

I. CONTRACT INFORMATION:

Contract #: 11660 Amendment #: 1
 Agency/Department: Agency of Human Services/Department of Corrections Contractor Vendor No: 144300
 Contractor: Corrections Corporation of America
 Contractor Address: 10 Burton Hills Boulevard, Nashville TN 37215
 Starting Date: 7/1/2009 RC Ending Date: 6/30/2011
 Summary of contract or amendment: Supplemental Housing for Vermont inmates

II. FINANCIAL INFORMATION

Maximum Payable:	\$57,824,587.93	Prior Maximum:	\$ 26,402,394	Prior Contract # (If Renewal):	
Current Amendment:	\$31,422,193.93	Cumulative amendments:	\$ 31,422,193.93	% Cumulative Change:	119%
Maximum # Units:		# Unit Change:		Prior # Units:	#
Rate:	\$ 61.53	Prior Rate:	\$ 58.00		
Source of Funds - Business Unit(s): 03590					
General Fund:	100 %	Federal Fund:	___ %	Other Fund:	___ %
Dept. ID:	3480006000	Dept. ID:	___	Dept. ID:	___
Fund Code: ___					

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

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

I have made reasonable inquiry as to the accuracy of the above information. *WJ 6/22/09*

2/19/09 _____ Date Agency / Department Head _____ Date Approval by Agency Secretary (if required)
6/22/09 *Mari J. Sale* _____ Date Approval by Attorney General _____ Date *Reviewed by DHR Comm. or DHR AAG
 _____ Date CIO (initial) _____ Date CMO (initial) *6/23/09* _____ Date Secretary of Administration

REC'D JUN 23 2009



State of Vermont
Department of Corrections
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Waterbury, VT 05671-1001
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[phone] 802-241-2263
[fax] 802-241-2565

Agency of Human Services

APPROVED

Secretary of Administration

MEMORANDUM

Date 6/23/09

TO: Rob Hofmann, Secretary, Agency of Human Services
FROM: Andy Pallito, Commissioner, Department of Corrections

DATE: June 19, 2009

RE: Corrections Corporation of America – Effective Date of Amendment #1

The purpose of this memo is to request approval for a retroactive amendment related to the above contractor. The following is our justification for this request:

- As you may recall, in the latter part of March 2009 the department chose to remove its inmate population residing in the Perry County Correctional Facility located in Uniontown, Alabama operated by LCS Correctional Services, Inc. At the time of this action 79 Vermont inmates were residing at this facility. As no beds were available in Vermont facilities, these 79 Vermont inmates needed placement at another facility out of state.
- The department negotiated a transition of these inmates to a facility operated by Corrections Corporation of American (CCA) which ended up being their West Tennessee facility. The initial negotiations concerned price and location. CCA agreed to match the inmate per diem price we were receiving with LCS Correctional Services, Inc. This price will be in effect for one year from the time inmates were delivered to West Tennessee, March 23, 2009. Upon completion of this initial one year, the inmate per diem price will revert to the per diem the department is paying for all other inmate placements with CCA.
- Additional negotiations concerning "Inmate Work Training and Education" and "Recreation" for the inmates at West Tennessee took longer than expected. The department has decided to amend the current contract to exercise a two year extension option as well as include the additions/adjustments and new pricing mentioned in the above bullet. The current contract expires on June 30 2009.

If there are further question, please give me a call.

Approved:

Robert Hofmann, Secretary, Agency of Human Services

AMENDMENT

It is agreed by and between the State of Vermont, Department of Corrections (hereafter called "State") and Corrections Corporation of America of Nashville, TN, Vermont (hereafter called "Contractor") that contract #11660 dated 07/01/2007 between said State and Contractor is hereby amended as follows:

To change Page 1, 3. Maximum Amount, from \$26,402,394.00 to \$57,824,587.93.

To change Page 1, 4. Contract Term, from end on 6/30/09 to end on 6/30/11.

To change Attachment G as specified in Attachment H.

To replace existing Attachment F with new Attachment F, revised April 6, 2009.

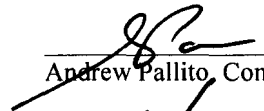
Additionally, it is hereby agreed and understood that this contract has no minimum amount. The Contractors' services will be required on an "as needed" basis.

Except as modified by this above amendment, and any and all previous amendments to this contract, all provisions of this contract #11660 dated 07/01/2007 shall remain unchanged and in full force and effect.

The effective date of this amendment is 03/23/2009.

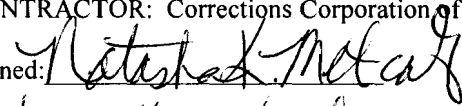
APPROVED AS TO FORM

STATE OF VERMONT
AGENCY OF HUMAN SERVICES
DEPARTMENT OF CORRECTIONS



Andrew Pallito, Commissioner
Date: 6/30/09

CONTRACTOR: Corrections Corporation of America

Signed: 

Natasha K. Metcalf
(Please PRINT Signature)

Address: 10 Burton Hills Boulevard
Nashville, TN 37215

Date: 6/26/09

ATTACHMENT F
AGENCY OF HUMAN SERVICES CUSTOMARY CONTRACT PROVISIONS

1. **Agency of Human Services – Field Services Directors** will share oversight with the department (or field 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 providing a health or human services within Vermont, or near the border that is readily accessible to residents of Vermont, will provide relevant descriptive information regarding its agency, programs and/or contact and will adhere to the "Inclusion/Exclusion" policy of Vermont's 2-1-1. If included, the Contractor will provide accurate and up to date information to their data base as needed. The "Inclusion/Exclusion" policy can be found at www.vermont211.org

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 (HIPAA) 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. 08-048 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 in the performance of services connected with this agreement, who provides care, custody, treatment, transportation, 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(a)(3) & 33 V.S.A. §6911 (c)(3)).
9. **Child Abuse Reporting.** Consistent with provisions of 33 V.S.A. §4913(a), any agent or employee of a contractor who, in the performance of services connected with this agreement, has contact with clients and 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 for the Department for Children and Families within 24 hours. 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, or obtained as a condition of this agreement and used in the performance of this agreement - 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, which are prepared for or obtained specifically for this agreement - or are a result of the services required under this contract - shall be considered "work for hire", and remain the property of the State of Vermont, regardless of the state of completion - unless otherwise specified in this agreement. Such items 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, all 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. **Security and Data Transfers.** The State shall work with the Contractor to ensure compliance with all applicable State and Agency of Human Services' policies and standards, especially those related to privacy and security. The State will advise the Contractor of any new policies, procedures, or protocols developed during the term of this agreement as they are issued and will work with the Contractor to implement any required.

The Contractor will ensure the physical and data security associated with computer equipment - including desktops, notebooks, and other portable devices - used in connection with this agreement. The Contractor will also assure that any media or mechanism used to store or transfer data to or from the State includes industry standard security mechanisms such as continually up-to-date malware protection and encryption. The Contractor will make every reasonable effort to ensure media or data files transferred to the State are virus and spyware free. At the conclusion of this agreement and after successful delivery of the data to the State, the Contractor shall securely delete data (including archival backups) from the Contractor's equipment that contains individually identifiable records, in accordance with standards adopted by the Agency of Human Services.
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 unless otherwise specified in this agreement. 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. If the Contractor is operating a system or application on behalf of the State of Vermont then the contractor shall not make information entered into the system or 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 -4-06-09

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 inmate population shall remain the property of the Contractor and is not the property of the State of Vermont. *AKM 96.*

ATTACHMENT "H"
FIRST AMENDMENT TO CONTRACT BETWEEN
THE STATE OF VERMONT, DEPARTMENT OF CORRECTIONS AND
CORRECTIONS CORPORATION OF AMERICA

This First Amendment is entered into this 23rd day of March, 2009, by and between the State of Vermont Department of Corrections (hereinafter "VTDOC") and Corrections Corporation of America, 10 Burton Hills Boulevard, Nashville, Tennessee, 37215 (hereinafter "Contractor" or "CCA") and in recognition of the following:

WHEREAS, the parties hereto have previously entered into a contract, effective July 1, 2007, wherein CCA has agreed to house, guard and provide all necessary care for certain inmates currently under the care and custody of VTDOC at CCA facilities outside Vermont; and

WHEREAS, the parties desire to define new terms that are applicable to the relationship with respect to VTDOC inmates assigned to the West Tennessee Detention Facility ("West Tennessee");

NOW THEREFORE, the parties do enter into and make this First Amendment to the Agreement and agree as follows:

1. Standard Contract for Personal Services, Paragraph 4 is amended by deleting "6/30/09" and inserting "6/30/11."
2. To Attachment G, Section 1, Description of Services, (a) Facilities add the following at the end of the third paragraph:

"Beginning March 23, 2009 and continuing through June 30, 2011, the Contractor will guarantee the availability of 100 beds at West Tennessee; provided, however, such beds shall only be guaranteed for so long as the VTDOC maintains a population of at least 90% of said 100 beds (90 inmates). Subject to availability, Contractor may make additional beds above 100 available to VTDOC. The per diem for any such additional beds above 100 shall be subject to mutual agreement of the parties."
3. Attachment G, Section 2, Duration is amended to read as follows:

"This Agreement shall be in full force and effect from July 1, 2007 until June 30, 2011, unless terminated by notice from either party in accordance with Section 3 of this Agreement.

To Attachment G, Section 6, Transportation of Inmates, add the following paragraph:

"Notwithstanding any provision of this Agreement to the contrary, VTDOC shall be responsible for the cost to transport the first 80 Vermont inmates that are transferred to West Tennessee pursuant to this First Amendment. All other transportation shall be provided as described in this section."
4. To Attachment G, Section 9, Inmate Work Training and Education, add the following to subsection (a):

"At West Tennessee, the Contractor shall provide a sufficient number of jobs for inmates interested in work, both inside and outside of the housing unit."
5. To Attachment G, Section 9, Inmate Work Training and Education, add the following to subsection (b):

"The following programs shall be available at West Tennessee: Vermont inmates who are interested in academic and life skills programming shall be offered any of the following classes: GED Preparation, Adult Basic Education I/II/III, Dantes (college credit by examination), Habits of the Mind, Anger Management (Cage Your Rage) and Parenting (Partners in Parenting). The Contractor shall make available to interested VTDOC inmates access to the computer/learning lab for state of the art GED software (GED 21st Century – a complement to the existing GED program) and Microsoft Office Specialist Certification preparation. In the event there is not sufficient VTDOC inmate interest to support the above detailed program offerings, the Contractor may substitute alternative program offerings to meet specific inmate needs and interests."
6. Attachment G, Section 10, Recreation, is amended to read as follows:

"The Contractor shall provide VTDOC inmates with equipment and supplies for indoor and 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, except at West Tennessee, where the Contractor shall provide outdoor recreation for one and one-half (1½) hours each day, seven days a week and indoor recreation for one and one-half (1½) hours each day, five days a week."
8. To Attachment G, Section 18, Custody Classification, add the following sentence to the end of the first paragraph:

"Inmate work and program assignments shall be subject to the inmate's custody classification as provided herein."

9. To Attachment G, Section 21, Cost and Reimbursement, add the following paragraph:

"Notwithstanding any provision of this Agreement to the contrary, beginning on March 23, 2009 and continuing until March 31, 2010, the per diem for VTDOC inmates housed at West Tennessee shall be \$50.00 per inmate per day subject to the following conditions:

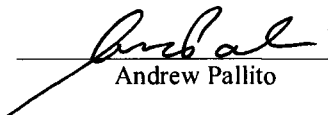
- a. The \$50.00 per diem shall apply to the 100 guaranteed beds so long as VTDOC maintains 90% occupancy of such beds. If 90% occupancy is not maintained, the rate for all inmates shall revert back to the regular per diem otherwise in effect under this Agreement (\$59.74 through June 30, 2009 and \$61.53 beginning July 1, 2009) until such time as 90 % occupancy is attained.
- b. The 90% occupancy shall be calculated monthly based on the average daily population.
- c. On April 1, 2010, the per diem for all VTDOC inmates assigned to West Tennessee shall revert to the per diem otherwise in effect under Attachment B, Section 2 and Attachment G, Section 21 of the Agreement."

10. All other terms of the Agreement not amended herein shall remain unchanged.

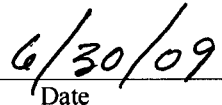
IN WITNESS WHEREOF, intending to be legally bound, the parties have caused their authorized representatives to execute this Amendment to be effective on the date first written above.

VERMONT DEPARTMENT OF CORRECTIONS

Andrew Pallito
Commissioner of Corrections



Andrew Pallito



Date

CORRECTIONS CORPORATION OF AMERICA

Natasha K. Metcalf
Vice President, Customer Contracts
10 Burton Hills Boulevard
Nashville, TN 37215



Natasha K. Metcalf



Date