



STATE OF MICHIGAN
Department of Corrections
PO Box 30003
Lansing, MI 48909

REVISED

NOTICE OF CONTRACT
NOTICE OF CONTRACT NO. 200000001745
between
THE STATE OF MICHIGAN
and

CONTRACTOR	Alternative Directions
	1706 South Division Ave
	Grand Rapids, MI
	Michelle MacDonald
	616-245-4346
	mmacdonald@altdir.org
	CV0028317

STATE	Program Manager	Crissa Blankenburg	MDOC
		517-335-3847	
		blankenburgc@michigan.gov	
	Contract Administrator	Ethan Todd	MDOC
		517-241-5056	
		Todde1@michigan.gov	

CONTRACT SUMMARY			
DESCRIPTION: Probation Residential Services			
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
October 1, 2020	September 30, 2023	Two; one-year	
PAYMENT TERMS		DELIVERY TIMEFRAME	
Net 45			
ALTERNATE PAYMENT OPTIONS			EXTENDED PURCHASING
<input type="checkbox"/> P-card <input type="checkbox"/> Payment Request (PRC) <input type="checkbox"/> Other			<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
MINIMUM DELIVERY REQUIREMENTS			
MISCELLANEOUS INFORMATION			
ESTIMATED CONTRACT VALUE AT TIME OF EXECUTION			\$5,400,000.00

FOR THE CONTRACTOR:

Alternative Directions

Company Name

Cliff Snell

Authorized Agent Signature

Michelle MacDonald

Authorized Agent (Print or Type)

8-14-2020

Date

FOR THE STATE:

Lia Gulick

Signature

Lia Gulick, Deputy Director

MDOC

08/21/2020

Date



STATE OF MICHIGAN

STANDARD CONTRACT TERMS

This STANDARD CONTRACT (“**Contract**”) is agreed to between the State of Michigan (the “**State**”) and Alternative Directions (“**Contractor**”), a Michigan 501C(3). This Contract is effective on October 1, 2020 (“**Effective Date**”), and unless terminated, expires on September 30, 2023.

This Contract may be renewed for up to two additional one-year period(s). Renewal is at the sole discretion of the State and will automatically extend the Term of this Contract. The State will document its exercise of renewal options via Contract Change Notice.

The parties agree as follows:

- 1. Duties of Contractor.** Contractor must perform the services and provide the deliverables described in **Schedule 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 Schedule 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.

If to State:	If to Contractor:
Ethan Todd 206 E. Michigan Ave. - 5 th Floor Lansing, MI 48933 todde1@michigan.gov 517-241-5056	Michelle MacDonald 1706 South Division Ave Grand Rapids, MI 49507 mmacdonald@altdir.org 616-245-4346

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

State:	Contractor:
Ethan Todd 206 E. Michigan Ave. - 5 th Floor Lansing, MI 48933 todde1@michigan.gov 517-241-5056	Michelle MacDonald 1706 South Division Ave Grand Rapids, MI 49507 mmacdonald@altdir.org 616-245-4346

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

State:	Contractor:
Crissa Blankenburg 206 E. Michigan Ave. Grandview Plaza Lansing, MI 48933 Phone: 517-335-3847 BlankenburgC@michigan.gov	Michelle MacDonald 1706 South Division Ave Grand Rapids, MI 49507 mmacdonald@altdir.org 616-245-4346

B. 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.

State:
Chris Balmes 206 E. Michigan Ave. – 5 th Floor Grandview Plaza Lansing, MI 48933 balmesc@michigan.gov 517-290-2935 or Jordan Conley 206 E. Michigan Ave. – 5 th Floor Grandview Plaza Lansing, MI 48933 conleyj@michigan.gov 517-285-6400

- 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 Schedule 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 a company with an A.M. Best rating of "A-" or better, and a financial size of VII or better.

Required Limits	Additional Requirements
Commercial General Liability Insurance	
<u>Minimum 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	Contractor must have their policy 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.

<u>Deductible Maximum:</u> \$50,000 Each Occurrence	
Automobile Liability Insurance	
If one or more motor vehicles are used in the performance of the Contract, Contractor must maintain motor vehicle liability coverage for bodily injury and property damage, as required by law, for the term of the Contract.	
Workers' Compensation Insurance	
<u>Minimum Limits:</u> Coverage according to applicable laws governing work activities.	Waiver of subrogation, except where waiver is prohibited by law.
Employers Liability Insurance	
<u>Minimum Limits:</u> \$500,000 Each Accident \$500,000 Each Employee by Disease \$500,000 Aggregate Disease.	

If any of the required policies provide **claims-made** coverage, the Contractor must: (a) provide coverage with a retroactive date before the effective date of the contract or the beginning of Contract Activities; (b) maintain coverage and provide evidence of coverage for at least three (3) years after completion of the Contract Activities; and (c) if coverage is cancelled or not renewed, and not replaced with another claims-made policy form with a retroactive date prior to the contract effective date, Contractor must purchase extended reporting coverage for a minimum of three (3) years after completion of work.

Contractor must: (a) provide insurance certificates to the Contract Administrator, containing the agreement or delivery 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.

This Section is not intended to and is not to be construed in any manner as waiving, restricting or limiting the liability of either party for any obligations under this Contract (including any provisions hereof requiring Contractor to indemnify, defend and hold harmless the State).

7. Reserved.

8. Reserved.

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. Pursuant to Michigan law, all agencies subject to IRS Pub. 1075 are required to ask the Michigan State Police to perform fingerprint background checks on all employees, including Contractor and Subcontractor employees, who may have access to any database of information maintained by the federal government that contains confidential or personal information, including, but not limited to, federal tax information. Further, pursuant to Michigan law, any agency described above is prohibited from providing Contractors or Subcontractors with the result of such background check. For more information, please see Michigan Public Act 427 of 2018. Upon request, or as may be specified in Schedule A, 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 and provide all necessary documentation and signatures.

14. Change of Control. Contractor will notify within 30 days of any public announcement or otherwise once legally permitted to do so, 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 Schedule 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 Schedule 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 Schedule 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 Services purchased under this Agreement are for the State's exclusive use. All prices are exclusive of taxes, and Contractor is responsible for all sales, use and excise taxes, and any other similar taxes, duties and charges of any kind imposed by any federal, state, or local governmental entity on any amounts payable by the State under this Contract.

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/SIGMAVSS> 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 Schedule 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 delivery 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 and Disclaimer of Damages. IN NO EVENT WILL THE STATE'S AGGREGATE LIABILITY TO CONTRACTOR UNDER THIS CONTRACT, REGARDLESS OF THE FORM OF ACTION, WHETHER IN CONTRACT, TORT, NEGLIGENCE, STRICT LIABILITY OR BY STATUTE OR OTHERWISE, FOR ANY CLAIM RELATED TO OR ARISING UNDER THIS CONTRACT, EXCEED THE MAXIMUM AMOUNT OF FEES PAYABLE UNDER THIS CONTRACT.** 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 five (5) business days 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 Schedule 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 Schedule 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 or Compromise of Data. In the event of any act, error or omission, negligence, misconduct, or breach on the part of Contractor 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) with approval and assistance from the State, 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 five (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) pay for any costs associated with the occurrence, including but not limited to any costs incurred by the State in investigating and resolving the occurrence, including reasonable attorney's fees associated with such investigation and resolution; (g) 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 incidental expenses, which may be suffered by, accrued against, charged to, or recoverable from the State in connection with the occurrence; (h) be responsible for recreating lost State Data in the manner and on the schedule set by the State without charge to the State; and (i) provide to the State a detailed plan within ten (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, not be tangentially used for any solicitation purposes, 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. The State will have the option to review and approve any notification sent to affected individuals prior to its delivery. Notification to any other party, including but not limited to public media outlets, must be reviewed and approved by the State in writing prior to its dissemination. The parties agree that any damages relating to a breach of this **Section 31** are to be considered direct damages and not consequential damages. This section survives termination or expiration of this Contract.

- f. State's Governance, Risk and Compliance (GRC) platform. Contractor is required to assist the State with its security accreditation process through the development, completion and ongoing updating of a system security plan using the State's automated GRC platform and implement any required safeguards or remediate any security vulnerabilities as identified by the results of the security accreditation process.

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 Confidential Information is not feasible, such party must destroy the Confidential Information and must certify the same in writing within 5 calendar days from the date of termination to the other party. However, the State's legal ability to destroy Contractor data may be restricted by its retention and disposal schedule, in which case Contractor's Confidential Information will be destroyed after the retention period expires.

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. Payment Card Industry Data Security Standard.

- a. Undertaking by Contractor. Contractors that process, transmit, store or affect the security of credit/debit cardholder data, must adhere to the Payment Card Industry Data Security Standard (PCI DSS). The Contractor is responsible for the security of cardholder data in its possession. The data may only be used to assist the State or for other uses specifically authorized by law.
- b. Cooperation to Notify of Breach. The Contractor must notify the State's Contract Administrator, within 48 hours of discovery, of any breaches in security where cardholder data has been compromised. In that event, the Contractor must provide full cooperation to the card associations (e.g. Visa, MasterCard, and Discover) and state acquirer representative(s), or a PCI approved third party, to conduct a thorough security review. The review must validate compliance with the PCI Data Security Standard for protecting cardholder data. The Contractor must provide, at the request of the State, the results of such third-party security review. At the State's sole discretion, the State may perform its own security review, either by itself or through a PCI approved third party.
- c. Responsibilities for Costs Incurred. The Contractor is responsible for all costs incurred as the result of the breach. Costs may include, but are not limited to, fines/fees for non-compliance, card reissuance, credit monitoring, and any costs associated with a card association, PCI approved third party, or State initiated security review. Without limiting Contractor's obligations of indemnification as further described in this Contract, Contractor must indemnify, defend, and hold harmless the State for any and all claims, including reasonable attorneys' fees, costs, and incidental expenses, which may be suffered by, accrued against, charged to, or recoverable from the State in connection with the breach.
- d. Disposing of Cardholder Data. The Contractor must dispose of cardholder data when it is no longer needed in compliance with PCI DSS policy. The Contractor must continue to treat cardholder data as confidential upon contract termination.
- e. Audit by Contractor. The Contractor must provide the State's Contract Administrator with an annual Attestation of Compliance or a Report on Compliance showing the contractor is in compliance with the PCI Data Security Standard. The Contractor must notify the State's Contract Administrator of all failures to comply with the PCI Data Security Standard.

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 4 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; (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; and that (i) Contractor is neither currently engaged in nor will engage in the boycott of a person based in or doing business with a strategic partner as described in 22 USC 8601 to 8606. 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. Reserved.**
- 42. Nondiscrimination.** Under the Elliott-Larsen Civil Rights Act, 1976 PA 453, MCL 37.2101, *et seq.*, the Persons with Disabilities Civil Rights Act, 1976 PA 220, MCL 37.1101, *et seq.*, and [Executive Directive 2019-09](#). 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 (as defined in Executive Directive 2019-09), height, weight, marital status, partisan considerations, any mental or physical disability, or genetic information that is unrelated to the person's ability to perform the duties of a particular job or position. Breach of this covenant is a material breach of this Contract.

43. **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.
44. **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.
45. **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.
46. **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.
47. **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.

48. **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.
49. **Website Incorporation.** The State is not bound by any content on Contractor's website unless expressly incorporated directly into this Contract.
50. **Schedules.** All Schedules and Exhibits that are referenced herein and attached hereto are hereby incorporated by reference. The following Schedules are attached hereto and incorporated herein:

Schedule A	Statement of Work
Schedule B	Pricing
Schedule C	Service Level Agreements

- 51. Entire Agreement and Order of Precedence.** This Contract, which includes Schedule A – Statement of Work, and schedules and exhibits which are hereby expressly incorporated, is the entire agreement of the parties related to the Contract Activities. This Contract supersedes and replaces all previous understandings and agreements between the parties for the Contract Activities. If there is a conflict between documents, the order of precedence is: (a) first, this Contract, excluding its schedules, exhibits, and Schedule A – Statement of Work; (b) second, Schedule A – Statement of Work as of the Effective Date; and (c) third, schedules expressly incorporated into this Contract as of the Effective Date. NO TERMS ON CONTRACTOR’S INVOICES, ORDERING DOCUMENTS, WEBSITE, BROWSE-WRAP, SHRINK-WRAP, CLICK-WRAP, CLICK-THROUGH OR OTHER NON-NEGOTIATED TERMS AND CONDITIONS PROVIDED WITH ANY OF THE CONTRACT ACTIVITIES WILL CONSTITUTE A PART OR AMENDMENT OF THIS CONTRACT OR IS BINDING ON THE STATE FOR ANY PURPOSE. ALL SUCH OTHER TERMS AND CONDITIONS HAVE NO FORCE AND EFFECT AND ARE DEEMED REJECTED BY THE STATE, EVEN IF ACCESS TO OR USE OF THE CONTRACT ACTIVITIES REQUIRES AFFIRMATIVE ACCEPTANCE OF SUCH TERMS AND CONDITIONS.
- 52. 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.
- 53. Waiver.** Failure to enforce any provision of this Contract will not constitute a waiver.
- 54. 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.
- 55. Contract Modification.** This Contract may not be amended except by signed agreement between the parties (a “**Contract Change Notice**”). Notwithstanding the foregoing, no subsequent Statement of Work or Contract Change Notice executed after the Effective Date will be construed to amend this Contract unless it specifically states its intent to do so and cites the section or sections amended.

STATE OF MICHIGAN

Contract #200000001745
Probation Residential Services

SCHEDULE A STATEMENT OF WORK CONTRACT ACTIVITIES

Background

This Contract is for Probation Residential Services (PRS) consistent with standards set by the Michigan Department of Corrections (MDOC), Office of Community Corrections (OCC). PRS are essential to reduce recidivism and provide community-based sanctions and services for specific probation target populations.

Any facility that houses Criminal Sexual Conduct (CSC) offenders must not be within 1,000 feet of school property. Education services shall be utilized to improve offenders' education skills, such as reading and mathematics, and to reduce barriers to employment that resulted from low educational achievement. There is no guarantee of the number of offenders the MDOC will refer to a Contractor.

1. Requirements

1.1 Probation Residential Services Standards

1. ADMINISTRATION STANDARDS

The standards under "Administration" deal with the broad organizational issues that define the purpose, legal formation, structure, resource allocation, and overall impact of PRS. By establishing guidelines and criteria in this category, two objectives are met. First, local communities, criminal justice agencies, and local and state government can more precisely understand the philosophy, values, and characteristics of the organizations elected to deliver PRS. Those services are critical to the safety and welfare of communities and their citizens. Second, by complying with these standards, organizations meet internal needs. Clear organizational direction is communicated to staff, internal lines of authority and general organizational structure is established, and a system is created to assess the use of resources toward accomplishing desired objectives.

- A. The Facility Director shall maintain a current internal organizational chart at the facility that accurately lists all Contractor staff positions involved in the program and demonstrates the lines of authority and structure.
- B. The Facility Director shall prepare or have prepared:
 - 1. An annual budget, prepared at the beginning of the contract period or organization's fiscal year, that anticipates revenues from individual sources and outlines expected expenditures by operational categories or line items. The budget should be reviewed and updated through the year as required by the governing authority of the facility.
 - 2. Written policies and procedures that employ recognized accounting procedures to control and record the receipt, maintenance and dispersal of funds associated with the operation of the facility. Offenders' funds shall not be commingled with program operational funds.

3. An annual independent fiscal review to document actual revenues and expenditures associated with operation of the facility as compared with the categories and line items of the annual budget.
- C. The Facility Director shall prepare and send an annual report by January 15th each year to the Contractor's governing body, the local community corrections board, the MDOC Program Manager, MDOC Field Operations Administration (FOA) Regional Manager, referral agencies, and subcontractors. The report shall contain statistical summaries of facility activities and accomplishments during the year with reference to the stated mission and goals. The MDOC Program Manager or designee will provide a template for the annual report, which will be vetted with the Contractor.
- D. Contributions
- Consistent with current local practice(s), PRS Contractor(s) may collect offender contributions from adult felony offenders residing in the Contractor's facility. Offender contributions are not to exceed 35% of the offender's gross income. Records of offender contributions shall be maintained consistent with Generally Accepted Accounting Principle (GAAP) requirements. Offenders shall not be considered an unsuccessful completion for failure to pay. Pre-numbered receipts shall be issued for all offender contributions. One copy shall be delivered to the offender, with the original maintained by the PRS facility. Copies of these receipts and documentation of the offender's income for the period during which the contribution was made shall be maintained.

2. PERSONNEL STANDARDS

The standards in this section emphasize both local and state level community corrections programs are expected to place high priority on the support and management of program personnel. The Contractor staff is involved daily with the monitoring, supervision, treatment and service delivery that are essential to effective management of offenders. Job roles and responsibilities must be carefully and clearly defined. Selection and hiring practices must be fair and thorough. Employees must be adequately trained, supported and supervised, and clearly understand how to maintain professional relationships with offenders assigned to the OCC programs. The Contractor must:

- A. Maintain written personnel policies that are available to all staff and accessible to employees at their work sites. The policies shall address hiring practices, promotions, grievance procedures, staff development, performance appraisals, benefits, disciplinary procedures and terminations.
- B. Maintain written job descriptions for all facility staff. The descriptions shall include job titles, minimum qualifications, responsibilities and duties. In addition, salary ranges shall be maintained for all positions.
- C. Maintain and implement hiring and promotion policies that recognize equal opportunities and prohibit discrimination in accordance with Standard Contract Term, section 42.
- D. Maintain a confidential personnel file for each employee that is accessible to the employee. The file shall contain records of the background investigations, dates of employment, training records, performance appraisals (conducted at least annually), commendations, disciplinary actions, and related records. Information from the files shall be available for the purpose of verifying compliance with standards or contractual requirements. It shall be the responsibility of the Contractor to maintain the confidentiality of the information.
- E. Maintain personnel policies on ethical and professional relationships between staff and offenders. The policies shall also incorporate the following points:
 - 1. Contractor staff shall not use their official positions to secure or receive advantages, gifts, or favors.
 - 2. Contractor staff shall not display favoritism or preferential treatment towards individual offenders or groups of offenders.
 - 3. Contractor staff shall not engage in personal or business relationships with offenders, offender's family, or associates.
 - 4. Contractor staff shall not engage in any criminal activity.
 - 5. Contractor staff shall immediately report any attempt to violate these relationship guidelines to the Facility Director, MDOC Program Manager or designee, and the supervising agent.
 - 6. Overfamiliarity between the offender(s) and Contractor/Contractor's staff is strictly prohibited.
- F. Maintain written personnel policies that are available to all staff and accessible to employees at their work sites. The policies shall address hiring practices, promotions, grievance procedures, staff development, performance appraisals, benefits, disciplinary procedures and terminations.

3. MANAGEMENT CONTROLS STANDARDS

"Management Control" refers to approaches facility directors use to monitor and direct their day-to-day operations. These controls are necessary to assure the Contractor achieves the objectives and quality levels expected by its own organizational administration, the community, the MDOC and criminal justice agencies. Applying Logic Model terminology to PRS, the Contractor's facilities have:

1. Inputs - resources, such as funding, offender referrals and placements
2. Processes - what is done to complete an activity, such as offender monitoring, program services
3. Outputs - process measures, such as monthly reports
4. Outcomes - such as how your organization will impact the prison commitment rate and recidivism

Management controls are tools and systems used to optimize outputs by improving control over inputs and processes. The tools consist of data collections measures or monitoring activities that enable the managers to stay aware of critical information related to inputs, processes, and outputs. The tools also include measures to guide and control the activities with the facility. The Contractor must:

- A. Maintain a current policies and procedures manual that describes the purpose, philosophy, programs and services, and operating procedures of the facility. The manual shall address all requirements, programs, or services delineated by these standards. The Contractor shall operate according to this manual, and all staff shall be familiar with its contents.
- B. Review the policy manual with the governing body and Contractor Program Manager at least annually, and update when necessary.
- C. Establish criteria or guidelines about the acceptance or rejection of offenders referred to the Contractor.
- D. Establish screening criteria that prohibits discrimination based on race, color, religion, national origin, age, sex (as defined in Executive Directive 2019-09), height, weight, marital status, partisan considerations, any mental or physical disability, or genetic information.
- E. Develop policies and procedures that specify timeframes for implementing offender discipline.
- F. Develop policies and procedures to address offender grievances, including appeals procedures.
- G. Develop policies and procedures that define dissemination of routine documentation e.g., supervision plans, supervision plan modifications, termination summaries, quarterly and monthly reports, etc., to referral agencies.
- H. Prepare policies and procedures to implement a system on internal auditing and self-monitoring.

4. SECURITY STANDARDS

Public safety is a primary concern of all criminal sanctions, including PRS. Facilities with well-structured environments and security programs reduce risk and liability, and increase public acceptance and support for the programs. These standards outline security concerns of the community, Contractor staff, the MDOC, and offenders.

These standards are closely related to those in Standard 6, Case Management Standards. By following Standard 6 to individually screen and classify offenders, Contractor staff shall identify the risk factors and other case information that will be integrated into the security standards.

The security standards below define the minimum procedures the Contractor shall employ to monitor offenders in the facility and offenders in the authorized release period. Special attention is placed on testing for drug and alcohol abuse, which is a significant contributing factor to criminal behavior and unsuccessful placement in community-based corrections programs. Also, provide the offenders with well-structured environments and security to minimize absconding and maintain public safety, while allowing offenders to pursue appropriate and approved rehabilitative services outside the facility when authorized. Other key security issues addressed by these standards include responses to incidents, control of contraband, and transportation of offenders.

The Contractor must:

A. Within 24 hours of entry into PRS, the contractor must provide each offender:

1. Written rules and regulations
2. Descriptions of disciplinary actions for rule violations
3. Written description of grievance information
4. An orientation about the facility and the community, which shall include information regarding:
 - a. Emergency equipment
 - b. Exits within the building
 - c. Location of community legal and medical services
 - d. Services provided to the offender within twenty-four hours of admission.
 - e. The Contractor must advise all offenders that medical and dental services are the responsibility of the offender.

The offenders and Contractor staff shall sign a form that records the date and time acknowledging the receipt of information. The form shall be kept in the offender's file.

B. Conduct intake interviews with incoming offenders. Interviews shall be conducted within the first twenty-four hours of admission. A PREA Questionnaire must also be completed within the first seventy two hours of admission for each offender. Each offender shall be interviewed to record, at a minimum, the following basic information:

1. Name
2. Address
3. Date of Birth
4. Sex (as defined in Executive Directive 2019-09)
5. Race/Ethnicity
6. Social Security Number and MDOC Offender Number

7. Medical problem/needs - Upon placement in the Contractor's PRS facilities, a health screening shall be conducted on each offender to identify any obvious medical complications that would affect placement.
 8. Special dietary needs
 9. Emergency Contact person
 10. Person authorized to claim property
- C. Develop policies and procedures for inventory and securing incoming offenders' property. Guidelines shall specify which items offenders can possess and which items must be placed in storage at the facility. A copy of an offender's inventory must be signed by both staff member and offender, and shall be provided to the offender. The guidelines shall outline proper disposal of property upon an offender's departure, if not claimed by the offender.
- D. Develop written policies and procedures on substance abuse testing of offenders. The time between offender notification of testing and the collection of samples for urinalysis shall be within an hour. Written policies and procedures shall ensure chain of custody and testing of samples meet acceptable evidentiary standards when test results are needed for offender disciplinary proceedings.
- E. Conduct urinalysis and other testing for alcohol and controlled substances using safety precautions. Rubber gloves shall be used by staff during handling of samples. Smoking, eating, or drinking is prohibited during testing. Food shall not be refrigerated where samples or chemicals are stored.
- F. Conduct random urinalysis testing on each offender at least once a month, or in accordance with a schedule agreed upon by the supervising agent, MDOC Program Manager or designee or court order. The test must be conducted by staff of the same gender. Any positive test must be reported to the MDOC supervising agent immediately and stated in the PRS Monthly Report. Each sample shall be tested consistent with the offender's substance abuse history. Gaps between urine tests shall not exceed 30 calendar days. A random urinalysis test or portable breath test for alcohol must be conducted on each offender, exclusive of tests stemming from initial and discharge drug testing.
- G. Maintain substance abuse records (drug testing case files) in:
1. Individual case files sufficient with case management objectives
 2. Log substance abuse testing results within the facility for broader management functions.
- H. Develop written procedures on isolation and observation of offenders who are intoxicated or under the influence of a controlled substance(s).
- I. Facilities must be adequately staffed, and program policies and procedures define acceptable offender movement and behavior in and outside the facility.
- J. The Contractor must monitor offender movement into and out of the facility. Each offender must sign in and out of the facility, receive a pat down search, receive a thorough search of their property before entering the facility, and must pass a metal detector search (i.e. handheld metal detectors/wands, walk-through metal detectors) before entering the facility. Staff performing monitoring activities such as bathroom, room-checks, **pat down and body searches must be by the same gender or female staff only with the following exception:**

If a transgender or gender non-conforming offender is placed in a PRS facility the placement may be consistent with their gender identity, unless that offender raises an objection based on their own safety concerns or the Contractor believes placement consistent with the offenders gender identity could not ensure the offenders health and safety and/or present management or security problems.

The following Contractor staff, consistent with PREA Standards, may perform pat searches on transgender and intersex offenders: medical staff, female staff, or after asking the offender to identify the gender of staff with whom they would feel most comfortable, a staff member of that gender. This preference can be documented upon placement at a PRS facility. All cross-gender viewing and searches as a result of exigent circumstances shall be documented.

Documentation must be kept for each offender to record all supervising agent-approved absences from the facility, and should be made available to the MDOC upon request. Documentation within each entry shall include, at a minimum:

1. Offender name
2. Offender MDOC identification number
3. Date
4. Time of departure
5. Destination
6. Authorized purpose
7. Expected return time
8. Actual return time
9. Offender signature
10. Staff signatures prior to an offender's departure and following arrival to verify all entries

- K. Develop written policies and procedures for monitoring of each offender's off-site whereabouts, all passes and leave. For any offender absence, except emergency leave, there must be prior approval by the supervising agent. The offender's off-site location shall be verified through personal contact, phone contact, and/or reliable third party. Each offender's off-site whereabouts shall be monitored, verified, and documented. Verification documentation shall include offender name, method of verification, date, time, location, and staff name conducting the verification.
- L. Develop written policy restricting the use of physical force by staff. If physical force is used by Contractor staff, an incident report must be completed.
- M. Conduct at least twelve random head counts per 24-hour period. A minimum of one head count must be conducted within each two-hour period. During head counts each offender's physical presence or itinerary shall be observed. A record of headcounts shall be maintained and signed by the Contractor staff member conducting the count.
- N. Develop written policies and procedures on the transportation of offenders by Contractor staff.
- O. Develop procedures defining AWOL status. At minimum, the procedures shall include immediate notification to the supervising agent.
- P. Adopt policies and procedures to prohibit sexual conduct between offenders, and between offenders and staff. Policies and procedures must meet PREA requirements.

Q. Offenders with Record of Sexual Offenses

Contractors must determine whether to accept offenders with sexual offense convictions or histories into its PRS treatment program. The facility that the Criminal Sexual Conduct (CSC) offender receives and resides during treatment must not be within 1,000 feet of a Student Safety Zone(s).

- R. The Contractor must define contraband, and have detailed procedures for its detection, storage, and disposal. Disciplinary actions that could result from the possession of contraband shall be defined and made available to the offender. The Contractor shall provide additional procedures for contraband searches, which include "pat" searches, room searches, vehicle searches, metal detector searches, and personal property searches.

5. FACILITIES STANDARDS

The OCC and structured residential placement programs have evolved into a legitimate component of the criminal justice system. The growth and changes of these programs place increasing demands on the housing facilities and programs. Facilities must comply with local zoning, safety, and health codes. The Contractor must provide adequate living space and facilities for the offenders. The Contractor must:

- A. The Contractor must comply with all applicable Federal Laws, State Laws, and local ordinances related to housing, health and safety standards. The Contractor must provide written notification to the MDOC Program Manager or designee of any tickets, violations, citations, loss of license/permits, or notices issued against the contractor by the City, County, State, or Federal Government within 24 hours. The Contractor shall obtain and maintain proper documentation ensuring adherence and supply the documents upon MDOC request.
- B. The Contractor must comply with on-site visits made by MDOC staff to tour and inspect the Contractor's facility. The on-site visit may occur at any time throughout the Contract period. The on-site visit will ensure the facility is tenantable using the standards covering:
 - 1. Compliance with the Contractor's programmatic requirements.
 - 2. Compliance with Contract standards.
- C. Provide offenders with a clean and habitable sleeping area, storage space for personal items.
- D. Maintain a fire alarm and smoke detection system at the facility. The smoke detection system must be tested at least quarterly.
- E. Store all flammable liquids and hazardous materials (paint, cleansers, adhesives, etc.), in its original containers, and away from kitchen and dining areas, furnace heaters, and sleeping and high traffic areas.
- F. Conduct an emergency evacuation fire drill at least quarterly. Documentation concerning the emergency evacuation fire drill must be provided in the subsequent PRS Monthly Report and provided to the MDOC during the next site visit.
- G. Provide a minimum of fifty square feet of floor space per offender in sleeping areas of the facility. Within the fifty square foot minimum, no more than 4 square feet may be closet or wardrobe area.
- H. Provide separate space for private individual counseling, group meetings, visitation, dining, and food preparation.
- I. The facility and surrounding property shall be kept in a clean and sanitary condition at all times. Written policies and procedures shall define regular housekeeping and maintenance routines.
- J. Offenders may be assigned house cleaning chores and duties following policies and procedures. The policies and procedures must exhibit fair and equal distribution of chores and duties. Inspections by Contractor staff shall ensure that each offender's linen is cleaned on a weekly basis.
- K. The Contractor must comply with bed bug treatment procedures issued by the Michigan Department of Health and Human Services Manual for Prevention and Control of Bed Bugs (Shelters and Transitional Living).

L. All Pest Treatment and Prevention reports, invoices, and/or contracts must contain the following information and must make these reports available to the MDOC upon request:

1. Date of treatment
2. Identification of the offender(s) room number(s)
3. List of all other common areas treated
4. Type of treatment provided
5. Confirm whether or not the inspection/treatment found evidence of bed bugs
6. Pest management recommendations
7. Signature from authorized Contractor Representative

M. Contractor shall immediately notify the supervising agent if offenders fail to return to the facility, are being removed from the facility, or are non-compliant with parole or probation conditions and/or facility rules.

N. Contractor shall comply with the Americans with Disabilities Act (ADA) and Fair Housing Act and shall notify the MDOC Program Manager or designee within 24 hours for reasonable accommodation requests necessary for disabled offenders to use housing.

O. Contractors that house both male and female offenders, must house these populations in secure and segregated areas.

P. Facility Location(s) & Capacity

The Contractors facility location(s) & estimated capacity information is:

Facility 1		
Address & Telephone Number	Maximum Number of Beds at Facility	Male or Female Facility
1706 South Division Ave.	118	Male
(616) 245-4346		

6. CASE MANAGEMENT STANDARDS

Case Management standards involve offender assessment, offender development, revision of case supervision/treatment plans, and the tracking and recording of offender progress while in programming. The Case Management standards are intended to make the most efficient and effective use of resources to protect public safety and provide offender services based on the criminogenic needs of the offender. The Contractor must:

- A. Maintain a written procedure for assigning the case management of each offender to a case manager within 24 business hours after the offender's admission to the facility. The Contractor must hold a face to face meeting within 24 hours with each offender following admission to the facility.
- B. The supervising agent shall facilitate referrals, or the Contractor shall follow the local referral practice that has been approved by the Community Corrections Advisory Board Manager and the State.
- C. Maintain a separate case record for each offender placed in the facility. Each individual case record shall include, at a minimum, the following information that is uniformly filed, kept current and confidential:
 - 1. Files shall contain all referring documents that detail the offender is eligible for programming, such as the Basic Information Report, COMPAS/PRAXIS assessment detailing the offenders moderate to high risk/needs, Substance Abuse Assessment detailing level of care needed and Substance Abuse Treatment Plan.

For probationers, include an Order of Probation or an Amended Order of Probation to complete programming at a PRS site.

For parolees, include the order of parole or parole violation order to complete programming at a PRS site.

- 2. Proof of Eligibility
Eligibility shall be confirmed by including an approved actuarial, objective, or a validated risk and needs assessment instrument. Referral information and risk assessment information must be maintained in the offender's case file at the facility.

Target Population:

Pretrial offenders, regardless of adjudication status, or sentenced felony offenders scoring moderate to high in at least one of the following risk or needs:

- a. Overall COMPAS risk potential, Residential Instability, GED/Vocational, Substance Abuse, Cognitive Behavioral and/or other categories that would match risk/need with programming at the referred PRS site.
- b. Felony offenders convicted of MCL 257.625 – 3rd Offense - Operating a motor vehicle under the influence of intoxicating liquor or a controlled substance, or both, third or subsequent offense, under section 625(9)(c) of the Michigan Vehicle Code, 1949 PA 300 – Offenders must also score moderate to high in at least one of the following: 1) Overall risk potential, when using a State approved actuarial risk/need assessment; -OR- 2) Substance abuse need, when using a State approved actuarial risk/need assessment.

- c. Parole violators are eligible pursuant to policies and procedures which identify and prescribe local correctional interventions to be utilized as alternatives to a prison return. Eligibility is limited to Level III Parole Violators and those departed upward to Level III, which require Parole Violation Specialist review as defined within the MDOC's Parole Violation Response Guidelines.
- d. Probation or parole violators that are low risk may be referred to PRS with Regional Manager, Probation Sentencing Specialist, or Parole Violation Specialist approval.

3. Intake information form

4. Individual case assessment, substance use disorder assessment, level of care needed, treatment plan and supervision plans, documentation, and reviews

5. Screening forms and available medical records

6. Release of information, other consent forms and treatment plans for leveraged services to provide a higher level of substance abuse care or other community programs to fulfill a criminogenic need.

7. Chronological entries and progress reports documenting developments of the case, including compliance with special conditions

8. Information on employment, earnings, collections, and payments related to the case

9. The Contractor must maintain copies of incident reports, disciplinary actions, disciplinary appeals, and grievances. Disciplinary actions or grievances that cannot be resolved by the Contractor or in collaboration with the supervising agent may be shared with the MDOC Program Manager or designee to further assist.

10. Copies of correspondence, referral forms, or other documents related to the case

11. Termination forms, summaries, and notices

D. Maintain confidentiality of case records in accordance with federal laws, state laws, and OCC directives.

E. Develop written policies and procedures regarding the confidentiality of individual case records. The policies and procedures shall contain at a minimum, client access, staff access, and release of information. In addition, the Contractor shall maintain policies and procedures governing "Release of Information Forms." Release of Information forms address circumstances when releases are permitted, restrictions on type of information to be released, and structure and identification information to be placed on the form which includes, but is not limited to:

- 1. Name of person, agency or organization requesting information
- 2. Name of person, agency or organization releasing information
- 3. The specific information to be disclosed
- 4. The purpose or need for the information
- 5. Date consent form is signed and expiration date
- 6. Signature of the offender
- 7. Signature of individual witnessing offender's signature

- F. Develop written procedures for secure storage of all files, logs, and records for at least five years. Such records may then be shredded in a manner ensuring complete confidentiality.
- G. Upon completion of an offender's assessment and/or Substance Abuse Assessment (SAA), complete a case analysis to identify the individual needs and plans to address those needs. If a SAA is completed and the Contractor is unable to provide the level of care recommended a discharge plan shall be processed informing the Agent of the SAA findings with next step recommendations.
- H. Case Managers shall formulate a personalized case management plan for each offender which specifies supervision approaches. The Case Manager, with the offender, shall plan the interventions targeted to address the criminogenic needs of the offender. Supervision plans shall include measurable criteria of expected outcomes, accomplishments, and a time schedule for achievement including an anticipated discharge date. The plan shall address criminogenic needs in priority of greatest impact such as substance use disorder needs, educational needs, and vocational needs, and as applies arrange for the offender's participation in educational classes (basic or GED), job training, and/or job placement assistance. Community service work shall be consistent with offenders' therapy and or employment status if deemed appropriate. The original supervision plan shall be completed, signed, and dated by both the Case Manager and the offender within 5 business days of the offender's admittance into the program.
- I. The Contractor must provide each offender a schedule for daily activities as determined by the case management plan.
- J. Case Managers shall meet with each offender individually at least once each week to review their caseload. The meeting shall discuss progress towards objectives identified in the offender's case management plan, and to address problems that may be impinging on the offender's reintegration into the community. The plan shall be updated every 30 calendar days. The update, at a minimum, shall include a review of: the offender's attendance and participation in services, progress in daily living, interactions with other offenders and staff, adherence to house rules, curfew, treatment plan stipulations, and an assessment of continued need for residential treatment. Copies of the reviews shall be provided to the appropriate supervising agent at the end of every 30 calendar days. The Contractor must also submit Substance Abuse Treatment Progress for each offender receiving on or off-site Substance Abuse Treatment services through alternative funding (i.e., Medicaid) as part of the review.
- K. Enter chronological or progress notes into an offender's case record each time there is a scheduled meeting, an event, information affecting the direction or progress of the case occurs, and any interagency communication regarding the particular case occurs. All entries shall be legible, accurate, systematically filed, and verified and dated by the Contractor staff member making the entry. The Contractor must:
 - 1. Each offender shall develop a written budget. The written budget shall be reviewed by the offender's Case Manager and recorded in the case file. The establishment of a budget through financial counseling shall consider financial obligations to the Court, supervision fees, room and board, work related transportation costs, child support, necessary work-related and personal hygiene items, saving for living expenses upon program completion, spending money, and offender contributions.
 - 2. The Contractor shall provide documentation, upon MDOC request, for arranging offenders' education services to complete high school, obtain a GED, or attend post high school education and training.
 - 3. If privately owned vehicle use is allowed by the Contractor and approved by the supervising agent, the Contractor shall develop policies and procedures for driving privileges. The policies and procedures

shall include the following minimum criteria: current and valid driver license, proof of insurance, and valid motor vehicle registration. Photo copies of this documentation must be maintained in the offender's file.

4. Prepare a discharge plan at the termination of PRS participation, which reviews the offender's performance in the PRS. The summary shall also include recommendations to assist with continuity and transition of supervision. Recommendations could include substance abuse treatment, housing, medical, and employment follow-up within the appropriate county. Written confirmation of such planning shall include an offender's acknowledgment of the discharge plan. Notification of an offender's scheduled termination from PRS shall be provided to the supervising agent and/or the county Community Corrections Manager at least two weeks prior to the scheduled termination. The purpose of this notification is to advise the supervising agent or manager of the scheduled termination, to review the progress of the offender while in PRS, and to consider follow-up with recommended programming such as:
 - a. Attend Alcoholics Anonymous and/or Narcotics Anonymous
 - b. Finding and retaining a job
 - c. Cognitive Behavioral Programming in the community if non-compliance issues occur

7. OFFENDER SERVICES STANDARDS

- A. PRS shall not exceed 150 calendar days without the prior approval of the MDOC Program Manager and FOA Regional Manager. The Contactor must determine and fully document the offender's need for continued PRS programming.
- B. Offenders shall be provided three meals a day, seven days a week, meeting nutritional requirements established by the U.S. Required Daily Averages. Menus and sanitation review documents must be maintained and made available to the MDOC upon request.
- C. The Contractor shall refer offenders for medical evaluation and treatment. Medical evaluation and treatment shall include assessment of the medical needs, providing first aid, as needed, and referral for appropriate medical care and treatment of offenders.
- D. The Contractor must have at least one staff member on duty, at all times, who is trained in emergency first aid and CPR and maintain CPR certificates in personnel files. In addition, Contractor's policies and procedures shall direct staff response on offender medical emergencies.
- E. The Contract must have treatment aids, to include aspirin, acetaminophen, lotions, analgesics, band-aids, bandages, first aid kits, or other items considered "over the counter" etc. The Contractors should have additional treatment aids and equipment such as naloxone (e.g. Narcan), defibrillator, etc.
- F. The Contractor must secure all prescribed medications for offenders in a locked location, and the offender's use shall be monitored to ensure compliance with instructions from the prescribing medical authority. The Contractor shall keep records to document the distribution of medications to offenders. The records and an inventory of medications shall be audited by the Facility Director, or other staff not directly responsible for distribution, at least twice each month. The Contractor shall maintain policies and procedures on the disposal of unused or abandoned medications.
- G. The Contractor must maintain documentation that provides for the offenders' individual recording of financial transactions related to placement in the facility. The financial transactions shall consist of earnings, subsistence fees, restitution, fines, and savings. Receipts shall be provided to offenders for each payment made directly to the Contractor.
- H. The Contractor must provide appropriate referral to qualified treatment providers to meet the needs of the offenders accepted for placement. The Contractor shall monitor participation and progress in the treatment. The Contractor shall advise offenders upon intake, or upon a decision to refer, regarding the reason(s) for the referral, the offenders' responsibilities for payment, and participation in treatment. Referrals include medical treatment, or other social or rehabilitative services including substance abuse treatment, mental health treatment, high school completion and other education services, job training, job seeking, job placement services, personal financial management. Referrals shall be determined by the needs assessment of the offender and the case management plan.
- I. The following requirements apply to non-residential substance abuse treatment services:
 - 1. The Contractor must provide at least one cognitive-based group. The curriculum must be approved by the OCC, and the Contractor must maintain appropriate Michigan licensure and/or appropriate training

certification. The Contractor must maintain documentation of group attendance and participation in the case management plan.

2. The Contractor must provide two group sessions per week. Each group shall last between one and a half to two hours.
3. The Contractor must provide offenders an evidence based MDOC approved cognitive based behavior treatment groups to assist offenders.

J. The following requirements shall apply to the Contractor's substance abuse treatment program:

1. The Contractor must provide substance abuse screening and treatment. Substance abuse screening is an assessment completed by a Michigan licensed professional to determine an offender's extent of addiction to alcohol and drugs, and to develop a plan for treatment. Substance abuse treatment includes the implementation of a plan for counseling services. Counseling services shall include residential, intensive outpatient, outpatient, and aftercare treatment services. The Contractor must contact the supervising agent if the level of substance abuse treatment cannot be provided.
2. The Contractor must complete a detailed treatment plan for each eligible offender within 10 business days after admission. The plan shall be based on information obtained during the assessment and intake process.
3. The Contractor's treatment plan shall include a diagnosis of substance abuse dependency, treatment goals, the frequency and types of treatment services, level of substance abuse care required, referrals made to the substance abuse program(s), and supportive social services to be provided. Documentation must be maintained in the case management plan
4. The Contractor's treatment and rehabilitation regimen shall include weekly scheduled therapeutic activities for each offender. The scheduled activities shall consist of group counseling, education, social work, and recreational activities. The activities shall include:
 - a. Two psycho-education group processing sessions each week. Each group to last between one and a half to two hours.
 - b. Six hours of Contractor staff led or supervised therapeutic activity. Examples may include Alcohol Anonymous meetings, Narcotics Anonymous meetings, Substance Abuse meetings, or Mindfulness exercises, or other activities approved by the OCC.

K. The Contractor must develop a specific plan to address offender substance abuse programming, which shall be revised or updated at the beginning of each Contract year. The plan must include procedures for assessment, referral, treatment, and monitoring. Treatment resources shall be described in detail. Substance abuse services may only be provided by Contractor or subcontractor staff who have the appropriate Substance Abuse Services license(s).

L. The Contractor or subcontractor must have required and valid State license(s) for the facility where substance abuse services are provided.

M. The Contractor must develop a specific plan to address offender employment services, which shall be revised or updated at the beginning of each contract year. The plan must include procedures for job readiness, aptitude testing, job referrals, and facility phone access during normal business hours (8 A.M. – 5 P.M., Monday – Friday). Employment resources shall be described in detail. The Contractor shall provide employment-related services. Employment-related services must include assessments of offenders' job training needs, and the Contractor shall complete a plan for offenders to obtain and maintain employment. Employment-related services include vocational assessment, job seeking skills, interviewing skills, work habits, job placement services, employer expectations and worker rights, and job specific work skills.

- N. The Contractor shall refer offenders for community service work placement and supervision. Community service work placement and supervision shall include the identification of projects or activities around the community with non-profit organizations or units of government. The Contractor shall supervise the actual or delegated oversight of the offender to ensure the offender is performing the community service work as directed, and to ensure public safety is maintained.
- O. Develop and implement policies and procedures which provide increasing opportunities and privileges for offender involvement with family and community activities, prior to final release.
- P. The Contractor must adopt policies and procedures to ensure offenders reasonable opportunities for recreation and relaxation. The Contractor must provide facilities and equipment, or access to facilities for recreation and relaxation. Activities shall include physical exercise, reading, games, and providing television and radio.
- Q. The Contractor must provide offenders direct transportation or access to transportation, to assist offenders in traveling to work, treatment, or other services pursuant to the case management plan.
- R. The following requirements are the PRS objectives for the Contractor:
 - 1. Maintain an 80% rate of offenders who achieved key case management objectives by the time of successful discharge from PRS facility.
 - 2. Maintain a 90% rate of offenders with no additional positive drug tests after 15 calendar days in PRS.
 - 3. Maintain an 80% rate of offenders who successfully complete a cognitive behavioral treatment group by the time of discharge.

1.2 Offender Referrals

The MDOC does not guarantee the Contractor a minimum number of referrals. The Contractor cannot refuse any referrals for services including transgender and gender non-conforming offenders.

1.3 MDOC Review

The MDOC and the Contractor must agree on a date and time for a review at Contractor's location(s) to determine if the Contractor is complying with the requirements of the contract. The date and time must be agreed upon between the Contractor and the MDOC.

1.4 Court Requests

Upon request by the MDOC, Contractor staff or former staff must provide appropriate written and in-person testimony necessary to process misconducts, parole violations or probation violations at no additional cost to the MDOC.

2. Reserved.

3. Staffing

3.1 Contractor Representative

The Contractor must appoint one individual, specifically assigned to State of Michigan accounts, that will respond to State inquiries regarding the Contract Activities, answering questions related to ordering and delivery, etc. (the “Contractor Representative”):

Michelle MacDonald
(616) 245-4346 work
(616) 889-5507 cell
mmacdonald@altdir.org

The Contractor must notify the Contract Administrator at least 30 calendar days before removing or assigning a new Contractor Representative.

3.2 Contractor Telephone Number

The Contractor’s telephone number(s) for the State to make contact with Contractor staff is 616-889-5507 (cell). Contractor staff must be available for calls 24 hours a day, 7 days a week, 365 days a year (24 x 7 x 365), including the 366th day in a leap year.

3.3 Work Hours

The Contractor must provide Contract Activities 24 hours a day, 7 days a week, 365 days a year (366 days a leap year).

3.4 Key Personnel

The Contractor must appoint at a minimum one Facility Director who will be directly responsible for the day-to-day operations of a PRS location(s) (“Key Personnel”). Facility Directors may manage one or more PRS facilities.

Key Personnel must be specifically assigned to the State account, be knowledgeable on the contractual requirements, and respond to State inquiries within 1 business day, unless the standard requires a different timeframe (e.g. vendor incident notification). A designee must be available if the Key Personnel is absent.

The State has the right to recommend and approve in writing the initial assignment, as well as any proposed reassignment or replacement, of any Key Personnel. Before assigning an individual to any Key Personnel position, Contractor will notify the State of the proposed assignment, introduce the individual to the State’s Project Manager, and provide the State with a resume and any other information about the individual reasonably requested by the State. The State reserves the right to interview the individual before granting written approval. In the event the State finds a proposed individual unacceptable, the State will provide a written explanation including reasonable detail outlining the reasons for the rejection. The State may require a 30-calendar day training period for replacement personnel.

Contractor will not remove any Key Personnel from their assigned roles on this Contract without the prior written consent of the State. The Contractor’s removal of Key Personnel without the prior written consent of the State is an unauthorized removal (“Unauthorized Removal”). An Unauthorized Removal does not include replacing Key Personnel for reasons beyond the reasonable control of Contractor, including illness, disability, leave of absence, personal emergency circumstances, resignation, or for cause termination of the Key Personnel’s employment. Any Unauthorized Removal may be considered by the State to be a material breach of this Contract, in respect of which the State may elect to terminate this Contract for cause under Termination for Cause in the Standard Terms. It is further acknowledged that an Unauthorized Removal will interfere with the timely and proper completion of this

Contract, to the loss and damage of the State, and that it would be impracticable and extremely difficult to fix the actual damage sustained by the State as a result of any Unauthorized Removal.

The Contractor's Key Personnel are:

Michelle MacDonald
Executive Director
Alternative Directions
1706 South Division Ave
Grand Rapids, MI 49507

3.5 Organizations Chart

If requested by MDOC, the Contractor must provide an overall organizational chart that details staff members, by name and title, and subcontractors.

3.6 Disclosure of Subcontractors

If the Contractor intends to utilize subcontractors, the Contractor must disclose the following to the MDOC Program Manager in writing:

1. The legal business name; address; telephone number; a description of subcontractor's organization and the services it will provide; and information concerning subcontractor's ability to provide the Contract Activities.
2. The relationship of the subcontractor to the Contractor.
3. Whether the Contractor has a previous working experience with the subcontractor. If yes, provide the details of that previous relationship.
4. A complete description of the Contract Activities that will be performed or provided by the subcontractor.

All subcontractors must be approved in writing by the MDOC Program Manager before providing services under this Contract.

3.7 Security

The Contractor will be subject to the following security procedures:

- A. No active police warrants or pending charges on any staff assigned to this contract, including subcontractors.
- B. MDOC reserves the right to approve, decline, or remove Contractor staff from providing services on this Contract.
- C. 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 complete the Law Enforcement Information Network (LEIN) Information Form at the start of the contract and annually thereafter, as directed by the Michigan Department of Corrections. Any Contractor staff with an identified felony conviction must receive approval through the MDOC Offender Success Administrator or designee.
- D. The completed LEIN Information Form must be sent to the MDOC-PMCD-FOA-LEINS@michigan.gov and approved by MDOC prior to Contract staff working with MDOC offenders. There is no cost associated with the LEIN. The LEIN form will be provided to the Contractor.

- E. Contractor must perform background checks on subcontractor staff prior to their assignment. Documentation must be provided upon request to the State of Michigan. Contractor is responsible for all costs associated with processing the background checks. The State, in its sole discretion, may also perform background checks. The background check must include the Michigan State Police Internal Criminal History Access Tool (ICHAT), or the municipal/federal equivalent. The Contractor must maintain a copy of the background check(s) for auditing purposes.
- F. Contractor staff may be required to complete and submit an RI-8 Fingerprint Card for Finger Print Checks to the MDOC.
- G. The Contractor and subcontractor must verify and document whether a staff member assigned to the Contract is related to or acquainted with an offender receiving services under this Contract. For staff who are related to or acquainted with an offender, the Contractor's staff member must complete the Offender Contact Exception Request (CAJ-202) as provided by the MDOC and submit it to the MDOC Program Manager or designee. The Contractor must ensure its staff complete the form and notify the MDOC Program Manager of any changes throughout the contract term. The Contractor must maintain a copy of the form in the employee's personnel file for auditing purposes.

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

- A. The Contractor and the Contractor Personnel shall comply with the Final Rule of the PREA of June 20, 2012 and all applicable PREA standards and the agency's policies. The Contractor and Contractor Personnel shall make itself familiar with and at all times shall observe and comply with all PREA regulations that in any manner affect the performance under this Contract. The Contractor must subject itself to a Department of Justice (DOJ) PREA Audit at least once every three (3) years beginning August 20, 2013 and will be solely responsible for paying for a PREA Audit as required by this contract. Failure to comply with the PREA standards and related policies of the MDOC will be considered a breach of contract and may result in termination of the contract.
- B. Contractor and Subcontractor Personnel who may have contact with offenders must complete PREA training Program A - Correctional Facilities Administration (CFA) Security Regulations. Upon completion, Contractor Personnel shall submit a signed memorandum to MDOC-PMCD-Training@michigan.gov documenting completion of the training and date of completion. Contractor Personnel must also adhere to Guidance in Cross-Gender and Transgender Pat Searches.
- C. As is deemed necessary, the MDOC Contract Monitor or Program Manager will provide the Contractor with current copies of all PREA 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.
- D. The Contractor must report any information concerning violations of PREA as soon as made aware of the alleged occurrence to the Supervising Agent, Program Manager and Contract Monitor.

3.9 Vendor Handbook

Contractor and **subcontractor** staff that provide direct services to offenders, 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 Program Manager 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 and subcontractor must comply with all documentation provided.

3.10 Staffing Levels

- A. The Contractor must maintain the following staffing levels:
 - 1. Facilities with a 70-offender capacity or greater must have two or more staff members on duty from the hours of 5 p.m. to 8 a.m. EST, Friday - Sunday.
 - 2. Facilities with less than a 70-offender capacity must have at least one staff member on duty from the hours of 5 p.m. to 8 a.m. EST, Friday - Sunday.
 - 3. At all other times, facilities must have two or more staff members on duty.
- B. The Contractor must develop written policies and procedures for work stoppages, natural disasters, or other routine disruptions. For Contractors with single coverage shifts, policy shall require that "on-call" staff be able to respond to the facility within thirty minutes.

3.11 MDOC Provided Training

In accordance with MDOC instruction, Contractor staff and subcontractor staff, who provide direct services to offenders, must complete MDOC provided training before providing services under this Contract. Exceptions may be made for transfers or employees with prior MDOC work experience in similar positions who have completed MDOC training previously. Contact the MDOC Contract Monitor or Program Manager with any questions concerning MDOC training.

3.12 Access to Tax Information

The Contractor must comply with the requirements of IRS Publication 1075 (including Exhibit 7 Safeguarding Contract Language) and Michigan Department of Treasury Safeguard Requirements of Confidential Tax Data.

4. Project Management

4.1 Meetings

The Contractor must attend the following meetings:

- A. Bi-Annual Meeting with OCC Staff

The Contractor must participate in all orientations and additional meetings requested by the MDOC at no cost to the MDOC.

4.2 Reporting

- A. Monthly Report

The Contractor must submit a typed monthly report containing admissions, discharges, and successful discharges, number of participants achieving case management objectives, positive drug tests, cognitive behavioral program completions, and program concerns. The report shall be submitted no later than 15 days after the end of each month.

- B. Probation Residential Services Vendor Incident Notification

The Contractor shall adhere to the below protocol when reporting the below incident types to the State that occur in MDOC contracted housing locations. For purposes of MDOC contracted, these would be Probation Residential Services funded through the Office of Community Corrections (OCC). The Contractor shall immediately report an incident at the point when the Contractor first becomes aware of the incident. The Contractor shall ensure housing vendors and staff employed through the Contractor adhere to this protocol.

1. Deaths. When the Contractor first becomes aware of a death, they shall immediately notify, in writing via email, the supervising field agent, MDOC Program Manager, Procurement, Monitoring and Compliance Division (PMCD) Contract Monitor and OCC Community Liaison with details covering:
 - a. Offender Name/Number
 - b. Location and estimated time of death
 - c. Circumstances surrounding the death (illness, suspected over-dose, assault, suspicious circumstances)
 - d. Involved staff names, their titles and any actions taken
2. The following three incident types shall be reported on the Probation Residential Services Vendor Incident Notification Form provided by the MDOC and emailed to the supervising field agent, MDOC Program Manager, PMCD Contract Monitor and OCC Community Liaison:
 - a. Offender injury/illness requiring hospitalization. Hospitalization: An offender being treated at a hospital will be considered an incident when the offender is admitted to the hospital or when the offender has been signed out to the hospital for 24 hours, whichever comes first.
 - b. Unusual event which may attract public or media attention
 - c. Prison Rape Elimination Act (PREA) incidents

5. Ordering

5.1 Authorizing Document

The appropriate authorizing document for the Contract will be a delivery order.

6. Invoice and Payment

6.1 Invoice Requirements

- A. An accurate monthly invoice must be submitted by email to the MDOC-PRS@michigan.gov by the 15th day following the end of each monthly billing period, and it must be reviewed to verify the offenders listed on the invoice are eligible offenders. At a minimum, the invoice shall include the following information:
 1. The name of the referring county
 2. The qualifying offender's MDOC number
 3. The name of the offender (last, first)
 4. Applicable eligibility documentation including:
 - a. CFJ - 140 Offender Program Referral
 - b. CFJ – 226 Parole Violation Worksheet and Decision
 - c. COMPAS Scores
 - d. Pretrial Status documentation
 - e. Documentation for exception if necessary. The documentation for exception must be approved by the Parole Violation Specialist, FOA Area Manager, or the MDOC Program Manager.
 5. The initial enrollment date of the offender entering the program
 6. The beginning and end date of the offender's physical presence and participation in the program during the month.
 7. The number of days coinciding with the beginning and end dates for each offender
 8. Total number of offender days for each offender participating in the program
 9. Grand total of offender days for the month being invoiced
 10. Total dollar amount invoiced for the month
 11. Provide billing/reimbursement summary with totals for each county

Any invoices received beyond 90 days following the end of the monthly billing period may be deemed void and not reimbursable. Failure to submit timely and accurate invoices to the MDOC may result in non-reimbursement. MDOC will provide an invoice template.

B. Invoice Email Submittal Instructions

The email sent containing the accurate monthly invoice email must adhere to the following:

1. The Contractor shall **not** send monthly mail via U.S Mail. The accurate monthly invoice, additional attachments, and all correspondence concerning billing must be emailed to MDOC-PRS@michigan.gov
2. Each monthly invoice as an **Excel file only** (Only attach PDF scans if they are the back up to the billing invoice)
3. **Email Subject:** Include your organization's name and month for reimbursement in the subject line of your email:
 - a. Ex: "Organization name- Feb 2020- PA511"
4. **Excel Attachments:** Title the invoice document the same as the subject line:
 - a. Formatted as "Organization name- Feb 2020- PA511"
5. If able, send all documents in the same email for the month you are submitting
6. Include Risk Scale backup for all offenders COMPAS Scores – Risk Assessment pages are not needed, please do not send.
7. All Parole Violators **must** be Level 3 or have Regional Manager, Probation Sentencing Specialist, or Parole Violation Specialist approval to be placed and eligible for reimbursement
8. REVIEW all Excel files before sending to ensure all dates, amounts and details (County, Month, COMPAS scores, parole violators etc) are correct

6.2 Payment Methods

1. The MDOC will make payment for Contract Activities by Electronic Funds Transfer (EFT) as required by Michigan statute.
2. For payment purposes, offender days start with the first day the offender is physically in the program and continue through the last day the offender is physically in the program. In the event of any authorized absence (e.g. program pass, furlough, leave approved by the Parole or Probation Supervisor) or absence due to hospitalization, Absent without leave (AWOL), or incarceration, per diem payments will be suspended the day following the offender's absence from the program.

7. Service Level Agreements

Contractor must adhere to Service Level Agreements (SLA) and credits for non-compliance (**Schedule C**). Extenuating circumstances will be reviewed by the MDOC Contract Manager before any Service Credits are assessed. At the discretion of the State, these credits may be applied toward any payable due to the Contractor or be payable directly to the State. Payments made directly to the State shall be completed within 10 calendar days upon demand.

8. 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 this role they will conduct regular monitoring of all contract related activities.

STATE OF MICHIGAN

Contract #200000001745
Probation Residential Services

SCHEDULE B

PRICING

Probation Residential Services shall have a per diem reimbursement of not more than the amount approved by the Legislature and MDOC as part of the state budget. The maximum approved per diem rate is \$55.50, which may be subject to increase or decrease pursuant to legislative action during the term of this Contract. Consistent with current residential services practices, the reimbursement may begin with the date of admission through the date of discharge.

- A. Annual Contract budgets will be determined each fiscal year and distributed to the Contractor by the MDOC.
- B. Payment terms are Net 45 Days.

**SCHEDULE C
SERVICE LEVEL AGREEMENTS**



Effective Date: October 1, 2020
Metric 1: LEIN
Definition and Purpose
The contractor will provide the Law Enforcement Information Network (LEIN) Form to the Michigan Department of Corrections (MDOC) in accordance with Schedule A, Section 3.7, (c). & (d).
Data Source:
Contractor Staff Roster LEIN Form
Methodology:
The MDOC will review the submission of the LEIN Form to ensure timeliness and compliance with contract requirements.
Acceptable Standard:
All contracted employees must be LEIN cleared by the MDOC prior to commencement of any work for or with MDOC offenders and yearly thereafter. Each employee that fails to meet this standard is considered to be an occurrence.
Service Level Credit
A credit of \$500 to the State will be assessed for each occurrence that fails to meet the Acceptable Standard. Any credit assessed will be deducted from a subsequent invoiced payment.
Metric 2: Incident Reporting
Definition and Purpose
Incidents shall be immediately reported to ensure the MDOC chain of command is informed and prepared to respond to the inquiries of the Executive Office, Legislators, family members and the media in accordance with Schedule A, Section 4.2 (b) Probation Residential Services Vendor Incident Notification Form.
Data Source:
Probation Residential Services Vendor Incident Notification Report Emails of Incident notification(s) Contractor Log Book(s)
Methodology:
The MDOC will review the Probation Residential Services Incident Notification Report and email notification(s) received to ensure timely submission to the MDOC Program Manager, Procurement,

Monitoring and Compliance Division (PMCD) Liaison and Probation Residential Services (PRS) Liaison.
Acceptable Standard:
The Contractor must immediately notify the MDOC Program Manager, PMCD Liaison and PRS Liaison of each Incident in accordance with Schedule A, Section 4.2 (b). Each incident that fails to meet this standard is considered to be an occurrence.
Service Level Credit
A credit of \$500 to the State will be assessed for each occurrence that fails to meet the Acceptable Standard. Any credit assessed will be deducted from a subsequent invoiced payment.