toll-free telephone number per Standard Contract Terms section 33. When submitting requests online, the Contractor's online system must require a user name and password login to submit transportation requests for security purposes. This online system must comply with the State's Data Security policies as referenced in sections 1, 31, 33 of the Standard Contract Terms.
8. The Contractor must provide an update on the status of transportation requests, and confirmations via email, as requested by the respective department's Program Manager.
9. When transporting female prisoners/offenders, female Contractor personnel must accompany the offender and be present throughout the transport. The Contractor must retain trained female personnel to cover the entire transport of female escapees, parole violators and absconders as referenced in section 3.E.

B. Medical Information:

1. Offender medical information must be obtained by the Contractor prior to transport.



2. The Contractor must require the holding facility to supply medical information on a standardized form.
As part of its bid response, Contractor must provide its plan to ensure the confidentiality of offender medical records/information, and to comply with the Health Insurance Portability and Accountability Act (HIPAA).
4. The requesting department's Program Manager must be notified and provide approval prior to transport of an offender with any type of illness or special accommodation(s) that would increase transportation costs.
5. The Contractor must ensure all department Program Managers using the Contractor's services have the Contractor's current documented process in place to obtain the medical information of offenders for transport.
6. Once a transportation request is placed the Contractor must contact the holding facility to verify offender's health status.
7. The medical form in Section 1.1.B.2 must be faxed to the medical staff to complete and return.
8. Any medical costs, including pharmaceuticals, incurred during transport due to a physical examination or hospital stay, are not included in this Contract as follows:
 - A. The Contractor will be reimbursed for pharmaceuticals purchased during transport, as long as the Contractor provides a copy of the prescription and purchase receipt as proof that the prisoner required and received the pharmaceutical. When a generic drug is available, the State requires the generic drug to be used instead of the brand name drug.
 - B. The Contractor must send to the respective department's Program Manager, the invoices for medical costs from the hospital or provider that rendered the service to the offender.
9. The Contractor must store pharmaceuticals according to the directions on the pharmaceutical label.
10. Contractor must receive approval from the respective department's Program Manager for routine medical care required during transport.

C. Security Level and Restraints Used

1. It is the responsibility of the Contractor to provide the appropriate restraint equipment as noted in the MDOC Transportation Manual, and to ensure it is applied in the required and appropriate manner as defined.
2. Restraint equipment must not to be applied as punishment or in a manner that causes physical pain, reduces blood circulation or restricts breathing.
3. Restraints **must not** be removed during the transport except in an emergency.
4. If Contractor staff is available, at least two of Contractor's staff must be present when the task of restraint application/removal is performed.
5. The Contractor must employ the following methods using highest security deemed appropriate according to the MDOC Transportation Manual, while maintaining humane treatment and refraining from unnecessary force.
 - a. Handcuffs:
 - 1) The Contractor must install the cuffs between the hand and the wrist bone, ensuring that the cuff will barely slide over the wrist bone.
 - 2) If further restriction of motion is required, the backs of the hands may be cuffed together.
 - 3) When applying cuffs, the Contractor must never allow the free end to leave Contractor's hand.



- 4) Cuffs must be applied with the double bar “up” and the keyhole “in” to prevent picking of the lock. Cuffs must always be double locked.
 - 5) If the prisoner’s hands are small enough that they may slip through the cuffs, the Contractor must firmly compress the hands and adjust the cuffs to a point at which they cannot slide over the hand.
 - 6) The Contractor must never let the prisoner know the location of the handcuff key.
- b. Handcuff Cover:
- The handcuff cover (black box) covers the keyhole and is used to prevent picking or tampering with the lock. The closed plastic cover has space for a metal clip that the security link passes through. This allows the Contractor to use the security link chain to restrict movement of the prisoner’s hands. A small padlock close to the snap, placed through the chain links, completes the assembly procedure. Handcuff covers may be placed in the position desired depending on the degree of risk and security presented by the prisoner/offender. The Contractor must use a Handcuff Cover to complete the Handcuff assembly procedure as noted in the MDOC Transportation Manual.
- c. Belly Chains
- 1) The Contractor must apply belly chains by having the prisoner face away from the Contractor. Belly chains are welded link chains.
 - 2) The Contractor must make certain the chain is secure on the prisoner’s hip bond prior to placing the padlock through the ends of the chain to finish securing the chain.
 - 3) After applying handcuffs to wrist, the Contractor must make a double check to ensure there is not extra slack in the belly chain.
- d. Leg Irons:
- 1) After the belly chain or handcuff cover and linked chain have been applied and while standing at one side of the prisoner, the Contractor must apply one cuff to the nearest leg. Leg irons are large cuffs at the end of an 18-inch welded link chain.
 - 2) **Leg irons must not be applied from the front while facing the prisoner.**
 - 3) The Contractor must take precautions to not to lose control of the opposite end of the chain while placing the first cuff.
 - 4) The Contractor must remove the leg irons in reverse order that they were applied.
- e. Chemical Agents:
- 1) The Contractor may use chemical agents during the transport of offenders, at the discretion of the Contractor’s supervising employee.
 - 2) These chemicals must be approved by MDOC prior to use.
 - 3) Chemical agents may be used in the following situations, to:
 - i) Control disruptive prisoners
 - ii) Protect staff from serious injury
 - iii) Prevent the taking of hostages
 - iv) Prevent escapes
 - v) Prevent destruction to transportation vehicle
 - 4) Before using chemical agents, and if time and circumstances permit, the prisoner/offender must be heard and informed of alternatives/consequences which will occur if s/he does not comply.
 - 5) Use of a chemical agent in a moving vehicle is not permitted even to control offenders per 1.1.C.5.e.3.

**D. Reserved:****E. Transport Destinations:**

1. MDOC Male prisoners must be returned to the Reception and Guidance Center in Jackson, Michigan during Reception Center's normal hours of operation, as indicated below:
 - a. Men's Reception Center
Charles E. Egeler Correctional Facility
3855 Cooper Street
Jackson, Michigan 49201
Facility Business days and hours: Monday – Friday 8am – 2pm
Phone: 517-780-5818
Contractor must contact the above number before delivering a prisoner so the facility may be prepared to receive them.
Email: [Contact above telephone number for appropriate email address.](#)

After business hours, call the Control Center/count office at 517-780-5848

2. MDOC Female prisoners must be returned to the Women's Huron Valley Correctional Facility in Ypsilanti, Michigan during the Reception Center's normal hours of operation, as noted below.
 - a. Women's Reception Center
Women's Huron Valley Correctional Facility (WHV)
3201 Bemis Road
Ypsilanti, Michigan 48197
Facility Business days and hours: Monday –Friday 8am – 4 pm
Phone: 734-434-8184
Contractor must contact the above number before delivering a prisoner so the facility may be prepared to receive them.
Email: [Contact the above telephone number for the appropriate email address.](#)

After business hours, call the Control Center at 734-572-9892

3. For MDOC, if the Contractor is unable to deliver a prisoner during the normal hours, 24 hour notice (prior to delivery) must be provided to the facility contacts listed in 1.1.E.1-2, both by phone and email. The facility must give approval of after-hours delivery. See Standard Contract Terms section 45.
4. AG-CSD male and female offenders must be transported back to Michigan to the local county jail in the county where they have been charged as a defendant. Thus, transportation back to Michigan may be to any of Michigan's 83 counties.

F. Prior Notification of Arrival

1. The Contractor must notify the requesting department's transport destination contact person at least 24 hours in advance of the time they will be delivering the prisoner to the destination location.

G. Internal Quality Control

1. The Contractor must maintain an internal quality control program that assures standards for offender transport services as outlined in the Contract. This includes, but is not limited to:
 - a. Notification
 - b. Arrangements of pickups
 - c. Uncontrolled circumstances such as inclement weather or breakdown of vehicles and misconduct on the part of offenders.



- d. Food during transport
- e. Lodging during transport
- f. Security (vehicle requirements, use of force, restraints, etc.)
- g. Humane treatment
- h. Medical transport of prisoners

H. Proper Surrender of Custody

1. The Contractor must not surrender custody of prisoner/offenders(s) without first verifying the official identification of the person(s) to whom custody of the prisoner(s) is to be transferred as being an employee of, or duly authorized agent of, the MDOC; or, in the case of a CSD transport, the local county sheriff's department. Duly authorized agents are defined as those whom the MDOC has given authority to act on its behalf.
2. The official article of identification for MDOC employee(s) is the State of Michigan employee identification badge
3. If the MDOC employee or its duly authorized agent, in the opinion of the Contractor, fails to provide official articles of identification upon request by the Contractor, the Contractor must make appropriate inquiry with the MDOC Program Manager to verify the identity of the appropriate agent prior to surrendering custody of the offender.

I. Delays in Departure or Arrival

1. Delay in Departure:
 - a. The Contractor must notify the law enforcement agency currently having custody of the prisoner/offender of such delay in departure/pick-up and the cause of the delay.
 - b. Such notice must be given within at least 24 hours of the delay.
2. Delay in Arrival:
 - a. The Contractor must notify the MDOC's transport destination contact; or in the case of CSD transports, the local sheriff's department, of such delay in arrival at the destination location.
 - b. Such notice must be given within at least 24 hours of arrival so as to give the MDOC a reasonable time to reschedule departmental personnel so as to avoid delay in receiving transfer of custody to the MDOC at the destination location; or, in the case of CSD transports, the local sheriff's department.
3. Inclement Weather and Mechanical Failure Delays
In the event of delays such as inclement weather conditions, mechanical failure of the Contractor's motor vehicle(s) or other eventualities, the Contractor must bear all costs related to such delay/layover. Such costs include food and lodging costs of the Contractor's personnel and prisoners/offenders in the Contractor's custody.
4. Delays of One or More Nights
 - a. In the event of delays necessitating lodging of offenders for one or more nights, the Contractor must arrange for lodging in accordance with the standards set forth in the MDOC Transportation Manual as referenced in Exhibit A section 1.1 A. 4, in an appropriate local detention facility, if available, in that area. The Contractor must notify the requesting department's transport destination contact individual immediately of the new holding location and the length of time the offender(s) will be held there



- b. Only under circumstances in which lodging in a local detention facility is unavailable, shall the Contractor lodge offenders in a private/public motel or hotel. The interim detention facility must provide safe and healthful lodging in accordance with standards set forth in the MDOC Transportation Manual. In such cases, no more than two offenders of the same sex may be lodged in a room together, and a Contractor employee must at all times be present in each room and alert. Opposite sex prisoners may never be lodged in a room together
- c. Security arrangements for lodging must comply with the standards set forth in the MDOC Transportation Manual.

J. Transportation Vehicles

The Contractor's transportation vehicles must meet standards, included but not limited to the following:

1. For emergency purposes, each vehicle used to transport offenders must carry a first-aid kit and approved fire extinguisher.
2. A log book must be maintained to record all emergency contacts with law enforcement agencies and/or any unusual occurrences.
3. After each stop, an offender count must be made and recorded.
4. The number of occupants must not exceed the vehicle's designated seating and weight capacity.
5. Each person occupying a vehicle must wear a safety belt, if provided, while the vehicle is in motion.
6. A prisoner must not be handcuffed, chained or secured, other than by a seatbelt to a stationary object inside a moving vehicle, unless in an emergency. Deviation from this provision requires that the agent-in-command submit a written statement to the requesting department's Program Manager within 24 hours of the completion of the transfer.
7. When a transportation trip is scheduled and the expected distance traveled during one day will be greater than 200 miles, a relief driver must be available.
8. Passenger Sedan and Van
 - a. The standard passenger sedan, station wagon, or van, with a screened cage separating the front and rear passenger area, must be used for the transportation of prisoners whose custody level is Security Level I or higher.
 - b. Any additional Contractor employees (other than the driver) must ride in the front seat or appropriate caged area facing at an angle that allows visual contact with the prisoner(s). Contractor staff must not ride in the offender compartment
 - c. The rear passenger door and window controls must be removed, thus leaving the responsibility of exiting the offender(s) to the Contractor's personnel.
 - d. The standard passenger sedan, station wagon or van, must have a barrier to separate male and female offenders, if transporting at the same time.
 - e. All drivers of vans must have a valid operator or chauffeur license, copies of which must be provided to the Department's Program Manager as referenced below.
 - f. Under no circumstances must a weapon or chemical agent be placed in the same compartment as the offender.
 - g. When a prisoner's personal property is carried in the vehicle, transportation staff must be diligent to ensure that property has been thoroughly searched and is not within the offender's reach.
9. Transportation Bus
 - a. When transporting 21 or more Security Level IV and V custody prisoners, specially constructed buses meeting the requirements below must be used.
 - b. The driver's compartment must be protected by a screen partition providing protection to compartment occupants.



- c. Another screened cage must be located at the rear of the bus to protect other transportation staff.
 - d. The driver's compartment and screened cage must not be left unattended when prisoners are on board.
 - e. Contractor's female staff must accompany female prisoners throughout the transport. (See section 1.1.A.10.)
 - f. Any time the Contractor's staff enter the area of the prisoners, the staff must be unarmed and without keys.
 - g. The security gates to the area where offenders are riding must be locked.
 - h. When changing the Contractor's armed staff in the cage, the armed staff must step out of the rear door. The Contractor's relief personnel must step in the rear door, both staff keeping possession of their own weapons.
 - i. The transportation bus must have a barrier to separate male and female offenders, if transporting at the same time.
 - j. The front cage Contractor staff must observe the prisoners during this changing of staff.
 - k. Keys to the caged area must always remain with the Contractor's staff in the cage that must remain locked.
 - l. When the Contractor's front staff are exchanged, the back cage staff must observe the offender compartment.
 - m. At the completion of the exchange, an accurate offender count must be made.
 - n. Lighting must be provided inside the bus at night to allow constant observation of the offenders.
 - o. Contractor staff operating the transportation bus must possess a valid Commercial Driver's License with appropriate endorsement in accordance with the MDOC Policy Directive 01.03.120, Vehicle Use.
 - p. Proof of license of current drivers must be provided as referenced in Section 6 of the proposal instructions. Proof of license of new drivers must be forwarded to the Program Manager, upon request.
 - q. Transportation buses must be operated in accordance with all federal, state and local motor vehicle laws governing bus operations
 - r. A bus transporting offenders must stop before proceeding at each railroad crossing and must clearly display a cautionary sign on the back of the bus which reads, "This vehicle will stop at all railroad crossings.
10. Air Transportation
- a. Air transport must only be used in extreme circumstances to be determined and approved by the requesting department's program manager in advance due to high costs.
 - b. Air transportation must only be used when one or more of the following criteria are met:
 - 1) When the movement of an offender by air is requested by a State department
 - 2) When an offender is medically unfit to travel on the ground as determined by the department
 - 3) When short notice is given with a deadline and ground travel is impractical
 - 4) If the Contractor determines that air transportation is required, and it does not meet one of the four criteria shown above, then the Contractor must provide supporting documentation to the requesting State department substantiating why it believes that the offender should be transported by air rather than regular ground transport. The final decision whether air transportation will be used is at the sole discretion of the requesting State department.
 - c. Air Transportation: In the case where air transport is the most viable means of returning a prisoner/offender, the Contractor must use the lowest airfare available at time of transport and bill accordingly, submitting appropriate documentation to support the ticket



cost. All air transports must be pre-approved in writing by the State Agency requesting transport.

K. Preparing for the Transportation Assignment

1. Equipment Checklist – The following equipment must be obtained and ready for use/duty by Contractor’s staff:
 - a. Driver’s License
 - b. ID Card
 - c. Duty Belt with Keepers
 - d. Seatbelt Cutter
 - e. Chemical Agent with Case
 - f. Handcuffs with Case
 - g. Approved Chemical Agent Mask (if applicable)
 - h. CCW Permit
 - i. CPR Mask and Gloves
2. Vehicle Checklist – The following is a checklist of things to do and items needed:
 - a. Make sure fuel, oil and other fluid levels are full.
 - b. Make sure all emergency breakdown reflectors are operative and in good working condition.
 - c. A list of emergency contacts and their respective contact information.
 - d. A minimum of two radios which must be in proper working order
 - e. First aid kit which is in fully-stocked condition
 - f. Up-to-date road maps for the trip/areas to be traveled
 - g. Extra restraints available and in good working condition
 - h. A box of latex gloves for spills, especially body fluids
 - i. Blood spill kit
 - j. Trip sheet
 - k. Vehicle log
 - l. Fire extinguisher
 - m. Check tires, tread and tire pressure
 - n. Two flashlights

L. Meals, Lodging and Miscellaneous Costs

1. The Contractor is responsible for all costs that may occur for its employees and offenders, excluding medical costs for the offenders, during the term of the Contract.
2. The Contractor must provide three meals per 24 hours for the offenders and prisoners during transport. Each meal must satisfy the nutritional and caloric recommendations set forth in the dietary reference intakes approved by the National Research Council. The current edition of “The Dietary Guidelines for Americans” by the United States Department of Health and Human Services and Department of Agriculture shall be followed for menu planning. The MDOC caloric requirements are 2,600 calories for males and 2,200 calories for females. Each balanced meal should comprise approximately 1/3 of the caloric intake.
 - a. Meals from fast food-type restaurants are acceptable.
 - b. These meals shall be included in the cost of the transport.
3. All medical costs, including pharmaceuticals, for offenders, including cost of transportation to or from any medical facility, must be paid by the requesting State department. See section 1.1.B.7



4. The Contractor must be authorized to obtain emergency and routine medical treatment for offenders and prisoners. See section 1.1.B.9

M. Medical Transports – transporting offenders with special medical needs and transporting offenders for medical reasons

1. For MDOC transports, the Correctional Facilities Administration (CFA) Deputy Director or designee, determines medical and custody coverage for special circumstances during transport.
 - a. For any special circumstance, use of local jails for drop-offs must be subject to the approval of the CFA Deputy Director or designee, who will also determine the chain-of-custody.
 - b. The Contractor's agents must notify the MDOC, CFA Deputy Director or designee when an offender is out of its custody.
 - i. This must be person-to-person contact, and not a message left by voice mail, email, or other electronic means.
2. For CSD transports, the Child Support Division Chief or designee determines the medical and custody coverage for special circumstances of CDS prisoners or detainees during transport.
 - a. For CSD transports, the Contractor's agents must contact the Child Support Division Chief when a prisoner or detainee is out of its custody.
 - i. This must be a person-to-person contact, and not a message left by voice mail, email, or other electronic means.
3. In the case of a medical emergency, the requesting department's Program Manager must be notified for appropriate arrangements including chain-of-custody, transfer of custody, and responsibility for custody at the hospital or medical facility.
4. The requesting department will be financially responsible for medical or emergency health care treatment, and the treating facility should be informed to invoice the requesting department directly for the care.
5. The Contractor must provide quotes of charges in advance of treatment, unless emergency prohibits advance pricing.
6. In the case of a medical transport known at the onset, any special pricing, as referenced in Item 7 of Exhibit C Pricing, must be quoted by the Contractor and approved by the requesting department's Program Manager prior to transport.

1.2 Reserved

1.3 Reserved

2. Acceptance

2.1 Acceptance, Inspection and Testing

The State will use the following criteria to determine acceptance of the Contract Activities:

1. Invoices submitted to the Department will be verified against each transportation request. If approved it will be submitted for payment. If not approved the Department Program Manager or designee will contact the Contractor. Payment will be withheld without penalties until the problem with the invoice is corrected.

3. Staffing

- A. Contractor staff's training (See Section 3.C–D must be documented by the Contractor and must be submitted to the state within 5 business days of hire or completion of training, whichever is later.
- B. Contractor must submit valid driver's licenses for all new employees hired during this contract who may engage in transporting prisoners/offenders to the Contract Administrator. (See Section 6 of the Proposal Instructions)



- C. The Contractor must ensure that all personnel employed by the Contractor engaged in transporting prisoners/offenders:
 - 1) Are at least 21 years of age;
 - 2) Successfully pass a background check of driving record, criminal history, former and present employers and personal references (Per 3.8.B);
 - 3) Are CPR certified;
 - 4) Successfully pass weapons qualifications as required by the Contractor;
 - 5) Successfully pass transportation training that, at a minimum, covers the requirements listed in the MDOC Transportation Manual;
 - 6) Successfully pass a drug screen test.
 - 7) Sign an initial conflict of interest form regarding knowing or being related to any Michigan offender, and immediately update if there is a status change. The Contractor must email the conflict of interest forms (initial and any updates) to the Department Program Manager within five business days of completion.

- D. The Contractor must retain trained female personnel to cover the entire transport of female escapees, parole violators and absconders as referenced in 1.1.A.10.

3.1 Contractor Representative

- A. The Contractor must appoint an individual, specifically assigned to State of Michigan contracted accounts, that will respond to State inquiries regarding the Contract Activities, answer questions related to scheduling, transit concerns, etc. (the “Contractor Representative”), within 24 hours.
 - 1. The Contractor Representative is Alan Proctor, Director of Sales & Marketing 866-388-8488 or 615-579-5899
 - 2. The Contractor Representative is available to meet with using State Agencies in person as the state deems appropriate.

- B. The Contractor must notify the Contract Administrator and Program Manager upon removing or assigning a new Contractor Representative.

3.2 Customer Service Toll-Free Number

- A. The Contractor must specify its toll-free number for the State to make contact with the Contractor Representative. The Contractor Representative must be available for calls during the hours of 7 am to 6 pm EST Monday – Friday excepting State of Michigan holidays.

The toll-free number is 866-388-8488 or 24x7 on call number is 615-948-4353.

3.3 Work Hours

The Contractor must provide Contract Activities during the State’s normal working hours Monday – Friday 7:00 a.m. to 6:00 p.m. EST, and possible night and weekend hours depending on the requirements of the transport.

3.5 Reserved

3.6 Reserved

3.7 Disclosure of Subcontractors

- A. Subcontractors may not be used.



3.8 Security

The Contractor will be subject the following security procedures:

- A. All Contractor staff entering a MDOC correctional facility must be LEIN cleared by MDOC at least 24 hours prior to facility entry.
- B. If any of the Contractor's employees have a felony or misdemeanor conviction (excluding minor driving offenses), the Contractor's employees may not enter any MDOC facility.
- C. The Contractor must anticipate delays when visiting any facility due to lockdown, high traffic volume in the intake area, or other issues within that facility.
- D. All vehicles entering a MDOC correctional facility must be inspected before entry of the secure perimeter.
- E. The Contractor's staff may be required to make deliveries to or enter State facilities.
- F. The State may require the Contractor's personnel to wear State issued identification badges.
- G. The State reserves the right to deny access to any institution and/or facility to any Contractor(s) staff member who fails to comply with any applicable State, federal or local law, ordinance or regulation or whose presence may compromise the security of the facility, its members, or staff.

4. Project Management

4.1 Project Plan (Reserved)

4.2 Meetings

A. The Contractor must attend any meetings requested by the State, as the State deems appropriate. Teleconferencing is generally acceptable.

4.3 Reporting

- A. The Contractor must submit upon the department's request, to the Program Manager or Contract Administrator, the following written reports:
 1. Summary reports of transport services, including but not limited to
 - a. Usage by department
 - b. Usage by type of transport
 - c. Usage by geographical area
 - d. Any type of accidents, such as vehicular, prisoner related, etc.
 - e. Number of extension requests by Contractor.
 - f. Number of incidents requiring a surcharge.
- B. The Contractor must supply requested reports within five business days from the request.
- C. The Contractor may submit reports in a non-pdf electronic format, such as Word or Excel, via e-mail.
- D. Reports must be provided at no cost to the State.

5. Ordering

5.1 Authorizing Document

- A. The State will issue a signed Contract and purchase order(s), which must be approved by the Program Manager, or designee.
- B. The Contractor is not authorized to begin performance until receipt of a purchase order.



6. Invoice and Payment

6.1 Invoice Requirements

- A. For the AG:
1. Invoices shall be reviewed, reconciled, approved by signature and date by authorized staff of requesting AG Division, then forwarded by the approving division to the AG Office of Fiscal Management promptly.
 2. Payment will be withheld, without penalty from the Contractor, on individual invoices where a billing conflict exists and the customer/department has initiated a request for clarification from the contractor. Individual invoice conflicts will not hold up any other approved payment to vendor. Resolved conflicts and requests for clarification shall be paid promptly upon mutual agreement of resolution, and according to the applicable terms of the Contract.
- B. For MDOC:
1. Invoices submitted to the MDOC will be verified against each transportation request. If approved it will be submitted for payment. If not approved the MDOC Program Manager or the MDOC Finance will contact the Contractor. Payment will be withheld without penalties until the problem with the invoice is corrected.
- C. At least 15 days prior to contract start, the Contractor must work with the State to finalize invoicing details, which may vary by State Agency or department.
- D. Invoice Details
1. Invoices must include itemization of all charges.
 2. Invoices must not co-mingle charges for more than one department on one invoice.
 3. Individual invoices must be sent to each using agency's Program Manager, or designated representative as agreed between the using agency and Contractor.
 4. The Contractor must submit a monthly invoice of all transports completed in that time frame.
 5. The Contractor and Using State Agency may finalize invoice details, beyond what is noted.. Invoices may be mailed, faxed or emailed to the using State Agency.
 6. All invoices submitted to the State must include:
 - a. Individual and unique invoice number
 - b. Invoice date
 - c. Invoice total
 - d. Purchase Order number
 - e. Requesting department
 - f. Name of the department's requestor
 - g. Transport reference number
 - h. Prisoner or detainee name
 - i. Prisoner's Michigan prison number, if applicable
 - j. Male or Female
 - k. Departure point, including address, date of departure and date of transport request
 - l. Drop off destination, including address, and drop off date;
 - m. Total miles for transport, and rate per mile
 - n. Air fare (if applicable)

6.2 Payment Methods

The State will make payment for Contract Activities via PO issuance and Electronic Funds Transfer as required by statute.



6.3 Procedure

1. Actual travel costs incurred by contractor may be billed to the MDOC for any passenger cancellation by the MDOC not reported to the Contractor prior to four hours before scheduled departure time for intrastate transportation and eight hours before scheduled departure time for interstate transportation.

7. Liquidated Damages

Late or improper completion of the Contract Activities will cause loss and damage to the State and it would be impracticable and extremely difficult to fix the actual damage sustained by the State. Therefore, if there is late or improper completion of the Contract Activities the State is entitled to collect liquidated damages in the amount of \$500 and an additional \$100 per day for each day Contractor fails to remedy the late or improper completion of the Work per 1.1.I.

8. Additional Requirements

A. Prison Rape Elimination Act (PREA) of 2003

Public Law 108-79, Sept. 4, 2003

1. The Contractor must comply with the Federal Register and the MDOC Prison Rape Elimination Act, 28 CFR Part 115, Prevention Plan. Overfamiliarity with offenders is strictly prohibited.
2. The Contractor must immediately refer any allegations or forms of sexual abuse or sexual harassment (staff-on-prisoner and prisoner-on-prisoner) made to it, to the MDOC Contract Compliance Inspector and Agency Program Manager in writing.
3. The Contractor must ensure compliance with the National Standards to Prevent, Detect and Respond to Prison Rape, effective August 20, 2012 at <http://www.gpo.gov/fdsys/pkg/FR-2012-06-20/pdf/2012-12427.pdf>. See attached PREA standards Appendix A). If the Contractor does not abide by these standards, it will be considered a breach of Contract.



STATE OF MICHIGAN

Contract # 071B6600069

Transport Services for Prisoners/Offenders and Detainees

**EXHIBIT B
GENERAL PROPOSAL REQUIREMENTS**

RESERVED



STATE OF MICHIGAN
 Contract # 071B6600069
 Transport Services for Prisoners/Offenders and Detainees

**EXHIBIT C
 PRICING**

1. Pricing includes all costs, including but not limited to, fuel, mileage, staffing, etc.
2. This will be a fixed unit price contract, and will be based on the cost per mile of a prisoner transport.

| Line Item # | Transport | Unit of Measure | Estimated Usage Per Year | Unit Cost | Estimated Cost Total |
|-------------|---|--|----------------------------------|--------------------------|----------------------|
| 1 | Ground Transport Contiguous United States; no fuel surcharge (Estimated 600 transport requests per year) | Per mile | 250,000 | \$0.85 | \$212,500.00 |
| 2 | Ground Transport (non-contiguous United States); no fuel surcharge (Estimated 3 transport requests per year) | Per trip | Alaska & Hawaii Air Only – N/A | Case by Case | |
| 3 | Air Transport (Airfare at cost, hourly staff rate, meals) | *Current airfare, hourly rate, & meals for 2 officers | 3 (non-contiguous United States) | Case By Case | |
| 5 | Discount for transporting an additional prisoner from the same pick-up location or to the same drop off location. | Each Occurrence | 10 | 50% Discount | |
| 6 | Picking up prisoners from restricted hours facilities | Per Hour (wait time) | 200 | \$0.00 (no charge) | \$0.00 |
| 7 | Special Needs Cases: <ul style="list-style-type: none"> • Juveniles • Medical | *Per Mile | (25 transports estimated) | Case by Case | |
| 8 | Short Deadlines (Transportation requests given with less than a 10 day notice for pick up.) | **Maximum amount upcharge | 100 | \$0.00 | \$0.00 |
| 9 | Specific Date Pick Up | **Maximum amount upcharge | 20 | \$300.00 Each Occurrence | \$6,000.00 |
| 10 | Meals | Each (3 meals required each 24 hours during transport) | | \$0.00 (no charge) | \$0.00 |
| | Total Estimated Contract Price for one year. | | | | \$218,500.00 |

Total Estimated Price for 3-Year Contract: \$655,500.00

**Any surcharges must be approved by the program manager before the transport begins/continues.



STATE OF MICHIGAN

STANDARD CONTRACT TERMS

This STANDARD CONTRACT (“**Contract**”) is agreed to between the State of Michigan (the “**State**”) and PTS of America, LLC (“**Contractor**”), a Tennessee Limited Liability Company. This Contract is effective on April 15, 2016 (“**Effective Date**”), and unless terminated, expires on April 15, 2019. This Contract may be renewed for up to two additional one year period(s). Renewal must be by written agreement of the parties.

The parties agree as follows:

1. **Duties of Contractor.** Contractor must perform the services and provide the deliverables described in **Exhibit A – Statement of Work** (the “**Contract Activities**”). An obligation to provide delivery of any commodity is considered a service and is a Contract Activity.

Contractor must furnish all labor, equipment, materials, and supplies necessary for the performance of the Contract Activities, and meet operational standards, unless otherwise specified in Exhibit A. Contractor must: (a) perform the Contract Activities in a timely, professional, safe, and workmanlike manner consistent with standards in the trade, profession, or industry; (b) meet or exceed the performance and operational standards, and specifications of the Contract; (c) provide all Contract Activities in good quality, with no material defects; (d) not interfere with the State’s operations; (e) obtain and maintain all necessary licenses, permits or other authorizations necessary for the performance of the Contract; (f) cooperate with the State, including the State’s quality assurance personnel, and any third party to achieve the objectives of the Contract; (g) return to the State any State-furnished equipment or other resources in the same condition as when provided when no longer required for the Contract; (h) not make any media releases without prior written authorization from the State; (i) assign to the State any claims resulting from state or federal antitrust violations to the extent that those violations concern materials or services supplied by third parties toward fulfillment of the Contract; (j) comply with all State physical and IT security policies and standards which will be made available upon request; and (k) provide the State priority in performance of the Contract except as mandated by federal disaster response requirements. Any breach under this paragraph is considered a material breach.

Contractor must also be clearly identifiable while on State property by wearing identification issued by the State, and clearly identify themselves whenever making contact with the State.

2. **Notices.** All notices and other communications required or permitted under this Contract must be in writing and will be considered given and received: (a) when verified by written receipt if sent by courier; (b) when actually received if sent by mail without verification of receipt; or (c) when verified by automated receipt or electronic logs if sent by facsimile or email.

| | |
|---|--|
| <p>If to State: <i>William Camp</i> 525 W. Allegan St. P.O. Box 30026 Lansing, MI 48909 campw@michigan.gov 517-284-7022</p> | <p>If to Contractor: PTS of America, LLC 517 Hickory Hills Blvd. Whites Creek, TN 37189 tcheek@prisonertransport.net 866.388.8488</p> |
|---|--|



3. **Contract Administrator.** The Contract Administrator for each party is the only person authorized to modify any terms and conditions of this Contract (each a “**Contract Administrator**”):

| | |
|---|---|
| If to State: | If to Contractor: |
| <i>William Camp 525 W. Allegan St. P.O. Box 30026 Lansing, MI 48909 campw@michigan.gov 517-284-7022</i> | <i>Tanisha Cheek PTS of America, LLC 517 Hickory Hills Blvd. Whites Creek, TN 37189 tcheek@prisonertransport.net 866.388.8488</i> |

4. **Program Manager.** The Program Manager for each party will monitor and coordinate the day-to-day activities of the Contract (each a “**Program Manager**”):

| | |
|--|---|
| If to DOC: | If to Contractor: |
| <i>Michael Whitford MDOC Central Office 206 E. Michigan Ave. – 5th Floor Grandview Plaza Lansing, MI 48933 517-241-7661</i> | <i>Tanisha Cheek PTS of America, LLC 517 Hickory Hills Blvd. Whites Creek, TN 37189 tcheek@prisonertransport.net 866.388.8488</i> |
| If to AG | |
| <i>Patrick O'Brien 525 W. Ottawa St. Lansing, MI 48909 517-373-1111</i> | |

5. **Performance Guarantee.** Contractor must at all times have financial resources sufficient, in the opinion of the State, to ensure performance of the Contract and must provide proof upon request. The State may require a performance bond (as specified in Exhibit A) if, in the opinion of the State, it will ensure performance of the Contract.
6. **Insurance Requirements.** Contractor must maintain the insurances identified below and is responsible for all deductibles. All required insurance must: (a) protect the State from claims that may arise out of, are alleged to arise out of, or result from Contractor's or a subcontractor's performance; (b) be primary and non-contributing to any comparable liability insurance (including self-insurance) carried by the State; and (c) be provided by an company with an A.M. Best rating of "A" or better and a financial size of VII or better.



| Insurance Type | Additional Requirements |
|---|---|
| Commercial General Liability Insurance | |
| <p><u>Minimal Limits:</u> \$1,000,000 Each Occurrence Limit \$1,000,000 Personal & Advertising Injury Limit \$2,000,000 General Aggregate Limit \$2,000,000 Products/Completed Operations</p> <p><u>Deductible Maximum:</u> \$50,000 Each Occurrence</p> | <p>Contractor must have their policy: (1) endorsed to add “the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees, and agents” as additional insureds using endorsement CG 20 10 11 85, or both CG 2010 07 04 and CG 2037 07 04; (2) include a waiver of subrogation; and (3) for a claims-made policy, provide 3 years of tail coverage.</p> |
| Umbrella or Excess Liability Insurance | |
| <p><u>Minimal Limits:</u> \$5,000,000 General Aggregate</p> | <p>Contractor must have their policy: (1) endorsed to add “the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees, and agents” as additional insureds, and (2) include a waiver of subrogation.</p> |
| Motor Vehicle Insurance | |
| <p><u>Minimal Limits:</u> \$1,000,000 Per Occurrence</p> | |
| Workers' Compensation Insurance | |
| <p><u>Minimal Limits:</u> Coverage according to applicable laws governing work activities.</p> | <p>Waiver of subrogation, except where waiver is prohibited by law.</p> |
| Employers Liability Insurance | |
| <p><u>Minimal Limits:</u> \$100,000 Each Accident \$100,000 Each Employee by Disease \$500,000 Aggregate Disease.</p> | |



If Contractor's policy contains limits higher than the minimum limits, the State is entitled to coverage to the extent of the higher limits. The minimum limits are not intended, and may not be construed to limit any liability or indemnity of Contractor to any indemnified party or other persons.

Contractor must: (a) provide insurance certificates to the Contract Administrator, containing the agreement or purchase order number, at Contract formation and within 20 calendar days of the expiration date of the applicable policies; (b) require that subcontractors maintain the required insurances contained in this Section; (c) notify the Contract Administrator within 5 business days if any insurance is cancelled; and (d) waive all rights against the State for damages covered by insurance. Failure to maintain the required insurance does not limit this waiver.

7. **MiDeal Administrative Fee and Reporting.** Contractor must pay an administrative fee of 1% on all MiDeal payments made to Contractor under the Contract including transactions with the State (including its departments, divisions, agencies, offices, and commissions), MiDEAL members, and other states (including governmental subdivisions and authorized entities). Administrative fee payments must be made by check payable to the State of Michigan and mailed to:

Department of Technology, Management and Budget
Financial Services – Cashier Unit
Lewis Cass Building
320 South Walnut St.
P.O. Box 30681
Lansing, MI 48909

Contractor must submit an itemized purchasing activity report, which includes at a minimum, the name of the purchasing entity and the total dollar volume in sales. Reports should be mailed to STATE-MDOC-Procurement.

The administrative fee and purchasing activity report are due within 30 calendar days from the last day of each calendar quarter.

8. **Extended Purchasing Program.** The Contract is extended to MiDEAL members. MiDEAL members include local units of government, school districts, universities, community colleges, and nonprofit hospitals. A current list of MiDEAL members is available at www.michigan.gov/mideal. Upon written agreement between the State and Contractor, this Contract may also be extended to: (a) State of Michigan employees and (b) other states (including governmental subdivisions and authorized entities).

If extended, Contractor must supply all Contract Activities at the established Contract prices and terms. The State reserves the right to negotiate additional discounts based on any increased volume generated by such extensions.

Contractor must submit invoices to, and receive payment from, extended purchasing program members on a direct and individual basis.

9. **Independent Contractor.** Contractor is an independent contractor and assumes all rights, obligations and liabilities set forth in this Contract. Contractor, its employees, and agents will not be considered employees of the State. No partnership or joint venture relationship is created by virtue of this Contract. Contractor, and not the State, is responsible for the payment of wages, benefits and taxes of Contractor's employees and any subcontractors. Prior performance does not modify Contractor's status as an independent contractor.



- 10. Subcontracting.** Contractor may not delegate any of its obligations under the Contract without the prior written approval of the State. Contractor must notify the State at least 90 calendar days before the proposed delegation, and provide the State any information it requests to determine whether the delegation is in its best interest. If approved, Contractor must: (a) be the sole point of contact regarding all contractual matters, including payment and charges for all Contract Activities; (b) make all payments to the subcontractor; and (c) incorporate the terms and conditions contained in this Contract in any subcontract with a subcontractor. Contractor remains responsible for the completion of the Contract Activities, compliance with the terms of this Contract, and the acts and omissions of the subcontractor. The State, in its sole discretion, may require the replacement of any subcontractor.
- 11. Staffing.** The State's Contract Administrator may require Contractor to remove or reassign personnel by providing a notice to Contractor.
- 12. Background Checks.** Upon request, Contractor must perform background checks on all employees and subcontractors and its employees prior to their assignment. The scope is at the discretion of the State and documentation must be provided as requested. Contractor is responsible for all costs associated with the requested background checks. The State, in its sole discretion, may also perform background checks.
- 13. Assignment.** Contractor may not assign this Contract to any other party without the prior approval of the State. Upon notice to Contractor, the State, in its sole discretion, may assign in whole or in part, its rights or responsibilities under this Contract to any other party. If the State determines that a novation of the Contract to a third party is necessary, Contractor will agree to the novation, provide all necessary documentation and signatures, and continue to perform, with the third party, its obligations under the Contract.
- 14. Change of Control.** Contractor will notify, at least 90 calendar days before the effective date, the State of a change in Contractor's organizational structure or ownership. For purposes of this Contract, a change in control means any of the following: (a) a sale of more than 50% of Contractor's stock; (b) a sale of substantially all of Contractor's assets; (c) a change in a majority of Contractor's board members; (d) consummation of a merger or consolidation of Contractor with any other entity; (e) a change in ownership through a transaction or series of transactions; (f) or the board (or the stockholders) approves a plan of complete liquidation. A change of control does not include any consolidation or merger effected exclusively to change the domicile of Contractor, or any transaction or series of transactions principally for bona fide equity financing purposes.

In the event of a change of control, Contractor must require the successor to assume this Contract and all of its obligations under this Contract.
- 15. Ordering.** Contractor is not authorized to begin performance until receipt of authorization as identified in Exhibit A.
- 16. Acceptance.** Contract Activities are subject to inspection and testing by the State within 30 calendar days of the State's receipt of them ("**State Review Period**"), unless otherwise provided in Exhibit A. If the Contract Activities are not fully accepted by the State, the State will notify Contractor by the end of the State Review Period that either: (a) the Contract Activities are accepted, but noted deficiencies must be corrected; or (b) the Contract Activities are rejected. If the State finds material deficiencies, it may: (i) reject the Contract Activities without performing any further inspections; (ii) demand performance at no additional cost; or (iii) terminate this Contract in accordance with Section 23, Termination for Cause.



Within 10 business days from the date of Contractor's receipt of notification of acceptance with deficiencies or rejection of any Contract Activities, Contractor must cure, at no additional cost, the deficiency and deliver unequivocally acceptable Contract Activities to the State. If acceptance with deficiencies or rejection of the Contract Activities impacts the content or delivery of other non-completed Contract Activities, the parties' respective Program Managers must determine an agreed to number of days for re-submission that minimizes the overall impact to the Contract. However, nothing herein affects, alters, or relieves Contractor of its obligations to correct deficiencies in accordance with the time response standards set forth in this Contract.

If Contractor is unable or refuses to correct the deficiency within the time response standards set forth in this Contract, the State may cancel the order in whole or in part. The State, or a third party identified by the State, may perform the Contract Activities and recover the difference between the cost to cure and the Contract price plus an additional 10% administrative fee.

17. Reserved.

18. Reserved.

19. Reserved.

20. Terms of Payment. Invoices must conform to the requirements communicated from time-to-time by the State. All undisputed amounts are payable within 45 days of the State's receipt. Contractor may only charge for Contract Activities performed as specified in Exhibit A. Invoices must include an itemized statement of all charges. The State is exempt from State sales tax for direct purchases and may be exempt from federal excise tax, if Contract Activities purchased under the Contract are for the State's exclusive use. Prices are exclusive of all taxes, and Contractor is solely responsible for payment of any applicable taxes.

The State has the right to withhold payment of any disputed amounts until the parties agree as to the validity of the disputed amount. The State will notify Contractor of any dispute within a reasonable time. Payment by the State will not constitute a waiver of any rights as to Contractor's continuing obligations, including claims for deficiencies or substandard Contract Activities. Contractor's acceptance of final payment by the State constitutes a waiver of all claims by Contractor against the State for payment under this Contract, other than those claims previously filed in writing on a timely basis and still disputed.

The State will only disburse payments under this Contract through Electronic Funds Transfer (EFT). Contractor must register with the State at <http://www.michigan.gov/cpexpress> to receive electronic fund transfer payments. If Contractor does not register, the State is not liable for failure to provide payment.

Without prejudice to any other right or remedy it may have, the State reserves the right to set off at any time any amount then due and owing to it by Contractor against any amount payable by the State to Contractor under this Contract.

21. Liquidated Damages. Liquidated damages, if applicable, will be assessed as described in Exhibit A.

22. Stop Work Order. The State may suspend any or all activities under the Contract at any time. The State will provide Contractor a written stop work order detailing the suspension. Contractor must comply with the stop work order upon receipt. Within 90 calendar days, or any longer period agreed to by Contractor, the State will either: (a) issue a notice authorizing Contractor to resume work, or (b) terminate the Contract or purchase order. The State will not pay for Contract Activities, Contractor's lost profits, or any additional compensation during a stop work period.



23. Termination for Cause. The State may terminate this Contract for cause, in whole or in part, if Contractor, as determined by the State: (a) endangers the value, integrity, or security of any location, data, or personnel; (b) becomes insolvent, petitions for bankruptcy court proceedings, or has an involuntary bankruptcy proceeding filed against it by any creditor; (c) engages in any conduct that may expose the State to liability; (d) breaches any of its material duties or obligations; or (e) fails to cure a breach within the time stated in a notice of breach. Any reference to specific breaches being material breaches within this Contract will not be construed to mean that other breaches are not material.

If the State terminates this Contract under this Section, the State will issue a termination notice specifying whether Contractor must: (a) cease performance immediately, or (b) continue to perform for a specified period. If it is later determined that Contractor was not in breach of the Contract, the termination will be deemed to have been a Termination for Convenience, effective as of the same date, and the rights and obligations of the parties will be limited to those provided in Section 24, Termination for Convenience.

The State will only pay for amounts due to Contractor for Contract Activities accepted by the State on or before the date of termination, subject to the State's right to set off any amounts owed by the Contractor for the State's reasonable costs in terminating this Contract. The Contractor must pay all reasonable costs incurred by the State in terminating this Contract for cause, including administrative costs, attorneys' fees, court costs, transition costs, and any costs the State incurs to procure the Contract Activities from other sources.

24. Termination for Convenience. The State may immediately terminate this Contract in whole or in part without penalty and for any reason, including but not limited to, appropriation or budget shortfalls. The termination notice will specify whether Contractor must: (a) cease performance of the Contract Activities immediately, or (b) continue to perform the Contract Activities in accordance with Section 25, Transition Responsibilities. If the State terminates this Contract for convenience, the State will pay all reasonable costs, as determined by the State, for State approved Transition Responsibilities.

25. Transition Responsibilities. Upon termination or expiration of this Contract for any reason, Contractor must, for a period of time specified by the State (not to exceed 90 calendar days), provide all reasonable transition assistance requested by the State, to allow for the expired or terminated portion of the Contract Activities to continue without interruption or adverse effect, and to facilitate the orderly transfer of such Contract Activities to the State or its designees. Such transition assistance may include, but is not limited to: (a) continuing to perform the Contract Activities at the established Contract rates; (b) taking all reasonable and necessary measures to transition performance of the work, including all applicable Contract Activities, training, equipment, software, leases, reports and other documentation, to the State or the State's designee; (c) taking all necessary and appropriate steps, or such other action as the State may direct, to preserve, maintain, protect, or return to the State all materials, data, property, and confidential information provided directly or indirectly to Contractor by any entity, agent, vendor, or employee of the State; (d) transferring title in and delivering to the State, at the State's discretion, all completed or partially completed deliverables prepared under this Contract as of the Contract termination date; and (e) preparing an accurate accounting from which the State and Contractor may reconcile all outstanding accounts (collectively, "**Transition Responsibilities**"). This Contract will automatically be extended through the end of the transition period.



26. General Indemnification. Contractor must defend, indemnify and hold the State, its departments, divisions, agencies, offices, commissions, officers, and employees harmless, without limitation, from and against any and all actions, claims, losses, liabilities, damages, costs, attorney fees, and expenses (including those required to establish the right to indemnification), arising out of or relating to: (a) any breach by Contractor (or any of Contractor's employees, agents, subcontractors, or by anyone else for whose acts any of them may be liable) of any of the promises, agreements, representations, warranties, or insurance requirements contained in this Contract; (b) any infringement, misappropriation, or other violation of any intellectual property right or other right of any third party; (c) any bodily injury, death, or damage to real or tangible personal property occurring wholly or in part due to action or inaction by Contractor (or any of Contractor's employees, agents, subcontractors, or by anyone else for whose acts any of them may be liable); and (d) any acts or omissions of Contractor (or any of Contractor's employees, agents, subcontractors, or by anyone else for whose acts any of them may be liable).

The State will notify Contractor in writing if indemnification is sought; however, failure to do so will not relieve Contractor, except to the extent that Contractor is materially prejudiced. Contractor must, to the satisfaction of the State, demonstrate its financial ability to carry out these obligations.

The State is entitled to: (i) regular updates on proceeding status; (ii) participate in the defense of the proceeding; (iii) employ its own counsel; and to (iv) retain control of the defense if the State deems necessary. Contractor will not, without the State's written consent (not to be unreasonably withheld), settle, compromise, or consent to the entry of any judgment in or otherwise seek to terminate any claim, action, or proceeding. To the extent that any State employee, official, or law may be involved or challenged, the State may, at its own expense, control the defense of that portion of the claim.

Any litigation activity on behalf of the State, or any of its subdivisions under this Section, must be coordinated with the Department of Attorney General. An attorney designated to represent the State may not do so until approved by the Michigan Attorney General and appointed as a Special Assistant Attorney General.

27. Infringement Remedies. If, in either party's opinion, any piece of equipment, software, commodity, or service supplied by Contractor or its subcontractors, or its operation, use or reproduction, is likely to become the subject of a copyright, patent, trademark, or trade secret infringement claim, Contractor must, at its expense: (a) procure for the State the right to continue using the equipment, software, commodity, or service, or if this option is not reasonably available to Contractor, (b) replace or modify the same so that it becomes non-infringing; or (c) accept its return by the State with appropriate credits to the State against Contractor's charges and reimburse the State for any losses or costs incurred as a consequence of the State ceasing its use and returning it.

28. Limitation of Liability. The State is not liable for consequential, incidental, indirect, or special damages, regardless of the nature of the action.

29. Disclosure of Litigation, or Other Proceeding. Contractor must notify the State within 14 calendar days of receiving notice of any litigation, investigation, arbitration, or other proceeding (collectively, "**Proceeding**") involving Contractor, a subcontractor, or an officer or director of Contractor or subcontractor, that arises during the term of the Contract, including: (a) a criminal Proceeding; (b) a parole or probation Proceeding; (c) a Proceeding under the Sarbanes-Oxley Act; (d) a civil Proceeding involving: (1) a claim that might reasonably be expected to adversely affect Contractor's viability or financial stability; or (2) a governmental or public entity's claim or written allegation of fraud;



or (e) a Proceeding involving any license that Contractor is required to possess in order to perform under this Contract.

30. Reserved.

31. State Data.

- a. Ownership. The State's data ("**State Data**," which will be treated by Contractor as Confidential Information) includes: (a) the State's data collected, used, processed, stored, or generated as the result of the Contract Activities; (b) personally identifiable information ("**PII**") collected, used, processed, stored, or generated as the result of the Contract Activities, including, without limitation, any information that identifies an individual, such as an individual's social security number or other government-issued identification number, date of birth, address, telephone number, biometric data, mother's maiden name, email address, credit card information, or an individual's name in combination with any other of the elements here listed; and, (c) personal health information ("**PHI**") collected, used, processed, stored, or generated as the result of the Contract Activities, which is defined under the Health Insurance Portability and Accountability Act (HIPAA) and its related rules and regulations. State Data is and will remain the sole and exclusive property of the State and all right, title, and interest in the same is reserved by the State. This Section survives the termination of this Contract.
- b. Contractor Use of State Data. Contractor is provided a limited license to State Data for the sole and exclusive purpose of providing the Contract Activities, including a license to collect, process, store, generate, and display State Data only to the extent necessary in the provision of the Contract Activities. Contractor must: (a) keep and maintain State Data in strict confidence, using such degree of care as is appropriate and consistent with its obligations as further described in this Contract and applicable law to avoid unauthorized access, use, disclosure, or loss; (b) use and disclose State Data solely and exclusively for the purpose of providing the Contract Activities, such use and disclosure being in accordance with this Contract, any applicable Statement of Work, and applicable law; and (c) not use, sell, rent, transfer, distribute, or otherwise disclose or make available State Data for Contractor's own purposes or for the benefit of anyone other than the State without the State's prior written consent. This Section survives the termination of this Contract.
- c. Extraction of State Data. Contractor must, within one (1) business day of the State's request, provide the State, without charge and without any conditions or contingencies whatsoever (including but not limited to the payment of any fees due to Contractor), an extract of the State Data in the format specified by the State.
- d. Backup and Recovery of State Data. Unless otherwise specified in Exhibit A, Contractor is responsible for maintaining a backup of State Data and for an orderly and timely recovery of such data. Unless otherwise described in Exhibit A, Contractor must maintain a contemporaneous backup of State Data that can be recovered within two (2) hours at any point in time.
- e. Loss of Data. In the event of any act, error or omission, negligence, misconduct, or breach that compromises or is suspected to compromise the security, confidentiality, or integrity of State Data or the physical, technical, administrative, or organizational safeguards put in place by Contractor that relate to the protection of the security, confidentiality, or integrity of State Data, Contractor must, as applicable: (a) notify the State as soon as practicable but no later than twenty-four (24) hours of becoming aware of such occurrence; (b) cooperate with the State in investigating the occurrence, including making available all relevant records, logs,



files, data reporting, and other materials required to comply with applicable law or as otherwise required by the State; (c) in the case of PII or PHI, at the State's sole election, (i) notify the affected individuals who comprise the PII or PHI as soon as practicable but no later than is required to comply with applicable law, or, in the absence of any legally required notification period, within 5 calendar days of the occurrence; or (ii) reimburse the State for any costs in notifying the affected individuals; (d) in the case of PII, provide third-party credit and identity monitoring services to each of the affected individuals who comprise the PII for the period required to comply with applicable law, or, in the absence of any legally required monitoring services, for no less than twenty-four (24) months following the date of notification to such individuals; (e) perform or take any other actions required to comply with applicable law as a result of the occurrence; (f) without limiting Contractor's obligations of indemnification as further described in this Contract, indemnify, defend, and hold harmless the State for any and all claims, including reasonable attorneys' fees, costs, and expenses incidental thereto, which may be suffered by, accrued against, charged to, or recoverable from the State in connection with the occurrence; (g) be responsible for recreating lost State Data in the manner and on the schedule set by the State without charge to the State; and, (h) provide to the State a detailed plan within 10 calendar days of the occurrence describing the measures Contractor will undertake to prevent a future occurrence. Notification to affected individuals, as described above, must comply with applicable law, be written in plain language, and contain, at a minimum: name and contact information of Contractor's representative; a description of the nature of the loss; a list of the types of data involved; the known or approximate date of the loss; how such loss may affect the affected individual; what steps Contractor has taken to protect the affected individual; what steps the affected individual can take to protect himself or herself; contact information for major credit card reporting agencies; and, information regarding the credit and identity monitoring services to be provided by Contractor. This Section survives the termination of this Contract.

32. Non-Disclosure of Confidential Information. The parties acknowledge that each party may be exposed to or acquire communication or data of the other party that is confidential, privileged communication not intended to be disclosed to third parties. The provisions of this Section survive the termination of this Contract.

- a. Meaning of Confidential Information. For the purposes of this Contract, the term "**Confidential Information**" means all information and documentation of a party that: (a) has been marked "confidential" or with words of similar meaning, at the time of disclosure by such party; (b) if disclosed orally or not marked "confidential" or with words of similar meaning, was subsequently summarized in writing by the disclosing party and marked "confidential" or with words of similar meaning; and, (c) should reasonably be recognized as confidential information of the disclosing party. The term "Confidential Information" does not include any information or documentation that was: (a) subject to disclosure under the Michigan Freedom of Information Act (FOIA); (b) already in the possession of the receiving party without an obligation of confidentiality; (c) developed independently by the receiving party, as demonstrated by the receiving party, without violating the disclosing party's proprietary rights; (d) obtained from a source other than the disclosing party without an obligation of confidentiality; or, (e) publicly available when received, or thereafter became publicly available (other than through any unauthorized disclosure by, through, or on behalf of, the receiving party). For purposes of this Contract, in all cases and for all matters, State Data is deemed to be Confidential Information.



- b. Obligation of Confidentiality. The parties agree to hold all Confidential Information in strict confidence and not to copy, reproduce, sell, transfer, or otherwise dispose of, give or disclose such Confidential Information to third parties other than employees, agents, or subcontractors of a party who have a need to know in connection with this Contract or to use such Confidential Information for any purposes whatsoever other than the performance of this Contract. The parties agree to advise and require their respective employees, agents, and subcontractors of their obligations to keep all Confidential Information confidential. Disclosure to a subcontractor is permissible where: (a) use of a subcontractor is authorized under this Contract; (b) the disclosure is necessary or otherwise naturally occurs in connection with work that is within the subcontractor's responsibilities; and (c) Contractor obligates the subcontractor in a written contract to maintain the State's Confidential Information in confidence. At the State's request, any employee of Contractor or any subcontractor may be required to execute a separate agreement to be bound by the provisions of this Section.
- c. Cooperation to Prevent Disclosure of Confidential Information. Each party must use its best efforts to assist the other party in identifying and preventing any unauthorized use or disclosure of any Confidential Information. Without limiting the foregoing, each party must advise the other party immediately in the event either party learns or has reason to believe that any person who has had access to Confidential Information has violated or intends to violate the terms of this Contract and each party will cooperate with the other party in seeking injunctive or other equitable relief against any such person.
- d. Remedies for Breach of Obligation of Confidentiality. Each party acknowledges that breach of its obligation of confidentiality may give rise to irreparable injury to the other party, which damage may be inadequately compensable in the form of monetary damages. Accordingly, a party may seek and obtain injunctive relief against the breach or threatened breach of the foregoing undertakings, in addition to any other legal remedies which may be available, to include, in the case of the State, at the sole election of the State, the immediate termination, without liability to the State, of this Contract or any Statement of Work corresponding to the breach or threatened breach.
- e. Surrender of Confidential Information upon Termination. Upon termination of this Contract or a Statement of Work, in whole or in part, each party must, within 5 calendar days from the date of termination, return to the other party any and all Confidential Information received from the other party, or created or received by a party on behalf of the other party, which are in such party's possession, custody, or control; provided, however, that Contractor must return State Data to the State following the timeframe and procedure described further in this Contract. Should Contractor or the State determine that the return of any non-State Data Confidential Information is not feasible, such party must destroy the non-State Data Confidential Information and must certify the same in writing within 5 calendar days from the date of termination to the other party.

33. Data Privacy and Information Security.

- a. Undertaking by Contractor. Without limiting Contractor's obligation of confidentiality as further described, Contractor is responsible for establishing and maintaining a data privacy and information security program, including physical, technical, administrative, and organizational safeguards, that is designed to: (a) ensure the security and confidentiality of the State Data; (b) protect against any anticipated threats or hazards to the security or integrity of the State Data; (c) protect against unauthorized disclosure, access to, or use of the State Data; (d) ensure the proper disposal of State Data; and (e) ensure that all employees, agents, and subcontractors of Contractor, if any, comply with all of the



foregoing. In no case will the safeguards of Contractor's data privacy and information security program be less stringent than the safeguards used by the State, and Contractor must at all times comply with all applicable State IT policies and standards, which are available to Contractor upon request.

- b. Audit by Contractor. No less than annually, Contractor must conduct a comprehensive independent third-party audit of its data privacy and information security program and provide such audit findings to the State.
- c. Right of Audit by the State. Without limiting any other audit rights of the State, the State has the right to review Contractor's data privacy and information security program prior to the commencement of Contract Activities and from time to time during the term of this Contract. During the providing of the Contract Activities, on an ongoing basis from time to time and without notice, the State, at its own expense, is entitled to perform, or to have performed, an on-site audit of Contractor's data privacy and information security program. In lieu of an on-site audit, upon request by the State, Contractor agrees to complete, within 45 calendar days of receipt, an audit questionnaire provided by the State regarding Contractor's data privacy and information security program.
- d. Audit Findings. Contractor must implement any required safeguards as identified by the State or by any audit of Contractor's data privacy and information security program.
- e. State's Right to Termination for Deficiencies. The State reserves the right, at its sole election, to immediately terminate this Contract or a Statement of Work without limitation and without liability if the State determines that Contractor fails or has failed to meet its obligations under this Section.

34. **Reserved.**

35. **Reserved.**

36. **Records Maintenance, Inspection, Examination, and Audit.** The State or its designee may audit Contractor to verify compliance with this Contract. Contractor must retain, and provide to the State or its designee and the auditor general upon request, all financial and accounting records related to the Contract through the term of the Contract and for 7 years after the latter of termination, expiration, or final payment under this Contract or any extension ("**Audit Period**"). If an audit, litigation, or other action involving the records is initiated before the end of the Audit Period, Contractor must retain the records until all issues are resolved.

Within 10 calendar days of providing notice, the State and its authorized representatives or designees have the right to enter and inspect Contractor's premises or any other places where Contract Activities are being performed, and examine, copy, and audit all records related to this Contract. Contractor must cooperate and provide reasonable assistance. If any financial errors are revealed, the amount in error must be reflected as a credit or debit on subsequent invoices until the amount is paid or refunded. Any remaining balance at the end of the Contract must be paid or refunded within 45 calendar days.

This Section applies to Contractor, any parent, affiliate, or subsidiary organization of Contractor, and any subcontractor that performs Contract Activities in connection with this Contract.

37. **Warranties and Representations.** Contractor represents and warrants: (a) Contractor is the owner or licensee of any Contract Activities that it licenses, sells, or develops and Contractor has the rights necessary to convey title, ownership rights, or licensed use; (b) all Contract Activities are delivered free from any security interest, lien, or encumbrance and will continue in that respect; (c) the Contract



Activities will not infringe the patent, trademark, copyright, trade secret, or other proprietary rights of any third party; (d) Contractor must assign or otherwise transfer to the State or its designee any manufacturer's warranty for the Contract Activities; (e) the Contract Activities are merchantable and fit for the specific purposes identified in the Contract; (f) the Contract signatory has the authority to enter into this Contract; (g) all information furnished by Contractor in connection with the Contract fairly and accurately represents Contractor's business, properties, finances, and operations as of the dates covered by the information, and Contractor will inform the State of any material adverse changes; and (h) all information furnished and representations made in connection with the award of this Contract is true, accurate, and complete, and contains no false statements or omits any fact that would make the information misleading. A breach of this Section is considered a material breach of this Contract, which entitles the State to terminate this Contract under Section 23, Termination for Cause.

- 38. Conflicts and Ethics.** Contractor will uphold high ethical standards and is prohibited from: (a) holding or acquiring an interest that would conflict with this Contract; (b) doing anything that creates an appearance of impropriety with respect to the award or performance of the Contract; (c) attempting to influence or appearing to influence any State employee by the direct or indirect offer of anything of value; or (d) paying or agreeing to pay any person, other than employees and consultants working for Contractor, any consideration contingent upon the award of the Contract. Contractor must immediately notify the State of any violation or potential violation of these standards. This Section applies to Contractor, any parent, affiliate, or subsidiary organization of Contractor, and any subcontractor that performs Contract Activities in connection with this Contract.
- 39. Compliance with Laws.** Contractor must comply with all federal, state and local laws, rules and regulations.
- 40. Reserved.**
- 41. Nondiscrimination.** Under the Elliott-Larsen Civil Rights Act, 1976 PA 453, MCL 37.2101, *et seq.*, and the Persons with Disabilities Civil Rights Act, 1976 PA 220, MCL 37.1101, *et seq.*, Contractor and its subcontractors agree not to discriminate against an employee or applicant for employment with respect to hire, tenure, terms, conditions, or privileges of employment, or a matter directly or indirectly related to employment, because of race, color, religion, national origin, age, sex, height, weight, marital status, or mental or physical disability. Breach of this covenant is a material breach of this Contract.
- 42. Unfair Labor Practice.** Under MCL 423.324, the State may void any Contract with a Contractor or subcontractor who appears on the Unfair Labor Practice register compiled under MCL 423.322.
- 43. Governing Law.** This Contract is governed, construed, and enforced in accordance with Michigan law, excluding choice-of-law principles, and all claims relating to or arising out of this Contract are governed by Michigan law, excluding choice-of-law principles. Any dispute arising from this Contract must be resolved in Michigan Court of Claims. Contractor consents to venue in Ingham County, and waives any objections, such as lack of personal jurisdiction or *forum non conveniens*. Contractor must appoint agents in Michigan to receive service of process.
- 44. Non-Exclusivity.** Nothing contained in this Contract is intended nor will be construed as creating any requirements contract with Contractor. This Contract does not restrict the State or its agencies from acquiring similar, equal, or like Contract Activities from other sources.
- 45. Force Majeure.** Neither party will be in breach of this Contract because of any failure arising from any disaster or acts of god that are beyond their control and without their fault or negligence. Each party will use commercially reasonable efforts to resume performance. Contractor will not be relieved



of a breach or delay caused by its subcontractors. If immediate performance is necessary to ensure public health and safety, the State may immediately contract with a third party.

46. Dispute Resolution. The parties will endeavor to resolve any Contract dispute in accordance with this provision. The dispute will be referred to the parties' respective Contract Administrators or Program Managers. Such referral must include a description of the issues and all supporting documentation. The parties must submit the dispute to a senior executive if unable to resolve the dispute within 15 business days. The parties will continue performing while a dispute is being resolved, unless the dispute precludes performance. A dispute involving payment does not preclude performance.

Litigation to resolve the dispute will not be instituted until after the dispute has been elevated to the parties' senior executive and either concludes that resolution is unlikely, or fails to respond within 15 business days. The parties are not prohibited from instituting formal proceedings: (a) to avoid the expiration of statute of limitations period; (b) to preserve a superior position with respect to creditors; or (c) where a party makes a determination that a temporary restraining order or other injunctive relief is the only adequate remedy. This Section does not limit the State's right to terminate the Contract.

47. Media Releases. News releases (including promotional literature and commercial advertisements) pertaining to the Contract or project to which it relates must not be made without prior written State approval, and then only in accordance with the explicit written instructions of the State.

48. Website Incorporation. The State is not bound by any content on Contractor's website unless expressly incorporated directly into this Contract.

49. Order of Precedence. In the event of a conflict between the terms and conditions of the Contract, the exhibits, a purchase order, or an amendment, the order of precedence is: (a) the purchase order; (b) the amendment; (c) Exhibit A; (d) any other exhibits; and (e) the Contract.

50. Severability. If any part of this Contract is held invalid or unenforceable, by any court of competent jurisdiction, that part will be deemed deleted from this Contract and the severed part will be replaced by agreed upon language that achieves the same or similar objectives. The remaining Contract will continue in full force and effect.

51. Waiver. Failure to enforce any provision of this Contract will not constitute a waiver.

52. Survival. The provisions of this Contract that impose continuing obligations, including warranties and representations, termination, transition, insurance coverage, indemnification, and confidentiality, will survive the expiration or termination of this Contract.

53. Entire Contract and Modification. This Contract is the entire agreement and replaces all previous agreements between the parties for the Contract Activities. This Contract may not be amended except by signed agreement between the parties (a "**Contract Change Notice**").