Pennington COUNTY
JAIL SERVICE AGREEMENT

THIS AGREEMENT, by and between the correctional facility known as Pennington COUNTY, Minnesota, a political subdivision of the State of Minnesota, hereinafter referred to as the "County", "Facility" and/or "facility", and TurnKey Corrections a MN corporation, hereinafter referred to as "Provider" or "TKC".

WHEREAS, the County seeks to enter into an agreement for inmate services, and

WHEREAS, Provider is capable of providing such service to the County and desires to do so according to the terms and conditions stated herein.

NOW THEREFORE, in consideration of the mutual undertakings and agreements contained within this agreement, the County and Provider hereby agrees as follows:

1. **Effective Date of Contract**

   This agreement shall be effective **7/22/2012.**

2. **Term of Contract**

   This agreement shall be in effect for thirty-six **(36)** months with three (3) one-year (1) renewals, which are mutually agreed upon.

3. **Scope of Services**

   The parties agree to the following services during the term of the agreement:

   Provider shall install equipment as listed below and our administrative software, hereby known as the TEAM software system, at Pennington COUNTY.

   Trust Accounting Software: provider shall furnish, install, repair, and maintain all trust accounting software. The following is an overview of the TEAM trust accounting software features available to the County;

Equipment, Features, Fees, Revenue Split and/or Costs which can be obtained as outlined or individually. The Provider will consider commission waiver for an extended period in lieu of upfront payment for equipment should budgetary constraints not allow the facility to consider this proposal.

A) **1 Lobby Kiosk** with credit/debit card reader. To offset costs of installation, Provider will charge a $2 fee for cash deposits for the first 365 days at the lobby kiosk of which TKC will retain. On day 366 and for the balance of the contract, there will be no fees for cash deposits. When using a credit card for deposits, an $8 fee is charged for deposits made at the lobby kiosk or on-line at www.inmatecanteen.com of which TKC will retain.
B) **Inmate Kiosks: 5.** All kiosks will be capable of handling all services TKC offers. Please see Item J pertaining to other options pertaining to visitation kiosks. Total cost for these kiosks is $1500.
C) **Pop Machines and Vending Machines: 2 each.**
D) **TEAM Software** installed on all computers deemed necessary by facility.
E) **1 Booking & Release Station(s)** with all necessary hardware.
F) **Installation Costs**: TKC delivers and installs all the equipment necessary to perform per the standards of the contract. The County is responsible for any costs associated with installing electrical lines for the equipment to operate. TKC will install all data lines.
G) **Data and Electrical Requirements:** TEAM operates on standard CAT5 data lines, a standard internet connection and standard electrical outlet. Provider will work with County IT department on proper access to internet lines. Provider warrants that all firewall and security measures are in place to protect all data to the highest degree.
H) **Inventory:** Should commissary services be awarded to Provider, all commissary products are required to be purchased from TKC and AIS. All items needed for canteen will be delivered every other week at no cost to the county. County will continue to sell frozen foods and tobacco products at no expense to TKC or commission loss to the County.
I) **Delivery and Employee(s):** TKC will provide an employee from one of our local regional facilities to maintain the equipment within the service standards as outlined within this agreement. TKC will deliver commissary packaged and ready for distribution once weekly at no cost to the facility. Facility will be responsible for distributing bags to the inmate.
J) **On-Site Video Visitation: 2.** On-site video visitation is also available using the same equipment as detailed previously. On-site visitation will require additional viewing stations for the public. These stations will cost $1,000 each.
K) **Commissary Revenue Commission:** County will earn a commission of 18% of gross sales, less any applicable sales taxes.
L) **Video Visitation Revenue Commission:** Installation of this feature and equipment necessary, should additional equipment be required, will follow the same parameters as outlined in Provision F on Page 2. Off-site video visitation would be performed at a cost of $0.35 to the inmates family or friend of which the county will earn a 30% commission from. TKC will retain commission from off-site visitation for the first 180 days of the contract. Inmates will be allowed the minimum on-site visitations as

per Minnesota Correction and Pennington COUNTY Standards, at no charge. Commissions shall be net of all applicable sales taxes.

M) **Features:** The Provider warrants to provide County access to and to train County staff on all features of the TEAM system throughout the length of the contract, including optional features such as MP3/Music, video visitation, etc., and on additional features as they become available.

N) **Additional Revenue Streams:** Some features are optional and can be implemented at any time. The County will earn the same commission rate on these optional features such as MP3 music downloads, inmate email, and more.

O) **Phone Product Sales:** Phone products may be sold on kiosks or on-line at Inmate Canteen. Provider will provide this service to the County at no cost for the initial 30 days following installation at the facility. Provider will demonstrate incremental growth of phone revenue by offering this feature during this initial 30 day period. Should this occur, Provider will charge County 10% of gross phone sales to provide this service. This percentage is independent of any agreement Provider may have with the facility phone provider for compensation for the facilitation of the sale of their products on Provider kiosks.

P) **Jail Supply Purchases**: As part of our commitment to providing the County all features and revenue streams including commissary, video visitation, MP3/4 and messaging, plus, expense controls and efficiency gains, Provider requires that County submit all supply purchases to its' subsidiary, TurnKey Correctional Supply (TKCS), to bid on. Provider requires that as long as TKCS provides bid of equal or lessor price on identical or mutually acceptable product, that all supplies such as inmate hygiene, clothing, footwear, towels, bedding, etc., be purchased through TKCS. Unless noted at the time of purchase, all jail supplies purchased through TKCS are delivered to the jail at no cost to the County.

Q) **Exclusivity:** Provider reserves exclusive right to inmate kiosk usage within the facility and all services that Provider has offered to the facility. This exclusivity fails in the event Provider has not provider facility written offer to render services on any feature it provides. Other vendors are prohibited from installing other kiosk equipment for any purpose that generates revenue within the facility that involves inmates without permission of the Provider. Should Provider not have a service that is requested by County offered through its' kiosk, this provision becomes void.

SYSTEM FEATURES

Video Visitation

A. All visits are recorded. Visits are recorded in a real time audio and four frames per second on video. Facility has 24/7/365 access to all recordings. The system is web-based and all recordings are maintained on Provider servers. County owns all data and can be sent on disk if requested at no cost.

B. Visits can be monitored by the County or TKC. Monitoring allows for visits to be terminated immediately for inappropriate conduct.

C. County will determine parameters necessary for visitor to be automatically approved and allowed to schedule a visit, if necessary. Visiting hours can also be set for the facility both as a whole and to specific pods.
D. Visitors, inmates, groups and pods can all be tagged for real-time review by outside agencies and Jail Administration.
E. Privileges may be revoked or suspended at any time for any reason for any user.
F. Jail staff can be assigned various authority levels to maintain integrity and security of the system.
G. System is web-based thus there is no server on site.

Account Management

A. Easy-to-use Interface steps users through Account Creation (booking) and Account Close (release) processes.
B. Track general inmate information including name, Inmate# (Criminal History Number), Unit#, language, status, audit information (user and date/time stamp of record creation and the last time the account was altered).
C. Search for Accounts based on any combination of the following: inmate#, first/middle/last name, unit#, language, status, account group and sound-ex searches.

Reports

A. Customization available.
B. Automatically generates Account Balance Summary, Deposit Transactions, Cash-in Transactions, System Balance, Transaction History, Refund Transactions, Check Register, Void Checks, Daily Balance, Daily Shift, Inmate Deposits, Inmate Detail, Inactive Accounts, Closed Accounts, Event Log, Kiosk Status, Site Charge Detail, and Site Charge Grouping reports and many more additional reports.
C. Export reports to Adobe Acrobat, Microsoft Excel formats, CSV, HTML and Comma Delineated.

Other Optional Features available for implementation at no cost:

A. **Messaging:** System can automate all functions that require paper involving inmates including but not limited to: on/off-site messaging/mail, kites, requests, grievances and any other means of communication utilized in the jail.
B. **Music / Movies:** System allows the usage of MP3 and other similar player that facilitate the download of music, movies and other audio/video products. The County reserves right to approve material for download.
C. **Handbook / Notices:** The system can become the communication tool for inmates to receive communication, inmate handbooks and other critical information. System can also track receipt and acknowledgement of receipt of this information.

D. **Commissary / Accounting:** System facilitates all aspect of commissary order, trust account management, accounts payable, cash management, and many other features.
E. **Phone:** Provider maintains a phone system that operates using the kiosk provided that maintains similar security measures as visitation system. This system is run through the same administrative program.

Equipment and Maintenance

Provider shall furnish, install, repair and maintain all equipment and software. Provider agrees to keep all equipment in good order and operating condition. Provider will maintain a minimum of one functioning reserve kiosk and other pertinent equipment on site and will train County staff on how to install this reserve kiosk should it be deemed pertinent to continued performance of the system. Provider maintains a 24/7/365 customer service system. Equipment failures will be corrected within 24 hours. Other service requests will be responded to within 2 hours of requests and resolved on a priority basis which is outlined upon installation. All customer service requests are resolved or provided an agreed upon action plan within 24 hours.

Pennington County will provide:

Building AC power (typically 110 v AC)
Basic cable or DSL based unfiltered and unfirewalled Internet service.

Vendor is responsible for any security devices or software as they deem necessary to protect, hardware, software and data from unauthorized access or discloser. Vendor agrees to follow all applicable State and Federal laws, policies, directives, rules, etc. It is expected that all Hardware, Software and data is also protected to industry standards. Any power protection (aka UPS) is also the responsibility of the vendor.

Each of the parties agrees to cooperate with the other and to perform all tasks necessary or desirable for the mutual benefit of both of the parties to operate a well operated service for Pennington COUNTY.

Provider may provide care packages given to inmates when they are booked in at a price agreed upon by both parties based on item requirements.

Provider agrees to train all Jail staff in software and account reporting as needed.

Provider agrees to assist the County with customized inmate account reports needed by the County for tracking, bookkeeping and auditing purposes and training on the same.

4. Compensation and Terms of Payment

The County's authorized agent shall have the authority to review the invoices, and no payment shall be made without the approval of the authorized agent. Payments shall be made within thirty (30) days after receipt of invoices for services performed and acceptance of such services by the authorized agent of the County.

5. **Condition of Payment**

All services provided by Provider pursuant to this agreement shall be performed to the satisfaction of the County, and in accordance with all applicable federal, state and local laws, ordinances, rules and regulations. Payment shall be withheld for work found by the County to be unsatisfactory, or performed in violation of federal, state and local laws, ordinances, rules or regulations.

6. **Authorized Agents**

The County shall appoint an authorized agent for the purpose of administration of this agreement. The County is notified the authorized agents for Provider are as follows:

Patrick McMullan – General Information
Phone – 612-267-8277
Ben Halberg – IT Information
Phone: 715-386-5700

7. **County and State Audit**

Pursuant to Minnesota State Law, the books, records, documents, and accounting procedures and practices of Provider relative to this agreement shall be subject to examination by the County and the State Auditor. Complete and accurate records of the work performed pursuant to this agreement shall be kept by Provider for a minimum of six (6) years following termination of this agreement for such auditing purposes. The retention period shall be automatically extended during the course of any administrative or judicial action involving Pennington COUNTY regarding matters to which the records are relevant. The retention period shall be automatically extended until the administrative or judicial action is finally completed or until the authorized agent of the County notifies Provider in writing that the records need no longer be kept.

8. **Indemnity**

Provider agrees to defend, indemnify, and hold the County, its employees and officials harmless from any claims, demands, actions or causes of action, including reasonable attorney's fees and expenses resulting directly or indirectly from any negligent act or omission on the part of Provider, or its subcontractors, partners or independent contractors or any of their agents or employees, in the performance of or with relation to any of the work or services to be performed or furnished by Provider or

the subcontractors, partners or independent contractors or any of their agents or employees under the agreement.

Provider shall be responsible for the professional quality, technical accuracy, and the coordination of all services furnished by Provider under this agreement. Provider shall, without additional compensation, correct or revise any errors or deficiencies in Provider's final reports and services.

9. **Insurance**

Provider shall not commence work under this agreement until it has obtained at its own cost and expense all insurance required herein. All insurance coverage is subject to approval of the County and shall be maintained by Provider throughout the duration of this agreement.

A. **Workers' Compensation**

a. State: Minnesota - Statutory
b. Employer's Liability with minimum limits of:
   Bodily Injury by Accident: $100,000 each Accident
   Bodily Injury by Disease: $100,000 each Employee
   Bodily Injury by Disease: $500,000 policy limit
c. Benefits required by union labor contracts: As applicable

B. **Commercial General Liability**

Including Premises, Operations, Products, Completed Operations, Advertising and Personal Injury Liability, with the following minimum limits of liability:

$1,500,000 Aggregate
$1,000,000 Products & Completed Operations Aggregate
$1,500,000 Personal Injury & Advertising Injury
$1,500,000 Occurrence
$ 100,000 Fire Damage Limit
$ 20,000 Medical Expense

Policy should be written on an occurrence basis and include explosion, collapse and underground.

C. **Commercial Auto Liability**

Minimum limits of liability shall be:

If split limits: $1,500,000 each person/$1,500,000 each occurrence
$1,500,000 each occurrence for Property Damage

If combined single limit: $1,000,000 per occurrence

D. **Proof of Insurance**

Insurance certificates evidencing that the above insurance is in force with companies acceptable to County and in the amounts required shall be submitted to County for examination and approval prior to the execution of the agreement, after which they shall be filed with County. The insurance certificate shall name the County as an additional insured and specifically provide that a certificate shall not be modified, canceled or non renewal except upon thirty (30) days prior written notice to County. Neither County's failure to require or insist upon certificates or other evidence of insurance showing a variance from the specified coverage changes Provider's responsibility to comply with the insurance specifications.

10. **Subcontracts**

Provider shall not subcontract any portion of the work to be performed under this agreement nor assign this agreement without the prior written approval of the authorized agent of the County. Provider shall ensure and require that any subcontractor agrees to and complies with all of the terms of this agreement. Any subcontractor of Provider used to perform any portion of this agreement shall report to and bill Provider directly. Provider shall be solely responsible for the breach, performance or nonperformance of any subcontractor. If specifically authorized by the County, Provider is responsible for the performance of all subcontractors and shall compensate said subcontractors pursuant to the requirements of Minnesota Statute 471.425.

11. **Force Majeure**

The County and Provider agree that Provider shall not be liable for any delay or inability to perform this agreement, directly or indirectly caused by or resulting from strikes, labor troubles, accidents, fire, flood, breakdowns, war, riot, civil commotion, lack of material, delays of transportation, acts of God or other cause beyond reasonable control of Provider and the County.

12. **Data Practices**

Provider, its agents, employees and any subcontractors of Provider in providing all services hereunder, agree to abide by the provisions of the Minnesota Government Data Practices Act. Provider understands that it must comply with these provisions as if it were a government entity. Provider agrees to indemnify and hold the County, its officers, department heads and employees harmless from any claims resulting from Provider's unlawful disclosure or use of data protected under state and federal laws.

13. **Access to Premises**

The County shall arrange access as necessary to work sites for Provider for the purpose of performing the work described in this agreement.

14. **Termination**

The agreement may be terminated by either party, without cause, upon **(90)** days written notice to one of the authorized agents of the Provider or the Authorized Agent of the County.

15. **Independent Contractor**

It is agreed that nothing contained in this agreement is intended or should be construed as creating the relationship of a partnership, a joint venture, or an association with the County and Provider. Provider is an independent contractor and neither it, its' employees, agents, subcontractors nor representatives shall be considered employees, agents or representatives of the County. Except as other-wise provided herein, Provider shall maintain, in all respects, its present control over the means and personnel by which this agreement is performed. From any amounts due Provider, there shall be no deduction for federal income tax or FICA payments nor for any state income tax, nor for any other purposes which are associated with an employer/employee relationship unless otherwise required by law. Payment of federal income tax, FICA payments, state income tax, unemployment compensation taxes, and other payroll deductions and taxes are the sole responsibility of Provider.

Pursuant to Federal and local laws, Provider warrants that they have registered with and use a federal immigration verification system to determine the work eligibility status of new employees physically performing services within the State of Minnesota.

16. **Notices**

Any notices to be given under this agreement shall be given by enclosing the same in a sealed envelope, postage prepaid, via certified mail, and depositing the same in the United States Postal Service, addressed to one of the authorized agents of Provider at its address stated herein, and to the authorized agent of the County at the address stated herein.

17. **Controlling Law**

The laws of the State of Minnesota shall govern all questions and interpretations concerning the validity and construction of this agreement and the legal relations between the herein parties and performance under it. The appropriate venue and jurisdiction for any litigation hereunder will be those courts located in the State of Minnesota. Litigation

in the federal courts involving the herein parties will be in the appropriate federal court within the State of Minnesota. If any provision of this agreement is held invalid, illegal or unenforceable, the remaining provisions will not be affected.

18 **Successors and Assigns**

The County and Provider, respectively, bind themselves, their partners, successors, assigns, and legal representatives to the other party to this agreement and to the partners, successors, assigns, and legal representatives of such other party with respect to all covenants of this agreement. Neither the County nor Provider shall assign, sublet, or transfer any interest in this agreement without the prior written consent of the other.

19. **Equal Employment and Americans with Disabilities**

In connection with the work under this agreement, Provider agrees to comply with the applicable provisions of state and federal equal employment opportunity and nondiscrimination statutes and regulations. In addition, upon entering into this agreement, Provider certifies that it has been made fully aware of Pennington COUNTY Equal Employment Opportunity and Americans with Disabilities Act Policy.

20. **Changes**

The parties agree that no change or modification to this agreement, or any attachments hereto, shall have any force or effect unless the change is reduced to writing, dated, and made part of this agreement. The execution of the change shall be authorized and signed in the same manner as for this agreement.

21. **Severability**

In the event any provision of this agreement shall be held invalid and unenforceable, the remaining provisions shall be valid and binding upon the parties unless such invalidity or non-enforceability would cause the agreement to fail its purpose. One or more waivers by either party of any provision, term, condition or covenant shall not be construed by the other party as a waiver of a subsequent breach of the same by the other party.

IN WITNESS WHEREOF, the parties have caused this agreement to be duly executed intending to be bound thereby.

Pennington COUNTY

By_____
Pennington COUNTY

Date_____, 20__

TURNKEY CORRECTIONS

By_____
TODD WESTBY, CEO

Date_____, 20__

Approved as to form:

_____
Pennington COUNTY ATTORNEY

Date _____, 20__