

STATE OF VERMONT CONTRACT SUMMARY AND CERTIFICATION — Form AA-14 (3/30/07)

I. CONTRACT INFORMATION:

Contract #: 11660 Amendment #: _____
 Contractor Vendor No: 144301

Agency/Department: Agency of Human Services/Dept of Corrections
 Contractor: Corrections Corporation of America
 Contractor Address: 10 Burton Hills Boulevard, Nashville TN 37215
 Federal ID or SS#: 62-1806755
 Starting Date: 7/1/2007 Ending Date: 6/30/2009
 Summary of contract or amendment: Supplemental housing for Vermont inmates

II. FINANCIAL INFORMATION

Maximum Payable:	\$26,402,394.00	Prior Maximum:	\$ _____	Prior Contract # (If Renewal):	_____
Current Amendment:	\$ _____	Cumulative amendments:	\$ _____	% Cumulative Change:	_____ %
Maximum # Units:	_____	# Unit Change:	_____	Prior # Units:	# _____
Rate:	\$ 58.00	Prior Rate:	\$ _____		

Source of Funds - Business Unit(s): 03590

General Fund:	<u>100</u> %	Federal Fund:	_____ %	Other Fund:	_____ %	Fund Code:	_____
Dept. ID:	<u>3480006000</u>	Dept. ID:	_____	Dept. ID:	_____		

III. SUITABILITY OF PERSONAL SERVICES CONTRACT

Yes No Does this contractor meet all 3 parts of the "ABC" definition of independent contractor?
 (See Bulletin 3.5) If not, please indicate why this work is being arranged through a contract.

Yes No Is agency liable for income tax withholding or FICA?

Yes No Should contractor be paid on the state payroll?

IV. PUBLIC COMPETITION

The agency has taken reasonable steps to control the price of the contract and to allow qualified businesses to compete for the work authorized by this contract. The agency has done this through:

Standard bid or RFP Simplified Bid Sole Sourced Qualification Based Selection Other

V. TYPE OF CONTRACT

Personal Service Construction Architect/Engineer Commodity Privatization* Other

VI. CONFLICT OF INTEREST

By signing below, I certify that no person able to control or influence award of this contract had a pecuniary interest in its award or performance, either personally or through a member of his or her household, family, or business.

Yes No Is there an "appearance" of a conflict of interest so that a reasonable person may conclude that this contractor was selected for improper reasons: (If yes, explain)

VII. PRIOR APPROVALS REQUIRED OR REQUESTED

Yes No Contract must be approved by the Attorney General under 3 VSA §311(a)(10)

Yes No I request the Attorney General review this contract as to form
 No, Already performed by in-house AAG or counsel: _____ (initial)

Yes No Contract must be approved by the CIO/Commissioner of DII; for IT hardware, software or services and Telecommunications over \$150,000

Yes No Contract must be approved by the CMO; for Marketing services over \$15,000

Yes No Contract must be approved by the Secretary of Administration

VIII. AGENCY/DEPARTMENT HEAD CERTIFICATION; APPROVAL

have made reasonable inquiry as to the accuracy of the above information:

Date	<u>7/2/07</u>	Agency / Department Head	<u>[Signature]</u>	Date	<u>7/9/07</u>	Approval by Agency Secretary (if required)	<u>[Signature]</u>
Date	<u>7/3/07</u>	Approval by Attorney General	<u>[Signature]</u>	Date		*Reviewed by DHR Comm. or DHR AAG	
Date		CIO (init)		Date	<u>7-20-07</u>	Secretary of Administration	<u>[Signature]</u>

REC'D JUL 19 2007

**STATE OF VERMONT
STANDARD CONTRACT FOR PERSONAL SERVICES**

Contract # 11660
Change #

1. Parties This is a contract for personal services between the State of Vermont, Department of Corrections (hereafter called "State"), and Corrections Corporation of America, with principal place of business in Nashville, TN, (hereafter called "Contractor"). Contractor's form of business organization is a private company that manages prisons. Contractor is not required by law to have a Business Account Number from the Vermont Department of Taxes.

2. Subject Matter The subject matter of this contract is personal services generally on the subject of housing inmates. Detailed services to be provided by the Contractor are described in Attachment A.

3. Maximum Amount In consideration of the services to be performed by Contractor, the State agrees to pay Contractor in accordance with the payment provisions specified in Attachment B a sum not to exceed \$26,402,394.00.

4. Contract Term The period of Contractor's performance shall begin on 7/1/07 and end on 6/30/09.

5. Prior Approvals If approval by the Attorney General's Office or the Secretary of Administration is required, (under current law, bulletins, and interpretations), neither this contract nor any amendment to it is binding until it has been approved by either or both such persons.

Yes No Approval by the Attorney General's Office required.
 Yes No Approval by the Secretary of Administration required.

6. Amendment No changes, modifications, or amendments in the terms and conditions of this contract shall be effective unless reduced to writing, numbered and signed by the duly authorized representative of the State and Contractor.

7. Cancellation This contract may be cancelled by either party by giving written notice at least 30 days in advance.

8. Attachments This contract consists of 81 pages including the following attachments which are incorporated herein:

- Attachment A – Specifications of Work to be Performed
- Attachment B – Payment Provisions
- Attachment C – “Customary State Provisions”, Revised 04/24/07
- Attachment D – Modifications of Maximum Insurance Requirements **Not necessary/Not attached**
- Attachment E – Business Associate Agreement (Revised 03/28/06)
- Attachment F – Agency of Human Services – Customary Contract Provisions (Revised 04/24/07)
- Attachment G – Inmate Housing Agreement
- Exhibit A – Privacy of Protected Health Information
- Exhibit B – Suicide Management/Risk Reduction

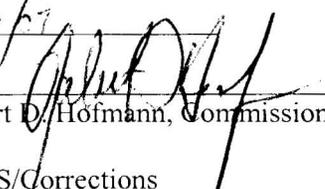
WE THE UNDERSIGNED PARTIES AGREE TO BE BOUND BY THIS CONTRACT.

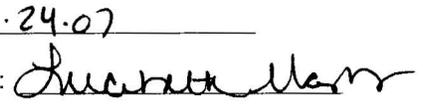
by the STATE OF VERMONT

by the CONTRACTOR

Date: 7/23/07

Date: 7-24-07

Signature: 
Name: Robert D. Hofmann, Commissioner
Agency: AHS/Corrections

Signature: 
Lucibeth Mayberry
(Please **PRINT** signature)

Name: Corrections Corporation of America
Address: 10 Burton Hills Boulevard
Nashville, TN 37215
Fed. ID/SS#: 62-1806755
Title:

July 25, 2007
Co. Accounting (Donna)
AHS (Shirley)
Ray Flum
CCA

APPROVED AS TO FORM:

Attorney General: MJ Salem

Date: 7/3/07

**ATTACHMENT A
CONTRACT FOR SERVICES
SPECIFICATIONS OF WORK TO BE PERFORMED**

Contractor will provide the following services for the State:

Contractor will provide services as outlined in Attachment G.

ATTACHMENT B

**CONTRACT FOR SERVICES
PAYMENT PROVISIONS**

1. Contractor agrees to invoice the State for services no less frequently than monthly. The Contractor agrees to render an invoice to the State by fifteen (15) days following the last day of the month in which the service was provided. The State will not be liable for payments for any service invoiced after the 15-day limit.

2. In consideration of the services to be provided by Contractor, the State agrees to pay Contractor as follows:

Payment shall be made within 30 days of a correct invoice.

See also Attachment G, section 21

Approved expenses may be reimbursed to the contractor at prevailing state rates or paid directly to a third party. Total expenses not to exceed \$Per Attachment G , Section 21. The per bed cost per day is as follows:

Year One: \$58.00
Year Two: \$59.74
Year Three: \$61.53
Year Four: \$63.38
Year Five: \$65.28
Year Six: \$67.24

And other reimbursable expenses per Attachment G, Section 6, Section 9, Section 26 (y).

Additionally, it is hereby agreed and understood that this contract has no minimum amount. The Contractor's services will be required on an "as needed" basis.

3. Contractor shall submit all invoices to:

Raymond J. Flum, Director of Classification
Vermont Department of Corrections
1229 Portland Street, Suite 101
St. Johnsbury, VT 05819

STATE OF VERMONT
CONTRACT FOR SERVICES

ATTACHMENT C
CUSTOMARY STATE CONTRACT PROVISIONS

1. **Entire Agreement.** This contract represents the entire agreement between the parties on the subject matter. All prior agreements, representations, statements, negotiations, and understandings shall have no effect.
2. **Applicable Law.** This contract will be governed by the laws of the State of Vermont.
3. **Appropriations.** If this contract extends into more than one fiscal year of the State (July 1 to June 30), and if appropriations are insufficient to support this contract, the State may cancel at the end of the fiscal year, or otherwise upon the expiration of existing appropriations authority.
4. **No Employee Benefits for Contractors.** The contractor understands that the State will not provide any individual retirement benefits, group life insurance, group health and dental insurance, vacation or sick leave, workers' compensation or other benefits or services available to State employees, nor will the State withhold any state or federal taxes except as required under applicable tax laws, which shall be determined in advance of execution of the contract. The contractor understands that all tax returns required by the Internal Revenue Code and the State of Vermont, including but not limited to income, withholding, sales and use, and rooms and meals, must be filed by the contractor, and information as to contract income will be provided by the State of Vermont to the Internal Revenue Service and the Vermont Department of Taxes.
5. **Independence, Liability.** The contractor will act in an independent capacity and not as officers or employees of the State. The Contractor shall indemnify, defend, and hold harmless the State and its officers and employees from liability and any claims, suits, judgments, and damages arising as a result of the contractor's acts and/or omissions in the performance of this contract. The contractor shall notify its insurance company and the State within 10 days of receiving any claim for damages, notice of claims, pre-claims, or service of judgments or claims, for any act or omissions in the performance of this contract.
6. **Insurance.** Before commencing work on this contract the contractor must provide certificates of insurance to show that the following minimum coverage is in effect. The contractor must notify the State no more than 10 days after receiving cancellation notice of any required insurance policy. It is the responsibility of the contractor to maintain current certificates of insurance on file with the State through the term of the contract. Failure to maintain the required insurance shall constitute a material breach of this contract.

Workers' Compensation: With respect to all operations performed, the contractor shall carry workers' compensation insurance in accordance with the laws of the ~~State of Vermont~~ ^{states where the services are provided} *OPH /mm*

General Liability and Property Damage: With respect to all operations performed under the contract, the contractor shall carry general liability insurance having all major divisions of coverage including, but not limited to:

Premises - Operations
Products and Completed Operations
Personal Injury Liability
Contractual Liability

The policy shall be on an occurrence form and limits shall not be less than:

\$1,000,000 Per Occurrence
\$1,000,000 General Aggregate
\$1,000,000 Products/Completed Operations Aggregate
\$ 50,000 Fire/Legal Liability

CONTRACT FOR SERVICES

Automotive Liability: The contractor shall carry automotive liability insurance covering all motor vehicles, including hired and non-owned coverage, used in connection with the contract. Limits of coverage shall not be less than: \$1,000,000 combined single limit.

Professional Liability: Before commencing work on this contract and throughout the term of this contract, the contractor shall procure and maintain professional liability insurance for any and all services performed under this contract, with minimum coverage of **\$1,000,000** per occurrence.

No warranty is made that the coverage and limits listed herein are adequate to cover and protect the interests of the contractor for the contractor's operations. These are solely minimums that have been established to protect the interests of the State.

7. **Reliance by the State on Representations:** All payments by the State under this contract will be made in reliance upon the accuracy of all prior representations by the contractor, including but not limited to bills, invoices, progress reports and other proofs of work.
8. **Records Available for Audit.** The contractor will maintain all books, documents, payroll, papers, accounting records and other evidence pertaining to costs incurred under this agreement and make them available at reasonable times during the period of the contract and for three years thereafter for inspection by any authorized representatives of the State or Federal Government. If any litigation, claim, or audit is started before the expiration of the three year period, the records shall be retained until all litigation, claims or audit findings involving the records have been resolved. The State, by any authorized representative, shall have the right at all reasonable times to inspect or otherwise evaluate the work performed or being performed under this contract.
9. **Fair Employment Practices and Americans with Disabilities Act:** Contractor agrees to comply with the requirement of Title 21 V.S.A. Chapter 5, Subchapter 6, relating to fair employment practices, to the full extent applicable. Contractor shall also ensure, to the full extent required by the Americans with Disabilities Act of 1990, that qualified individuals with disabilities receive equitable access to the services, programs, and activities provided by the contractor under this contract. Contractor further agrees to include this provision in all subcontracts.
10. **Set Off:** The State may set off any sums which the contractor owes the State against any sums due the contractor under this contract; provided, however, that any set off of amounts due the State of Vermont as taxes shall be in accordance with the procedures more specifically provided hereinafter.
 - ll. **Taxes Due to the State:**
 - a. Contractor understands and acknowledges responsibility, if applicable, for compliance with State tax laws, including income tax withholding for employees performing services within the State, payment of use tax on property used within the State, corporate and/or personal income tax on income earned within the State.
 - b. Contractor certifies under the pains and penalties of perjury that, as of the date the contract is signed, the contractor is in good standing with respect to, or in full compliance with, a plan to pay any and all taxes due the State of Vermont.
 - c. Contractor understands that final payment under this contract may be withheld if the Commissioner of Taxes determines that the contractor is not in good standing with respect to or in full compliance with a plan to pay any and all taxes due to the State of Vermont.
 - d. Contractor also understands the State may set off taxes (and related penalties, interest and fees) due to the State of Vermont, but only if the contractor has failed to make an appeal within the time allowed by law, or an appeal has been taken and finally determined and the contractor has no further legal recourse to contest the amounts due.

CONTRACT FOR SERVICES

12. **Child Support.** (Applicable if the contractor is a natural person, not a corporation or partnership.) Contractor states that, as of the date the contract is signed, he/she:
- a. is not under any obligation to pay child support; or
 - b. is under such an obligation and is in good standing with respect to that obligation; or
 - c. has agreed to a payment plan with the Vermont Office of Child Support and is in full compliance with that plan.

Contractor makes this statement with regard to support owed to any and all children residing in Vermont. In addition, if the Contractor is a resident of Vermont, contractor makes this statement with regard to support owed to any and all children residing in any other state or territory of the United States.

13. **Subcontractors.** Contractor shall not assign or subcontract the performance of this agreement or any portion thereof to any other contractor without the prior written approval of the State. Contractor also agrees to include in all subcontract agreements a tax certification in accordance with paragraph 11 above.

Notwithstanding the foregoing, the State agrees that the contractor may assign this contract, including all of the contractor's rights and obligations hereunder, to any successor in interest to the contractor arising out of the sale of or reorganization of the contractor.

14. **No Gifts or Gratuities.** Contractor shall not give title or possession of any thing of substantial value (including property, currency, travel and/or education programs) to any officer or employee of the State during the term of this contract.
15. **Copies.** All written reports prepared under this contract will be printed using both sides of the paper.
16. **Certification Regarding Debarment.** Contractor certifies under pains and penalties of perjury that, as of the date that this contract is signed, neither contractor nor contractor's principals (officers, directors, owners, or partners) are presently debarred, suspended, proposed for debarment, declared ineligible or excluded from participation in federal programs or programs supported in whole or in part by federal funds.

ATTACHMENT E

BUSINESS ASSOCIATE agreement (revised 03/28/2006)

THIS BUSINESS ASSOCIATE AGREEMENT (“AGREEMENT”) IS ENTERED INTO BY AND BETWEEN THE STATE OF VERMONT AGENCY OF HUMAN SERVICES OPERATING BY AND THROUGH ITS DEPARTMENT, OFFICE, OR DIVISION OF DEPARTMENT OF CORRECTIONS (“COVERED ENTITY”) AND Corrections Corporation of America (“BUSINESS ASSOCIATE”) AS OF July 1, 2007 (“EFFECTIVE DATE”). THIS AGREEMENT SUPPLEMENTS AND IS MADE A PART OF THE CONTRACT TO WHICH IT IS AN ATTACHMENT.

Covered Entity and Business Associate enter into this Agreement to comply with standards promulgated under the Health Insurance Portability and Accountability Act of 1996 (“HIPAA”) including the Standards for the Privacy of Individually Identifiable Health Information at 45 CFR Parts 160 and 164 (“Privacy Rule”) and the Security Standards at 45 CFR Parts 160 and 164 (“Security Rule”).

The parties agree as follows:

1. **Definitions.** All capitalized terms in this Agreement have the meanings identified in this Agreement, 45 CFR Part 160, or 45 CFR Part 164.

The term “Services” includes all work performed by the Business Associate for or on behalf of Covered Entity that requires the use and/or disclosure of protected health information to perform a business associate function described in 45 CFR 160.103 under the definition of Business Associate.

The term “Individual” includes a person who qualifies as a personal representative in accordance with 45 CFR 164.502(g). All references to “PHI” mean Protected Health Information. All references to “Electronic PHI” mean Electronic Protected Health Information.

2. **Permitted and Required Uses/Disclosures of PHI.**

- 2.1 Except as limited in this Agreement, Business Associate may use or disclose PHI to perform Services provided that any use or disclosure would not violate the minimum necessary policies and procedures of Covered Entity. Business Associate shall not use or disclose PHI in any manner that would constitute a violation of the Privacy Rule if used or disclosed by Covered Entity in that manner. Business Associate may not use or disclose PHI other than as permitted or required by this Agreement or as Required by Law.

- 2.2 Business Associate may make PHI available to its employees who need access to perform Services provided that Business Associate makes such employees aware of the use and disclosure restrictions in this Agreement and binds them to comply with such restrictions. Business Associate may only disclose PHI for the purposes authorized by this Agreement: (a) to its agents (including subcontractors) in accordance with Sections 6 and 14 or (b) as otherwise permitted by Section 3.

3. **Business Activities.** Business Associate may use PHI received in its capacity as a “Business Associate” to Covered Entity if necessary for Business Associate’s proper management and administration or to carry out its legal responsibilities. Business Associate may disclose PHI received in its capacity as “Business Associate” to Covered Entity for Business Associate’s proper management and administration or to carry out its legal responsibilities if a disclosure is Required by Law or if (a) Business Associate obtains reasonable written assurances via a written contract from the person to whom the information is to be disclosed that the PHI shall remain confidential and be used or further disclosed only as Required by Law or for the purpose for which it was disclosed to the person and (b) the person promptly notifies Business Associate (who in turn will promptly notify Covered Entity) in writing of any instances of which it is aware in which the confidentiality of the PHI has been breached. Uses and disclosures of PHI for the purposes identified in this Section 3 must be of the minimum amount of PHI necessary to accomplish such purposes.

4. **Safeguards.** Business Associate shall implement and use appropriate safeguards to prevent the use or disclosure of PHI other than as provided for by this Agreement. Business Associate shall identify in writing upon request from Covered Entity all of the safeguards that it uses to prevent impermissible uses or disclosures of PHI.

5. **Reporting.** Business Associate shall report in writing to Covered Entity any use or disclosure of PHI in violation of this Agreement by Business Associate or its agents including its subcontractors. Business Associate shall provide this written report promptly after it becomes aware of such use or disclosure. Business Associate shall provide Covered Entity with the information necessary for Covered Entity to investigate the impermissible use or disclosure. Consistent with 45 CFR 164.502(j)(1) Business Associate may use PHI to report violations of law to federal and state authorities.
6. **Agreements by Third Parties.** Business Associate shall ensure that any agent (including a subcontractor) to whom it provides PHI received from Covered Entity or created or received by Business Associate on behalf of Covered Entity agrees in a written contract to the same restrictions and conditions that apply through this Agreement to Business Associate with respect to such PHI. For example, the written contract must include those restrictions and conditions set forth in Section 12. Business Associate must enter into the written contract before any use or disclosure of PHI by such agent. The written contract must identify Covered Entity as a direct and intended third party beneficiary with the right to enforce any breach of the contract concerning the use or disclosure of PHI. Business Associate shall provide a copy of the written contract to Covered Entity upon request. Business Associate may not make any disclosure of PHI to any agent without the prior written consent of Covered Entity.
7. **Access to PHI.** Business Associate shall provide access to PHI in a Designated Record Set to Covered Entity or as directed by Covered Entity to an Individual to meet the requirements under 45 CFR 164.524. Business Associate shall provide such access in the time and manner reasonably designated by Covered Entity. Business Associate shall promptly forward to Covered Entity for handling any request for access to PHI that Business Associate directly receives from an Individual.
8. **Amendment of PHI.** Business Associate shall make any amendments to PHI in a Designated Record Set that Covered Entity directs or agrees to pursuant to 45 CFR 164.526, whether at the request of Covered Entity or an Individual. Business Associate shall make such amendments in the time and manner reasonably designated by Covered Entity. Business Associate shall promptly forward to Covered Entity for handling any request for amendment to PHI that Business Associate directly receives from an Individual.
9. **Accounting of Disclosures.** Business Associate shall document disclosures of PHI and all information related to such disclosures as would be required for Covered Entity to respond to a request by an Individual for an accounting of disclosures of PHI in accordance with 45 CFR 164.528. Business Associate shall provide such information to Covered Entity or as directed by Covered Entity to an Individual, to permit Covered Entity to respond to an accounting request. Business Associate shall provide such information in the time and manner reasonably designated by Covered Entity. Business Associate shall promptly forward to Covered Entity for handling any accounting request that Business Associate directly receives from an Individual.
10. **Books and Records.** Subject to the attorney-client and other applicable legal privileges, Business Associate shall make its internal practices, books, and records (including policies and procedures and PHI) relating to the use and disclosure of PHI received from Covered Entity or created or received by Business Associate on behalf of Covered Entity available to the Secretary in the time and manner designated by the Secretary. Business Associate shall make the same information available to Covered Entity (without regard to the attorney-client or other applicable legal privileges) upon Covered Entity's request in the time and manner reasonably designated by Covered Entity so that Covered Entity may determine whether Business Associate is in compliance with this Agreement.
11. **Termination.**
 - 11.1 This Agreement commences on the Effective Date and shall remain in effect until terminated by Covered Entity or until all of the PHI provided by Covered Entity to Business Associate or created or received by Business Associate on behalf of Covered Entity is destroyed or returned to Covered Entity subject to Section 15.11.
 - 11.2 If Business Associate breaches any material term of this Agreement, Covered Entity may either: (a) provide an opportunity for Business Associate to cure the breach and Covered Entity may terminate this Contract without liability or penalty if Business Associate does not cure the breach within the time specified by Covered Entity; or (b) immediately terminate this Contract without liability or penalty if Covered Entity believes that cure is not reasonably possible; or (c) if neither termination nor cure are feasible, Covered Entity

shall report the breach to the Secretary. Covered Entity has the right to seek to cure any breach by Business Associate and this right, regardless of whether Covered Entity cures such breach, does not lessen any right or remedy available to Covered Entity at law, in equity, or under this Contract, nor does it lessen Business Associate's responsibility for such breach or its duty to cure such breach.

12. Return/Destruction of PHI.

12.1 Business Associate in connection with the expiration or termination of this Contract shall return or destroy all PHI received from Covered Entity or created or received by Business Associate on behalf of Covered Entity pursuant to this Contract that Business Associate still maintains in any form or medium (including electronic) within thirty (30) days after such expiration or termination. Business Associate shall not retain any copies of the PHI. Business Associate shall certify in writing for Covered Entity (1) when all PHI has been returned or destroyed and (2) that Business Associate does not continue to maintain any PHI. Business Associate is to provide this certification during this thirty (30) day period.

12.2 Business Associate shall provide to Covered Entity notification of any conditions that Business Associate believes make the return or destruction of PHI infeasible. If Covered Entity agrees that return or destruction is infeasible, Business Associate shall extend the protections of this Agreement to such PHI and limit further uses and disclosures of such PHI to those purposes that make the return or destruction infeasible for so long as Business Associate maintains such PHI.

13. Notice/Training. Business Associate understands that: (a) there may be civil or criminal penalties for misuse or misappropriation of PHI and (b) violations of this Agreement may result in notification by Covered Entity to law enforcement officials and regulatory, accreditation, and licensure organizations. If requested by Covered Entity, Business Associate shall participate in information security awareness training regarding the use, confidentiality, and security of PHI.

14. Security Rule Obligations. The following provisions of this Section 14 apply to the extent that Business Associate creates, receives, maintains or transmits Electronic PHI on behalf of Covered Entity.

14.1 Business Associate shall implement and use administrative, physical, and technical safeguards that reasonably and appropriately protect the Confidentiality, Integrity and Availability of the Electronic PHI that it creates, receives, maintains or transmits on behalf of Covered Entity. Business Associate shall identify in writing upon request from Covered Entity all of the safeguards that it uses to protect such Electronic PHI.

14.2 Business Associate shall ensure that any agent (including a subcontractor) to whom it provides Electronic PHI agrees in a written contract to implement and use administrative, physical, and technical safeguards that reasonably and appropriately protect the Confidentiality, Integrity and Availability of the Electronic PHI. Business Associate must enter into this written contract before any use or disclosure of Electronic PHI by such agent. The written contract must identify Covered Entity as a direct and intended third party beneficiary with the right to enforce any breach of the contract concerning the use or disclosure of Electronic PHI. Business Associate shall provide a copy of the written contract to Covered Entity upon request. Business Associate may not make any disclosure of Electronic PHI to any agent without the prior written consent of Covered Entity.

14.3 Business Associate shall report in writing to Covered Entity any Security Incident pertaining to such Electronic PHI (whether involving Business Associate or an agent, including a subcontractor). Business Associate shall provide this written report promptly after it becomes aware of any such Security Incident. Business Associate shall provide Covered Entity with the information necessary for Covered Entity to investigate any such Security Incident.

14.4 Business Associate shall comply with any reasonable policies and procedures Covered Entity implements to obtain compliance under the Security Rule.

15. Miscellaneous.

- 15.1 In the event of any conflict or inconsistency between the terms of this Agreement and the terms of the Contract, the terms of this Agreement shall govern with respect to its subject matter. Otherwise the terms of the Contract continue in effect.
- 15.2 Any reference to “promptly” in this Agreement shall mean no more than seven (7) business days after the circumstance or event at issue has transpired. A reference in this Agreement to a section in the Privacy Rule or Security Rule means the section as in effect or as amended or renumbered.
- 15.3 Business Associate shall mitigate, to the extent practicable, any harmful effect that is known to it of a use or disclosure of PHI in violation of any provision of this Agreement.
- 15.4 Business Associate shall cooperate with Covered Entity to amend this Agreement from time to time as is necessary for Covered Entity to comply with the Privacy Rule, the Security Rule, or any other standards promulgated under HIPAA.
- 15.5 Any ambiguity in this Agreement shall be resolved to permit Covered Entity to comply with the Privacy Rule, Security Rule, or any other standards promulgated under HIPAA.
- 15.6 In addition to applicable Vermont law, the parties shall rely on applicable federal law (e.g., HIPAA, the Privacy Rule and Security Rule) in construing the meaning and effect of this Agreement.
- 15.7 This Agreement may be amended or modified, and any right under this Agreement may be waived, only by a writing signed by an authorized representative of each party.
- 15.8 Nothing express or implied in this Agreement is intended to confer upon any person other than the parties hereto any rights, remedies, obligations or liabilities whatsoever. Notwithstanding the foregoing, the Covered Entity in this Agreement is the Agency of Human Services operating by and through its Department of Corrections. Covered Entity and Business Associate agree that the term “Covered Entity” as used in this Agreement also means any other Department, Division or Office of the Agency of Human Services to the extent that such other Department, Division, or Office has a relationship with Business Associate that pursuant to the Privacy or Security Rules would require entry into an agreement of this type.
- 15.9 As between Business Associate and Covered Entity, Covered Entity owns all PHI provided by Covered Entity to Business Associate or created or received by Business Associate on behalf of Covered Entity.
- 15.10 Business Associate shall abide by the terms and conditions of this Agreement with respect to all PHI it receives from Covered Entity or creates or receives on behalf of Covered Entity under this Contract even if some of that information relates to specific services for which Business Associate may not be a “Business Associate” of Covered Entity under the Privacy Rule.
- 15.11 The provisions of this Agreement that by their terms encompass continuing rights or responsibilities shall survive the expiration or termination of this Agreement. For example: (a) the provisions of this Agreement shall continue to apply if Covered Entity determines that it would be infeasible for Business Associate to return or destroy PHI as provided in Section 12.2 and (b) the obligation of Business Associate to provide an accounting of disclosures as set forth in Section 9 survives the expiration or termination of this Agreement with respect to accounting requests, if any, made after such expiration or termination.
- 15.12 This Agreement constitutes the entire agreement of the parties with respect to its subject matter, superseding all prior oral and written agreements between the parties in such respect.

ATTACHMENT F

Agency of Human Services Customary Contract Provisions

1. **Agency of Human Services – Field Services Directors** will share oversight with the department (or office) that is a party to the contract for provider performance using outcomes, processes, terms and conditions agreed to under this contract.
2. **2-1-1 Data Base**: The contractor will ensure that relevant descriptive information regarding its agency, programs and/or contact information is contained in Vermont's 211 database and is accurate and up to date.
3. **Medicaid Program Contractors**:

Inspection of Records. Any contracts accessing payments for services through the Global Commitment to Health Waiver and Vermont Medicaid program must fulfill state and federal legal requirements to enable the Agency of Human Services (AHS), the United States Department of Health and Human Services (DHHS) and the Government Accounting Office (GAO) to :

Evaluate through inspection or other means the quality, appropriateness, and timeliness of services performed; and

Inspect and audit any financial records of such contractor or subcontractor.

Subcontracting for Medicaid Services: Having a subcontract does not terminate the contractor, receiving funds under Vermont's Medicaid program, from its responsibility to ensure that all activities under this agreement are carried out. Subcontracts must specify the activities and reporting responsibilities of the contractor or subcontractor and provide for revoking delegation or imposing other sanctions if the contractor or subcontractor's performance is inadequate. The contractor agrees to make available upon request to the Agency of Human Services; the Office of Vermont Health Access; the Department of Disabilities, Aging and Independent Living; and the Center for Medicare and Medicaid Services (CMS) all contracts and subcontracts between the contractor and service providers.

Medicaid Notification of Termination Requirements: Any contractor accessing payments for services under the Global Commitment to Health Waiver and Medicaid programs who terminates their practice will follow the Office of Vermont Health Access, Managed Care Organization enrollee notification requirements.

Encounter Data: Any contractor accessing payments for services through the Global Commitment to Health Waiver and Vermont Medicaid programs must provide encounter data to the Agency of Human Services and/or its departments and ensure that it can be linked to enrollee eligibility files maintained by the State.

4. **Non-discrimination Based on National Origin as evidenced by Limited English Proficiency**. The contractor agrees to comply with the non-discrimination requirements of Title VI of the Civil Rights Act of 1964, 42 USC Section 2000d, et seq., and with the federal guidelines promulgated pursuant to Executive Order 13166 of 2000, which require that contractors and subcontractors receiving federal funds must assure that persons with limited English proficiency can meaningfully access services. To the extent the contractor provides assistance to individuals with limited English proficiency through the use of oral or written translation or interpretive services in compliance with this requirement, such individuals cannot be required to pay for such services.
5. **Voter Registration**. When designated by the Secretary of State, the contractor agrees to become a voter registration agency as defined by 17 V.S.A. §2103 (41), and to comply with the requirements of state and federal law pertaining to such agencies.
6. **Drug Free Workplace Act**. The contractor will assure a drug-free workplace in accordance with 45 CFR Part 76.

7. **Privacy and Security Standards.**

Protected Health Information: The contractor shall maintain the privacy and security of all individually identifiable health information acquired by or provided to it as a part of the performance of this contract. The contractor shall follow federal and state law relating to privacy and security of individually identifiable health information as applicable, including the Health Insurance Portability and Accountability Act (HIPPA) and its federal regulations.

Substance Abuse Treatment Information: The confidentiality of any alcohol and drug abuse treatment information acquired by or provided to the contractor or subcontractor shall be maintained in compliance with any applicable state or federal laws or regulations and specifically set out in 42 CFR Part 2.

Other Confidential Consumer Information: The contractor agrees to comply with the requirements of AHS Rule No. 96-23 concerning access to information. The contractor agrees to comply with any applicable Vermont State Statute, including but not limited to 12 VSA §1612 and any applicable Board of Health confidentiality regulations. The contractor shall ensure that all of its employees and subcontractors performing services under this agreement understand the sensitive nature of the information that they may have access to and sign an affirmation of understanding regarding the information's confidential and non-public nature.

Social Security numbers: The contractor agrees to comply with all applicable Vermont State Statutes to assure protection and security of personal information, including protection from identity theft as outlined in Title 9, Vermont Statutes Annotated, Ch. 62.

8. **Abuse Registry.** The contractor agrees not to employ any individual, use any volunteer, or otherwise provide reimbursement to any individual who provides care, custody, treatment, services, or supervision to children or vulnerable adults if there is a substantiation of abuse or neglect or exploitation against that individual. The contractor will check the Adult Abuse Registry in the Department of Disabilities, Aging and Independent Living. Unless the contractor holds a valid child care license or registration from the Division of Child Development, Department for Children and Families, the contractor shall also check the Central Child Abuse Registry. (See 33 V.S.A. §4919 & 33 V.S.A. §6911).
9. **Child Abuse Reporting.** Notwithstanding the provision of 33 V.S.A. §4913(a) any agent or employee of the contractor who has reasonable cause to believe that a child has been abused or neglected as defined in Chapter 49 of Title 33 V.S.A. shall report the suspected abuse or neglect to the Commissioner of the Department for Children and Families within one working day. The report shall contain the information required by 33 V.S.A. §4914.
10. **Work Product Ownership.** All data, technical information, materials gathered, originated, developed, prepared, used or obtained in the performance of the contract - including, but not limited to, all reports, surveys, plans, charts, literature, brochures, mailings, recordings (video or audio, pictures, drawings, analyses, graphic representations, software computer programs and accompanying documentation and printouts, notes and memoranda, written procedures and documents, regardless of the state of completion, which are prepared for or are a result of the services required under this contract shall be and remain the property of the State of Vermont and shall be delivered to the State of Vermont upon 30 days notice by the State. With respect to software computer programs and / or source codes developed for the State, the work shall be considered "work for hire," i.e., the State, not the contractor or subcontractor, shall have full and complete ownership of all software computer programs and/or source codes developed.
11. **Software Development.** Without exception or alternate options, it is the State's policy that any application software which is purchased to support a business, operational or service delivery, activity of state government must include the licensing or ownership of the source code. The source code must be delivered to, and reside in, the state agency or department that supports and/or maintains the application and must be available for modification and/or maintenance by state personnel at the sole discretion and option of the State. Source code held in escrow by a third party does not meet the requirement of this policy.

12. **Intellectual Property Ownership.** All work products and items delivered or produced under this agreement will be the exclusive property of the State of Vermont. This includes, but is not limited to, software, documentation, and development materials. The contractor shall not sell or copyright a work product or item produced under this contract without explicit permission from the State. The contractor shall not make information entered in the application available for uses by any other party than the State of Vermont without prior authorization by the State.
13. **Lobbying.** No federal funds under this agreement may be used to influence or attempt to influence an officer or employee of any agency, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with the awarding of any federal contract, continuation, renewal, amendments other than federal appropriated funds.
14. **Non-discrimination.** The contractor will prohibit discrimination on the basis of age under the Age Discrimination Act of 1975, on the basis of handicap under section 504 of the Rehabilitation Act of 1973, on the basis of sex under Title IX of the Education Amendments of 1972, or on the basis of race, color or national origin under Title VI of the Civil Rights Act of 1964. No person shall on the grounds of sex (including, in the case of a woman, on the grounds that the woman is pregnant) or on the grounds of religion, be excluded from participation in, be denied the benefits of, or be subjected to discrimination, to include sexual harassment, under any program or activity supported by state and/or federal funds.
15. **Environmental Tobacco Smoke.** Public Law 103-227, also known as the Pro-children Act of 1994 (Act), requires that smoking not be permitted in any portion of any indoor facility owned or leased or contracted for by an entity and used routinely or regularly for the provision of health, child care, early childhood development services, education or library services to children under the age of 18, if the services are funded by federal programs either directly or through state or local governments, by federal grant, contract, loan or loan guarantee. The law also applies to children's services that are provided in indoor facilities that are constructed, operated, or maintained with such Federal funds.

The law does not apply to children's services provided in private residences; portions of facilities used for inpatient drug or alcohol treatment; service providers whose sole source of applicable federal funds is Medicare or Medicaid; or facilities where Women, Infants, & Children (WIC) coupons are redeemed.

Failure to comply with the provisions of the law may result in the imposition of a civil monetary penalty of up to \$1,000 for each violation and/or the imposition of an administrative compliance order on the responsible entity.

Contractors are prohibited from promoting the use of tobacco products for all clients. Facilities supported by state and federal funds are prohibited from making tobacco products available to minors.

Revised AHS -4/24/07

16. The contractor's proprietary corporate information including but not limited to, its forms, systems, software, and processes developed in the regular course of contractor's business and data, technical information and materials that pertain to another customer, another facility or another market population shall remain the property of the contractor and is not the property of the State of Vermont. *Inm JPK*
clb

AGENCY OF HUMAN SERVICES
103 South Main Street
Waterbury, Vermont 05676

AFFIRMATION OF UNDERSTANDING STATEMENT

As a Contractor for the State of Vermont, I affirm that I have read the Agency of Human Services (AHS) Rule No. 96-23 concerning Access to Information, and that I agree to comply with the requirements of AHS Rule No. 96-23.

I shall require all of my employees performing services under this contract, to sign an affirmation of understanding statement. Employee statements need not be sent to the State. However, they shall remain in Contractor's personnel records. The State can request copies of such documents if necessary.

Corrections Corporation of America

Name of Company (Print or type)

7.24.07

Date

Stephanie Maynard

Authorized Signature

Vice President, Research, Contracts
and Proposals

Title

ATTACHMENT "G"
INMATE HOUSING AGREEMENT

THIS AGREEMENT is made and entered into by and between the VERMONT DEPARTMENT OF CORRECTIONS, hereinafter referred to as the "VTDOC" or "State" and CORRECTIONS CORPORATION OF AMERICA, hereinafter referred to as "Contractor."

WHEREAS, the Contractor has prison beds available at Lee Adjustment Center, North Fork Correctional Facility Tallahatchie County Correctional Facility, and the West Tennessee Detention Facility, (the "Facilities") and is willing to contract for the confinement of VTDOC inmates; and

WHEREAS, VTDOC is empowered and authorized to enter into contracts and agreements with other legal entities; and

WHEREAS, the Contractor has legal authority to enter into an agreement with VTDOC;

NOW THEREFORE, for and in consideration of the mutual covenants, conditions, and promises contained herein, the parties hereto agree as follows:

1. DESCRIPTION OF SERVICES

(a) Facilities

The following Contractor Facilities will be utilized in the housing of the VTDOC inmates: Lee Adjustment Center, North Fork Correctional Facility, Tallahatchie County Correctional Facility and the West Tennessee Detention Facility. Provided however, it is the intent of the parties that the VTDOC inmates shall be consolidated into one CCA facility. Or, to the extent required by inmate custody levels, one consolidation facility and one facility allowing for higher custody inmates. Lee Adjustment Center, Tallahatchie County Correctional Facility and the West Tennessee Detention Facility are accredited by the American Correctional Association (ACA) and shall maintain such accreditation throughout the term of this Agreement. North Fork Correctional Facility is tentatively scheduled for an initial ACA accreditation in the fall of 2008 and, once obtained; such accreditation shall be maintained throughout the term of this Agreement. Vermont inmates will be housed together in all facilities and, to the extent allowed by facility design and facility inmate populations, kept separate from other populations.

Provided however, due to the configuration of the Lee Adjustment Center, VTDOC inmates housed at the Lee Adjustment Center may be housed with other inmates of the same classification. At the North Fork

Correctional Facility, VTDOC inmates shall be housed separately from other populations, except that VTDOC inmates may be assigned to the vacant beds in the Wyoming housing unit(s), as long as Wyoming and Colorado do not demand use of the beds, and provided no VTDOC inmate will be assigned to the same cell as a Wyoming inmate. The Contractor will provide VTDOC at least fourteen days advance notice in the event VTDOC inmates must be removed from the beds in the Wyoming housing unit(s) at North Fork due to Wyoming's or Colorado's demand for use of the beds. All efforts will be made to provide notice in a manner that allows any inmates displaced from North Fork to be transferred during Vermont's regularly scheduled moves. At North Fork, VTDOC shall have the first right of refusal to any unused beds within a pod already partially occupied by VTDOC inmates, except for beds in the Wyoming housing unit(s). Contractor shall notify VTDOC in writing of another jurisdiction's request for the beds, and VTDOC shall have a fourteen day period from the date of receipt of the notice to fill the beds. If VTDOC does not retain the beds and does not fill the beds within the fourteen day period, Contractor shall have the option to contract with another jurisdiction for use of the beds.

At West Tennessee, VTDOC inmates shall be housed separately from other populations, except that VTDOC inmates may be housed together with United States Marshals Service inmates at West Tennessee. All wheelchair bound VTDOC inmates housed under this Agreement shall be housed at the West Tennessee Detention Facility, to the extent space is available at the time such housing is requested.

The parties may mutually agree to utilize other facilities or to house additional inmates. Prior to any other facility being used for the housing of VTDOC inmates, an on site visit by VTDOC officials must occur.

The Contractor shall provide the inmates with care and treatment, furnishing subsistence and all necessary routine medical care; providing for their physical needs; making programs of training and treatment consistent with the inmates' needs available; retaining the inmates in safe, supervised custody; maintaining proper discipline and control; making certain that sentences and orders of the committing court in the State of Vermont are faithfully executed; providing the same access to the law library and rehabilitation programs as any other inmate housed by the Facility to the extent appropriate for their custody level and in consultation with VTDOC; and otherwise complying with applicable laws.

(b) General Duties

The Contractor shall maintain staffing levels at the Facility in accordance with ACA standards and in sufficient numbers and rank to maintain the safety of the public, staff and offenders and to adequately

carry out the provisions of this Agreement. The Contractor shall provide VTDOC with staffing guidelines for each facility where VTDOC inmates are housed prior to execution of this Agreement. Said staffing guidelines are attached hereto as Attachment A. In the event of any change to the staffing guidelines for the staff assigned to the particular VTDOC housing units during the term of the Agreement, such revised guidelines shall be provided to VTDOC. Subject to the provisions of this Agreement, the Contractor shall provide VTDOC inmates care and treatment, including the furnishing of acute, chronic and emergency medical care consistent with the requirements of ACA standards, NCCHC standards, and constitutionally appropriate guidelines, provide for their physical and mental health needs, make available work, education, training and treatment programs, retain them in safe, supervised custody, maintain proper discipline and control, make certain that any applicable court orders are complied with, provide reasonable access to the courts, and otherwise comply with all applicable law. The Contractor will provide reports to the VTDOC Contract Monitor on the adjustment of VTDOC inmates consistent with VTDOC reviews. Contractor shall provide management of VTDOC inmates including classification, disciplinary activity, programming and other offender activity.

VTDOC inmates shall be provided with a copy of the Facility rules and procedures (orientation guide) upon arrival. The orientation information must include the process for obtaining health and mental health services, disciplinary process, access to the law library and the offender appeal/grievance process, visitation and telephone privileges. A verbal orientation shall also be provided upon arrival.

2. DURATION

This Agreement shall be in full force and effect from July 1, 2007 until June 30, 2009, unless terminated by notice from either party in accordance with Section 3 of this Agreement. The Agreement shall be renewable for two additional two-year periods upon mutual agreement of the parties.

3. TERMINATION

This agreement may be unilaterally terminated, with or without cause, by thirty (30) days written notice by VTDOC or one hundred twenty (120) days notice by Contractor, mailed to the other party by registered U.S. mail, return receipt requested. Any notice so mailed and any notice served by personal delivery shall be deemed delivered and effective upon receipt or upon attempted delivery. This method of notification will be used in all instances, except for emergency situations when immediate notification is required pursuant to the appropriate sections of this Agreement.

4. RIGHT OF INSPECTION

VTDOC shall have the right to inspect at all reasonable times any Facility housing VTDOC inmates as needed to monitor Contractor's operational compliance with the Agreement. VTDOC shall have the right to inspect or otherwise evaluate the work performed or being performed under this contract. Access to documents shall be limited to those records required for such evaluation purposes and VTDOC's defense of claims and/or lawsuits.

5. INMATE INFORMATION

Separate information packets shall be provided by VTDOC for each inmate to be transferred to the facility. Said packets shall consist of at least the following: full information and all necessary documents relating to the case history including all disciplinary and classification records and any and all STG related documents; physical and clinical records; identification of persons known to pose a security threat to the inmate; judicial and administrative rulings and orders relating or pertinent to the inmate and the sentences pursuant to which confinement is to be had or to continue; identification data, photographs, and fingerprints.

6. TRANSPORTATION OF INMATES

VTDOC shall send with each inmate, the original or duly authenticated copies of commitments and any other official papers or documents authorizing detention and all inmate information specified in Section 5 above. Except as otherwise indicated, transportation of an offender for purposes of litigation arising as a result of the Contractor's acts and/or omissions in the performance of this contract shall be at Contractor's expense. At no expense to VTDOC, Contractor shall provide two (2) thirty-man transports each month for round trips between Vermont and the Facilities for the purpose of transporting inmates. A round trip is travel between Vermont and one facility. The transports are intended to be two round trips total per month, not from each facility where VTDOC inmates are housed. For purposes of this paragraph 6, West Tennessee Detention Facility may be combined with a transport to and from Lee Adjustment Center, such that it counts as one round trip, provided such may be accomplished with the personnel and equipment allocated for one thirty-man round trip transport and provided that Contractor shall decide in which order and manner this combined trip occurs. In the event that VTDOC and Contractor desire to utilize simultaneous housing in all four Contractor facilities included herein, VTDOC and CCA shall mutually agree to associated revisions to the transportation requirements prior to VTDOC inmates being transferred to the fourth facility. Each month, the Contractor and VTDOC will mutually decide how the following month's transports will be used. The Contractor and VTDOC shall cooperate to include inmates being returned to and from Vermont for court appearances or

family visits during the regularly scheduled transports whenever possible. Additional transportation needed for the return of the offender to the physical custody of VTDOC or the subsequent return of the offender by VTDOC to the Facility shall be at VTDOC's expense and at the responsibility VTDOC.

7. TRANSFER OF INMATE FUNDS/PERSONAL PROPERTY

Personal funds due transferred inmates shall be provided by VTDOC to be credited to the account of the transferred inmate by the Contractor. Upon return of the inmate to VTDOC, the Contractor shall provide the funds in the amount due the inmate at the time of return. VTDOC will package and identify the personal property of each inmate offender prior to transferring the inmate offender to the Facility. The Contractor shall not be responsible for inmate property damaged in transit, if said damage is related to improper packaging but shall be liable for property damaged due to improper packaging by Contractor upon inmate's transfer out of the Facility. Subject to the Contractor's limitations on the amount of personal property that may be transferred to the facility with each inmate, the Contractor will be responsible for the cost of transferring inmate personal property to the facility. The Contractor and VTDOC will equally share the cost of returning inmates' personal property upon their return to VTDOC.

VTDOC inmates shall be allowed to possess personal property as outlined in the Contractor's policies for each Facility at which VTDOC inmates are housed. Contractor shall provide the VTDOC allowable property lists prior to the implementation of this agreement.

8. CLOTHING, LINEN AND LAUNDRY

The Contractor will be responsible for laundry, repair, and replacement of offender clothing during the VTDOC inmates incarceration at the Facility to ensure clean clothes and bedding on a weekly basis. Upon admission, a minimum of three (3) sets of clean Facility uniforms and three (3) sets of undergarments and socks, clean bedding (to include sheets, blanket(s), pillow and pillow case and mattress), climate appropriate outer wear (jackets, etc.) and deck shoes or other appropriate footwear shall be provided VTDOC inmates, if needed. In addition, offenders shall receive footwear appropriate to their work assignment. Tennis shoes shall be made available for purchase in the commissary. Contractor shall provide laundry services to the offender at no charge to the offender in accordance with established Contractor policies.

9. INMATE WORK TRAINING AND EDUCATION

(a) VTDOC inmates may be employed by the Contractor for work to be performed for the benefit of the Facility such as: maintenance, clerical, janitorial, kitchen and laundry. The parties agree that the wage rate for these jobs shall be the wages in place at the Facility as dictated by

standards governing the Facility, including but not limited to applicable statutes, but in no event shall be lower than the wages paid for the same work to inmates at the Facility from other jurisdictions. It is understood and agreed that this provision does not create an employer/employee relationship subject to the Federal Fair Labor Standards Act; and that such work is performed as part of the custodial arrangement. The Contractor shall include in its monthly reports to CSHM information regarding the job, pay rate and number of hours worked for each VTDOC inmate

(b) Inmates from VTDOC will be afforded the opportunity to participate in programs of occupational training or work on the same basis as any other inmate housed by the Contractor and as appropriate to the inmate's custody level. Vocational programming will include, but is not limited to, Standardized Craft Training and Non-construction Industries Training. Compensation in connection with any such participation (whether as payment, incentive, or for any other therapeutic or rehabilitative reasons) shall be paid by the Contractor to inmates of VTDOC as set forth in this paragraph 9. Any such inmates of VTDOC shall be subject to the regular work discipline imposed upon other inmate participants in the particular program. However, nothing contained herein shall be construed to permit or require any inmate of VTDOC to participate in any training, industrial, or other work program contrary to the laws of the State of Vermont. Inmates from VTDOC shall not be eligible for furloughs, participation in the work release program, or be employed in work programs outside the secured perimeter of the Facility.

(c) A Cognitive Self-Change program shall be established by the Contractor at the Lee Adjustment Center. The program should be capable of handling sixty-four (64) VTDOC inmates at a time in groups of up to eight (8) inmates. The groups will be co-facilitated with two service providers, whose primary duty and responsibility shall be to the administration of the Cognitive Self Change program. Other duties may be assigned as long as they do not interfere with the CSC program duties. Each group will meet for approximately one and one half (1 ½) hours twice a week, holidays excluded. The program shall be patterned after the Cognitive Self-Change program within VTDOC and be delivered in accordance with the VTDOC Cognitive Self Change manual. The facilitators must be certified by the VTDOC. A facilitator shall be deemed certified after successful completion of the Basic Cognitive Self Change Training delivered by the VTDOC. Costs to attend this initial certification training shall be paid by Contractor. To maintain certification facilitators are required to attend no less than one Advanced Cognitive Self Change Training per year. Such training shall either be conducted by VTDOC at Lee Adjustment Center, via teleconference or in Vermont. Costs for travel to Lee by a trainer or to Vermont by the facilitators to be trained shall be at the cost of VTDOC. VTDOC will conduct no less than two onsite program

consultations per year. Costs for teleconferencing shall be borne by the Contractor. Provided however, the Contractor shall not be required to install any equipment, upgrades or other programs as a cost of teleconferencing. Determination of the method of annual certification, whether at Lee, through teleconference or in Vermont, shall be made by VTDOC. The space used for the delivery of the program will have video conferencing capabilities to include adequate audio transmission to allow VTDOC to provide oversight and program supervision. VTDOC will be invoiced monthly for any and all costs associated with video conferencing.

10. RECREATION

The Contractor shall provide VTDOC inmates with equipment and supplies for indoor or outdoor recreation and leisure time activities equal to that provided to other jurisdictions but not less than one and one-half (1½) hours each day, seven days each week. The Contractor may limit weekend recreation to the gym area at the West Tennessee Detention Center due to staffing patterns and visitation.

11. RELIGION

Contractor shall provide facilities for religious programs in accordance with ACA standards.

12. MEALS.

The Contractor shall provide VTDOC inmates with a nutritionally balanced, varied diet of adequate portions of food pursuant to standards established by the American Corrections Association. All menus will be approved by a registered dietician or nutritionist and all meals will be prepared in compliance with the approved menus. The Contractor shall provide special meals which meet medical or religious requirements of applicable VTDOC inmates. Special medical meals must meet the nutritional requirements as prescribed by a medical doctor.

13. DISCIPLINE

Inmates from VTDOC shall be subject to the policies and procedures as well as the rules and regulations of the Contractor. The Contractor shall have physical control and the power to exercise disciplinary authority over all inmates from VTDOC provided: (1) the disciplinary action is reasonable and proportionate in relation to the violation; (2) the action taken is impartial and nondiscriminatory; (3) the action is neither arbitrary nor retaliatory; (4) the discipline is not physically abusive; and (5) accurate, detailed reports of formal disciplinary actions against VTDOC inmates are provided to the contract monitor within seventy-two (72) hours of the date the action is finalized or the punishment is administered.

Inmates who have violated the Contractor's rules and regulations will be subject to the same disciplinary rules and regulations as any other inmate housed by the Facility. The North Fork Correctional Facility will use the VTDOC disciplinary policy. At the Lee Adjustment Center, the Contractor shall continue to use the Kentucky disciplinary policy until VTDOC inmates make up 75% of the overall population of the facility, at which time the facility will follow the VTDOC disciplinary policy for VTDOC inmates. Tallahatchie County Correctional Facility and the West Tennessee Detention Facility will follow the Contractor's disciplinary policy. At the West Tennessee Detention Facility, disciplinary segregation for punitive purposes shall not exceed thirty days for any single violation. Time spent in administrative segregation shall not be included in the thirty day calculation but shall be in accordance with any time limitations of ACA standards. However, nothing contained herein shall be construed to authorize or permit the imposition of a type of discipline prohibited by the laws applicable to the State of Vermont.

14. GRIEVANCES

Inmates from VTDOC will be afforded access to reasonable, impartial and non-discriminatory grievance and misconduct procedures in compliance with the applicable ACA standards, including a final level of appeal to VTDOC. Inmate grievances will be answered within fifteen (15) days of receipt.

- (a) VTDOC is responsible to respond to grievances and appeals on matters occurring during the inmate's incarceration prior to and up to the actual transfer of the inmate to the Facility including such issues as: reasons for the transfer; transfer of personal property until custody is relinquished to the Facility; uses of force to require transfer; trust fund; to monitor contract compliance.
- (b) The Contractor is responsible to respond to grievances and appeals on matters occurring during the inmate's incarceration in the Facility except sentence administration issues and classification to lower or higher security status.
- (c) If an inmate appeals a grievance to the Warden or higher authority, a copy will be sent to the VTDOC contract monitor for any relative input.
- (d) Inmate grievances are reviewed to identify potential areas of concern and to determine if problematic patterns exist. Inmate grievances will be documented in a log to assist in monitoring compliance with policy and procedure related to inmate grievances and to summarize those areas which are frequently the topic of inmate dissatisfaction. All inmate grievances will be responded to within fifteen days of receipt and included in the monthly reporting.

15. RECORDS AND REPORTS FROM CONTRACTOR

The Contractor shall provide reports of all serious conduct infractions within seventy-two (72) hours to VTDOC. Access to all record information collected on inmates from VTDOC related to inmate programming, medical, mental health, etc. will be made available to designated personnel of VTDOC. Contractor will establish and maintain Cognitive Self Change program files on each inmate in the program, and will transfer that information to the Vermont DOC Caseworkers, when the inmate returns for continued programming.

The Contractor shall provide a monthly report to VTDOC on all VTDOC inmates housed in Contractor facilities. This report will specify each inmate's program attendance and participation, educational participation, and/or employment. Contractor understands that they must submit the report no later than the 5th of each month.

16. NOTIFICATION OF INMATE INCIDENTS, EMERGENCIES, ESCAPES AND DISCIPLINE

The CONTRACTOR will notify the VTDOC Out of State Unit as soon as reasonably practicable but no later than two hours after the incident has been dealt with (24 hours a day) by telephone or pager for any incident listed below which involves a VTDOC offender:

- (a) Offender escape;
- (b) Use of deadly force;
- (c) Use of force in which there is an injury requiring medical treatment;
- (d) Assault, including sexual assault, by an employee, offender, or civilian;
- (e) Disturbance involving three or more offenders which is not brought under control within 15 minutes;
- (f) Death of an offender;
- (g) Rape of an offender;
- (h) Property destruction rendering a living unit or support service area unusable;
- (i) Hostage situation;
- (j) Use of chemical agents.
- (k) Suicide attempt
- (l) Transport to a hospital

17. HEARINGS

CONTRACTOR shall provide adequate on-site facilities for any court ordered hearings, status conference, deposition or other legal proceedings, and parole hearings ordered and conducted by the state or federal courts in which a VTDOC inmate may be made available by telephone. Such facilities shall

include a private room, a writing table, and a chair for each participant and teleconferencing equipment. At the request and sole expense of VTDOC, Lee Adjustment Center, North Fork Correctional Facility, Tallahatchie County Correctional Facility and the West Tennessee Detention Facilities will provide access to video conferencing for all such hearings. Contractor shall invoice VTDOC for any associated charges on its monthly invoice.

18. CUSTODY CLASSIFICATION

Inmates placed pursuant to this agreement shall be of a custody classification that is consistent with the policies and procedures of the Contractor and the rules and regulations of the state of incarceration.

Inmates placed pursuant to this agreement shall not be reduced in custody classification unless agreed to in advance by VTDOC. However, the Contractor reserves the right to increase the custody classification of inmates in a manner consistent with its policies and procedures and shall notify VTDOC within seventy-two (72) hours of such action.

19. RETAKE OF INMATES

(a) The Contractor will surrender any VTDOC inmate to the proper officials of VTDOC upon demand made to the Contractor and presentation of official written authority to receive said inmate.

(b) In the event that VTDOC sends an inmate to the facilities who, in the opinion of the Contractor, is unsuitable for housing at the facility due to classification, medical, mental health or other reasons, VTDOC shall retake such inmate within seven (7) working days of such request being made by the Facility Warden after consultation with VTDOC. Except as stated otherwise herein, in all events in which VTDOC is required to retake any and all of its inmates, VTDOC will return the inmate to the jurisdiction of the State of Vermont at VTDOC's expense as set forth in paragraph 6. Provided however, in the event that the Facility Warden requests that VTDOC retake an inmate, VTDOC shall only be required to pay for transports for those inmates who for classification, medical, mental health or other significant reasons must be removed from the facility prior to the next scheduled monthly transport or who cannot, for classification, medical, mental health or other significant reasons, be moved on such monthly transport. All efforts shall be made on the behalf of the Facility to return such inmates on the next scheduled monthly transport in the event that such a move can be made in a safe and secure manner without undue jeopardy to the inmate, other inmates on the transport or to the management of the facility while the inmate is awaiting transport.

(c) Upon termination of this Agreement for any reason, VTDOC and Contractor shall each pay one-half the cost of transportation incurred in the return of the inmates.

20. PHOTOGRAPHING AND PUBLICITY

Institutional or other officials of the Contractor shall not be authorized to release publicity concerning inmates from Vermont. Contractor shall not release personal histories or photographs of such inmates or information concerning their arrivals or departures or permit reporters or photographers to interview or photograph such inmates without the express written permission of VTDOC and of the inmate. The Contractor may photograph inmates from Vermont as means of identification for official use only; however, photographs of an inmate may be disseminated to appropriate law enforcement officials and to the press in the event of any escape from an institution by such inmate.

21. COST AND REIMBURSEMENT

Except as otherwise provided herein, the entire cost to VTDOC for housing inmates transferred by VTDOC under the terms of this Agreement shall be fixed at the \$58.00 per inmate per day for the first year of this contract. On July 1 of 2008 and every subsequent July 1 in which this Agreement or any renewal term is in effect, the then current rates shall increase by three percent (3.0%). The rates for the six year term shall be as follows:

Year One: \$58.00
Year Two: \$59.74
Year Three: \$61.53
Year Four: \$63.38
Year Five: \$65.28
Year Six: \$67.24

VTDOC shall pay for a minimum of four hundred (400) inmates in the CCA system at all times during the term of this Agreement. VTDOC shall be billed monthly by the Contractor. VTDOC shall pay the Contractor for the day the Contractor takes custody of an inmate and every subsequent day the inmate remains in the custody of the Contractor, except the Contractor shall not be paid for the day the inmate ceases to be in the custody of the Contractor. Payment shall be made within thirty (30) days of a correct invoice. Man day invoices will be submitted separately from any other invoices. VTDOC and the CONTRACTOR shall use all reasonable efforts to ensure that an invoice is reviewed and, if necessary, corrected in a timely fashion.

22. RESPONSIBILITY FOR LEGAL PROCEEDINGS

According to Attachment C, §5, Independence, Liability: The Contractor will act in an independent capacity and not as officers or employees of the State of Vermont. The Contractor shall indemnify, defend and hold harmless the State and its officers and employees from liability and any claims, suits, judgments and damages arising as a result of the Contractor's acts and/or omissions in the performance of this contract.

Attachment C, §5, of this contract pertaining to defense and indemnification is intended by the parties to include (i) defense of all claims, and/or lawsuits, including but not limited to actions for damages and/or for declaratory or injunctive relief, to the extent that they contain allegations that arise as a result of the Contractor's acts and/or omissions in the performance of this contract whether or not the Contractor, an employee of the Contractor, or a subcontractor of the Contractor is named party to the action and (ii) indemnification to the extent that any such claim or lawsuit results in a final determination, and/or settlement, that liability arose as a result of the Contractor's acts and/or omissions in the performance of this contract whether or not the Contractor, an employee of the Contractor, or a subcontractor of the Contractor is a named party to the action.

If the Office of the Attorney General or VTDOC elects to tender said claim and/or lawsuit in accordance with this Agreement, it shall do so as soon as reasonably practical after its receipt of said claim or lawsuit. Neither the Attorney General nor the VTDOC shall prejudice Contractor in its ability to defend the claim or lawsuit. If the Contractor is timely notified by the Attorney General or VTDOC regarding the tender of a claim or lawsuit, and if the claim or lawsuit arises as a result of the Contractor's acts and/or omissions in the performance of this contract, the Contractor shall be responsible to file any requisite response and/or handle any court action. Within ten (10) business days of receipt of tender or sooner if necessary, Contractor shall respond to the Attorney General or VTDOC; said response shall include an acknowledgement of receipt of the claim and/or lawsuit, a response on the defense and indemnification obligation, and, if the Contractor accepts responsibility for defense, the identity of counsel who will defend the claim and/or lawsuit. The Office of the Attorney General and the VTDOC shall have the right to approve all proposed settlements of such claims and/or lawsuits made on behalf of the State, State employees, and/or the VTDOC. In the event the Attorney General or VTDOC withholds consent, then the Contractor shall proceed with the defense of the VTDOC, but Contractor's indemnification obligations with respect to the claim and/or lawsuit shall be limited to the amount of the proposed settlement.

The Contractor agrees to cooperate with the Office of the Attorney General and VTDOC in the investigation and handling of any claim and/or lawsuits filed by inmate(s), and/or other person(s) and/or entity or entities in connection with the provision of services which are the subject of this contract. The Office of the Attorney General and VTDOC will monitor the defense of all

claims and/or lawsuits and the Contractor and local counsel shall cooperate fully with such monitoring. The Office of the Attorney General and VTDOC retain the right to participate, at their own expense, in the defense and/or trial of any claim and/or lawsuit where the Contractor is providing the defense and indemnification of such claim and/or lawsuit.

Nothing herein shall be construed to require Contractor to defend or indemnify any party for any claims, lawsuits, damages, expenses, costs or losses arising from the actions or omissions of the State, its departments, its officers, agents or employees or allegations regarding the Department or State's authority to enter into this Agreement. Neither shall anything herein be construed to require Contractor to defend or indemnify any party for any claims, lawsuits, damages, expenses, costs or losses arising with respect to any Habeas Corpus action or any other action challenging the validity of a conviction or sentence.

23. CONTACT PERSON/CONTRACT MONITOR

In order to effectively administer this agreement, each party shall appoint a contact person for the respective state. The contact person for the VTDOC will be Raymond Flum, Director of Classification, 1229 Portland Street, Suite 101, St. Johnsbury, VT 05819 (Tel: 802-751-0255 Fax: 802-751-0259). The contact person for the Contractor will be Jeb Beasley, Senior Director, Business Development, 10 Burton Hills Boulevard, Nashville, TN 37215 (Tel: 615-263-3000 Fax: 615-263-3050). Replacement of the individuals named herein may be accomplished by written notice to the other party. All notices, reports, billings, and correspondence to the respective parties to this agreement shall be sent by certified mail to the addresses listed above.

Contractor will provide VTDOC contract monitors office space that has a lock that is not master-keyed, a desk, chair, telephone/fax/computer lines (for internet access only). Contractor will not be responsible for fax or non-business-related telephone costs. VTDOC contract monitors shall have access at all times to Vermont inmates and staff and to all areas of the Facility and to non-financial documents and records relating to Contractor's obligations under the Contract. Access will include employee qualifications, training requirements, disciplinary records relative to serious incidents and security breaches and reports concerning Facility repairs and maintenance. Access shall be in strict compliance with privacy rights and shall be kept confidential. VTDOC contract monitors may attend regularly scheduled operational meetings between Facility administration and staff pertaining to Contractor's obligations under the Contract. VTDOC contract monitors shall not be allowed to attend meetings with Contractor's legal counsel, corporate officials or meetings involving employee disciplinary matters. VTDOC contract monitors shall not have access to records pertaining to inmates from other jurisdictions.

VTDOC shall receive an annual credit to offset its expense for the on-site contract monitors. The annual credit shall be deducted from the monthly invoice for April of each year, in advance of the July 1 start of the contract year for which the credit applies. The amount of the credit for the first year of the Agreement shall be fixed at One Hundred Thousand Dollars (\$100,000.00). Beginning in 2008 and continuing each year that this Agreement or any renewal term is in effect, the annual credit for the on-site contract monitor shall increase by three percent (3%) over the prior year's credit. In the event that the contract is terminated prior to the completion of any contract year, Contractor will be entitled to a pro-rata refund of the aforementioned annual credit.

24. ESCAPES

The Contractor shall notify VTDOC and the contract monitor within two (2) hours upon the escape of an inmate transferred pursuant to this agreement and shall take all action necessary to affect the apprehension of the escaped inmate. In the case of an escape to a jurisdiction other than the state in which the inmate was housed, the responsibility for extradition or rendition proceedings shall be that of the VTDOC, but nothing contained herein shall be construed to prevent or affect the activities of officers and agencies of any jurisdiction directed toward the apprehension and return of an escapee. Any reasonable and actual costs up to \$25,000.00 incurred by VTDOC in connection with any escape and or rendition and extradition process shall be chargeable to and borne by Contractor.

25. URINALYSIS PROGRAM

All inmates transferred pursuant to this agreement shall be required to participate in routine and random urinalysis testing to the same extent as are inmates of the Contractor. All drug test results for unauthorized drugs shall be reported to the contract monitor in the monthly report. Testing costs will be included in the rate set forth in Section 21.

26. MEDICAL

It is the intent of the State that inmates receive care comparable to that available to inmates in Vermont. The Contractor's written policies and procedures will describe health services, medical services, and dental services to be provided. At a minimum, these must meet ACA standards, federal, state and local laws and regulations, as well as the following State policies and procedures. In accordance with subsection (w) of this section 26, Contractor shall follow NCCHC standards.

(a) Reception Screening

Contractor shall conduct a receiving screening on all newly admitted State inmates within twenty-four (24) hours of the inmate's arrival

at the Contractor's facility. This screening shall be conducted by a qualified medical professional and shall include review of State medical information and the following:

- (1) Inquiry into current and past illnesses, health problems and conditions;
- (2) Any past history of serious infectious or communicable illness, and any treatment or symptoms (e.g., chronic cough, hemoptysis, lethargy, weakness, weight loss, loss of appetite, fever, night sweats) suggestive of such illness;
- (3) Mental illness, including suicide risk;
- (4) Dental problems;
- (5) Allergies;
- (6) Medications taken and special health (including dietary) requirements;
- (7) use of alcohol and other drugs, and any history of associated withdrawal symptoms
- (8) Other health problems designated by the responsible physician or medical professional performing the screening; and
- (9) Observation of the following:
 - behavior, which includes state of consciousness, mental status (including suicidal ideation), appearance, conduct, tremors and sweating;
 - body deformities and ease of movement;
 - persistent cough or lethargy; and
 - Condition of skin, including trauma markings, bruises, lesions, jaundice, rashes, infestations, and needle marks or other indications of drug abuse.

(b) Access to Services

At the time of initial intake, each inmate will be provided with a health care services orientation and information on how to access health care services while in the facility. The orientation will include: