AGREEMENT BETWEEN KANSAS DEPARTMENT OF CORRECTIONS AND CORRECT CARE SOLUTIONS, INC. FOR COMPREHENSIVE HEALTH CARE SERVICES

This agreement is made this 23rd day of December, 2004 by and between Correct Care Solutions, Inc., hereinafter referred to as Contractor, and the Department of Corrections of the State of Kansas, hereinafter referred to as KDOC, pursuant to Request for Proposal number 07297.

WHEREAS, KDOC wishes to obtain professional services for comprehensive health care services; and,

WHEREAS, Contractor is a recognized vendor of these services and desires to provide them to KDOC; and,

WHEREAS, a Request for Proposal was issued pursuant to K.S.A. 75-37,102 for acquisition of these services; and,

WHEREAS, a procurement negotiation committee conducted negotiations and determined the best interests of KDOC will be served by awarding a contract to Contractor to provide these services;

THEREFORE in consideration of the mutual agreements contained below, KDOC and Contractor contract as follows:

CONTRACT DOCUMENTS

The contract between KDOC and Contractor consists of --

1. The RFP (#07297) and any amendments and/or addenda thereto;

2. Except as altered or modified hereinafter in the "Miscellaneous" section of this Agreement, Contractor's entire proposal submitted on or about July 15, 2004 in response to the RFP, and amendments, addenda, modifications and/or clarifications thereto, including the entirety of Contractor's submissions to the Procurement Negotiating Committee dated October 1, 2004,

October 19, 2004, November 10, 2004, and November 15, 2004, as corrected (hereinafter cumulatively referred to as "Contractor's Bid Proposal");

3. This Agreement; and,

4. Contractual Provisions Attachment Form DA-146a which is attached hereto.

In the event of any conflict between the provisions of this agreement, RFP #07297, or the Contractor's Bid Proposal, the provisions of this agreement shall prevail over conflicting provisions of the RFP and of the Contractor's Bid Proposal, and the provisions of the RFP shall prevail over any conflicting provisions of the Contractor's Bid Proposal. In the event of a conflict between the provisions of the Contractual Provisions Attachment Form DA-146a and any other contract document, the provisions of the former shall govern.

TERM

The term of this contract shall begin July 1, 2005 and terminate on June 30, 2006. With the approval of the Procurement Negotiating Committee, KDOC shall have the unilateral option to renew the contract for two (2) additional one-year periods: July 1, 2006 through June 30, 2007; July 1, 2007 through June 30, 2008.

The parties further agree that this contract may be extended for an additional three (3) two-year extensions, by written negotiated agreement of the parties as to each such two-year extension, and it is agreed between the parties that any such negotiations shall be in good faith and shall be premised on Contractor's November 15, 2004 Cost Proposal, as corrected, contained in Contractor's Bid Proposal relative to those three additional two-year extensions. Those three (3) two-year extension periods would be for the following years: July 1, 2008 through June 30, 2010; July 1, 2010 through June 30, 2012; and, July 1, 2012 through June 30, 2014.

All extensions on this contract shall be subject to annual appropriations.

PAYMENT

Payments shall be based on Contractor's corrected November 15, 2004 Cost Proposal, contained in Contractor's Bid Proposal.

Payment terms will be as set forth in paragraph 4.7 of Request for Proposal #07297.

The not-to-exceed figures to each potential fiscal year of this contract are as follows:

- FY 2006: $40,894,395.00;

- FY 2007: $42,723,860.00;
- FY 2008: $44,692,887.00;
- FY 2009: $45,787,453.00;
- FY 2010: $47,057,901.00;
- FY 2011: $48,364,572.00;
- FY 2012: $49,708,517.00;
- FY 2013: $51,090,815.00;
- FY 2014: $52,512,576.00.

MISCELLANEOUS

1. Contractor's Staffing Summary dated November 10, 2004 contains the staffing plan for this contract. That Staffing Summary supercedes all earlier Staffing Summaries submitted by Contractor during negotiations and is controlling.

2. At such time(s) during the course of this contract that population increase percentages reach sufficient levels to impact pricing, the Comprehensive Healthcare Services Population Revenue Adjustments cost proposal forms submitted by Contractor as part of the corrected November 15, 2004 Cost Proposal will apply, pursuant to the provisions of paragraph 4.17 of RFP #07297.

3. The KDOC has selected Option 1 presented by Contractor during negotiations. Information, representations, materials and/or documents contained in Contractor's Bid Proposal relative to Options 2, 3 and 4 (sometimes referred to as Options II, III and IV) are not applicable to this contract.

4. Lansing Correctional Facility will have a 40-hour psychiatrist as reflected in the November 10, 2004 Staffing Summary and those 40 hours will not include the ten (10) hours budgeted for the Regional Staff Psychiatrist.

5. Contractor will provide a Corporate Medical Director available for consultation and over site. That person will be separate and distinct from Contractor's Regional Medical Director.

6. The Forensic Psychologist positions listed in the November 10, 2004 Staffing Summary under "Regional Staff" will be placed at KDOC's correctional facilities.

7. Contractor will use current NCCHC Clinical Guidelines to perform all chronic care functions provided under this Agreement.

8. Certified Medication Aides (CMAs) employed by Contractor pursuant to this Agreement shall be supervised either by a RN, ARNP or MD, and CMA duties shall be

commensurate with their level of training.

AUDITS

In addition to inspecting and reviewing the Contractor's services in order to determine their acceptability upon the Contractor's requisition for payment, KDOC shall be empowered to inspect and review the Contractor's services in progress at such reasonable times as desired by KDOC. Neither party to this agreement shall prohibit or prevent the Legislative Division of Post Audit from having access pursuant to K.S.A. 46-1101 *et seq.* to any records, documents, or other information -- confidential or otherwise -- regarding or relating to the execution and/or performance of this agreement.

CAPTIONS

The descriptive headings of this agreement are for convenience only and shall not be deemed to affect the meaning of any provision.

MODIFICATIONS

This agreement may only be modified by the mutual written agreement of the parties with the approval of the Procurement Negotiating Committee.

KDOC

By: _____
Roger Werholtz
Secretary of Corrections

Correct Care Solutions, Inc.

By: _____
Jerry Boyle
President and CEO

DIVISION OF PURCHASES

By: 12/23/04
Chris Howe
Director of Purchases

State of Kansas
Department of Administration
DA-146a (Rev. 2-03)

CONTRACTUAL PROVISIONS ATTACHMENT

Important: This form contains mandatory contract provisions and must be attached to or incorporated in all copies of any contractual agreement. If it is attached to the vendor/contractor's standard contract form, then that form must be altered to contain the following provision:

"The Provisions found in Contractual Provisions Attachment (Form DA-146a, Rev. 1-01), which is attached hereto, are hereby incorporated in this contract and made a part thereof."

The parties agree that the following provisions are hereby incorporated into the contract to which it is attached and made a part thereof, said contract being the _____ day of _____, 20_____.

1. **Terms Herein Controlling Provisions**: It is expressly agreed that the terms of each and every provision in this attachment shall prevail and control over the terms of any other conflicting provision in any other document relating to and a part of the contract in which this attachment is incorporated.

2. **Agreement With Kansas Law**: All contractual agreements shall be subject to, governed by, and construed according to the laws of the State of Kansas.

3. **Termination Due to Lack of Funding Appropriation or Budget Rescission or Allotment**: If, in the judgment of the Director of Accounts and Reports, Department of Administration, sufficient funds are not appropriated to continue the function performed in this agreement and for the payment of the charges hereunder, State may terminate this agreement at the end of its current fiscal year. State agrees to give written notice of termination to contractor at least 30 days prior to the end of its current fiscal year, and shall give such notice for a greater period prior to the end of such fiscal year as may be provided in this contract, except that such notice shall not be required prior to 90 days before the end of such fiscal year. If, in the judgment of the Secretary of the state agency party, as a result of a budget rescission ordered by the Governor, or a budget allotment ordered by the Secretary of Administration, insufficient funds remain to support the function performed in this agreement and for payment of charges hereunder, State may terminate this agreement upon giving 30 days' written notice. In the event of termination due to any circumstance set forth above, Contractor shall have the right to take possession of any equipment provided State under the contract, upon the effective date of termination. State will pay to the contractor all regular contractual payments incurred up to the effective date of termination, plus contractual charges, if any, incidental to the return of any such equipment. Upon termination of the agreement by the State, title to any such equipment shall revert to the contractor upon the effective date of termination. The termination of the contract pursuant to this paragraph shall not cause any penalty to be charged to the agency or the contractor.

4. **Disclaimer Of Liability**: Neither the State of Kansas nor any agency thereof shall hold harmless or indemnify any contractor beyond that liability incurred under the Kansas Tort Claims Act (K.S.A. 75-6101 et seq.).

5. **Anti-Discrimination Clause**: The contractor agrees: (a) to comply with the Kansas Act Against Discrimination (K.S.A. 44-1001 et seq.) and the Kansas Age Discrimination in Employment Act (K.S.A. 44-1111 et seq.) and the applicable provisions of the Americans With Disabilities Act (42 U.S.C. 12101 et seq.) (ADA) and to not discriminate against any person because of race, religion, color, sex, disability, national origin or ancestry, or age in the admission or access to, or treatment or employment in, its programs or activities; (b) to include in all solicitations or advertisements for employees, the phrase "equal opportunity employer"; (c) to comply with the reporting requirements set out at K.S.A. 44-1031 and K.S.A. 44-1116; (d) to include those provisions in every subcontract or purchase order so that they are binding upon such subcontractor or vendor; (e) that a failure to comply with the reporting requirements of (c) above or if the contractor is found guilty of any violation of such acts by the Kansas Human Rights Commission, such violation shall constitute a breach of contract and the contract may be cancelled, terminated or suspended, in whole or in part, by the contracting state agency or the Kansas Department of Administration; (f) if it is determined that the contractor has violated applicable provisions of ADA, such violation shall constitute a breach of contract and the contract may be cancelled, terminated or suspended, in whole or in part, by the contracting state agency or the Kansas Department of Administration.

   Parties to this contract understand that the provisions of this paragraph number 5 (with the exception of those provisions relating to the ADA) are not applicable to a contractor who employs fewer than four employees during the term of such contract or whose contracts with the contracting state agency cumulatively total $5,000 or less during the fiscal year of such agency.

6. **Acceptance Of Contract**: This contract shall not be considered accepted, approved or otherwise effective until the statutorily required approvals and certifications have been given.

7. **Arbitration, Damages, Warranties**: Notwithstanding any language to the contrary, no interpretation shall be allowed to find the State or any agency thereof has agreed to binding arbitration, or the payment of damages or penalties upon the occurrence of a contingency. Further, the State of Kansas shall not agree to pay attorney fees and late payment charges beyond those available under the Kansas Prompt Payment Act (K.S.A. 75-6403), and no provision will be given effect which attempts to exclude, modify, disclaim or otherwise attempt to limit implied warranties of merchantability and fitness for a particular purpose.

8. **Representative's Authority To Contract**: By signing this contract, the representative of the contractor thereby represents that such person is duly authorized by the contractor to execute this contract on behalf of the contractor and that the contractor agrees to be bound by the provisions thereof.

9. **Responsibility For Taxes**: The State of Kansas shall not be responsible for, nor indemnify a contractor for, any federal, state or local taxes which may be imposed or levied upon the subject matter of this contract.

10. **Insurance**: The State of Kansas shall not be required to purchase, any insurance against loss or damage to any personal property to which this contract relates, nor shall this contract require the State to establish a "self-insurance" fund to protect against any such loss of damage. Subject to the provisions of the Kansas Tort Claims Act (K.S.A. 75-6101 et seq.), the vendor or lessor shall bear the risk of any loss or damage to any personal property in which vendor or lessor holds title.

11. **Information**: **No provision of this contract shall be construed as limiting the Legislative Division of Post Audit from having access to information pursuant to K.S.A. 46-1101 et seq.**

12. **The Eleventh Amendment**: "The Eleventh Amendment is an inherent and incumbent protection with the State of Kansas and need not be reserved, but prudence requires the State to reiterate that nothing related to this contract shall be deemed a waiver of the Eleventh Amendment."