

CONTRACT NO. PSD 11-ID/MB-19



STATE OF HAWAI'I  
SUPPLEMENTAL CONTRACT NO. 3  
TO CONTRACT PSD 11-ID/MB-19

(Insert contact number or other identifying information)

This Supplemental Contract No. 3, executed on the respective  
dates indicated below, is effective as of July 1, 2014 between the  
Department of Public Safety

(Name of the state department, agency board or commission)

State of Hawai'i ("STATE"), by its Director  
(Title of person signing for the STATE)

whose address is: 919 Ala Moana Boulevard, Room 400, Honolulu, Hawai'i 96814

and Corrections Corporation of America  
(Name of PROVIDER)

("PROVIDER"), a Corporation  
(Legal form of PROVIDER i.e., Corporation, Limited Liability Company, etc.)

under the laws of the State of Maryland whose business street address and taxpayer  
identification numbers are as follows:

Business street address:

10 Burton Hills Boulevard  
Nashville, Tennessee 37215

Mailing address if different than business street address:

Federal employer identification number [REDACTED]

Hawai'i general excise tax number: not applicable

SUPPLEMENTAL CONTRACT

Page 1 of 4

AG Form 103F15 (02/09)

**RECITALS**

A. WHEREAS, the STATE and the PROVIDER entered into a Contract  
PSD 11-ID/MB-19  
*(Insert contract number or other identifying information)*

effective June 30, 20 11, which was amended by Supplemental Contract No(s) 01  
effective June 29, 20 12, which was amended by Supplemental Contract No(s) 02  
effective August 5, 20 13, which was amended by Supplemental Contract No(s)       
effective           , 20      (hereinafter collectively referred to as "Contract) whereby  
the PROVIDER agreed to provide the goods or services, or both, described in the Contract; and

B. WHEREAS, the parties now desire to amend the Contract,  
NOW, THEREFORE, the STATE, and the PROVIDER mutually agree to amend the  
Contract as follows:

(Check applicable box(es))

- Amend the SCOPE OF SERVICES according to the terms set forth in Attachment S1, which is attached hereto and incorporated herein.
- Amend the TIME OF PERFORMANCE according to the terms set forth in Attachment S2, which is attached hereto and incorporated herein.
- Amend the COMPENSATION AND PAYMENT SCHEDULE according to the terms set forth in Attachment S3, which is attached hereto and incorporated herein.
- Amend the SPECIAL CONDITIONS according to the terms set forth in the Supplemental Special Conditions, which is attached hereto and incorporated herein.
- Recognize the PROVIDER's change of name

FROM: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

TO: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

CONTRACT NO. PSD 11-ID/MB-19

as set forth in the documents attached hereto as Exhibit \_\_\_\_\_, and incorporated herein.

A tax clearance certificate from the State of Hawaii  is  is not required to be submitted to the STATE prior to commencing any performance under this Supplemental Contract.

A tax clearance certificate from the Internal Revenue Service  is  is not required to be submitted to the STATE prior to commencing any performance under this Supplemental Contract.

The entire Contract as amended herein shall remain in full force and effect.

In view of the above, the parties execute this supplemental agreement by their signatures below.

STATE

By

(Signature)

Print Name

Ted Sakai

Print Title

Director

Date

7/2/14

FUNDING AGENCY (to be signed by head of funding agency if other than the Contracting Agency)

By

(Signature)

Print Name

Print Title

Date

**SUPPLEMENTAL CONTRACT**

Page 3 of 4

AG Form 103F15 (02/09)

CONTRACT NO. PSD 11-ID/MB-19

CORPORATE SEAL  
(if available)

PROVIDER:

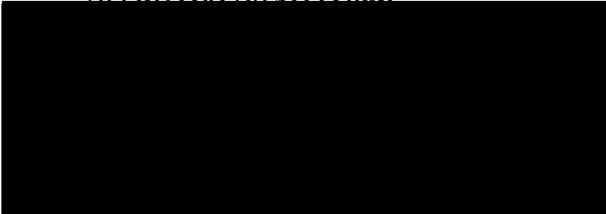
By 

Print Name Anthony Grande

Print Title Chief Development Officer

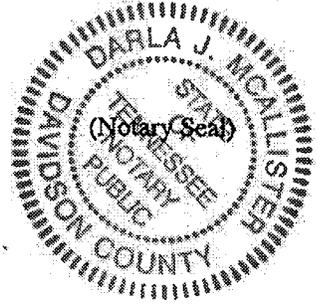
Date 6/23/14

APPROVED AS TO FORM: 



PROVIDER'S ACKNOWLEDGMENT

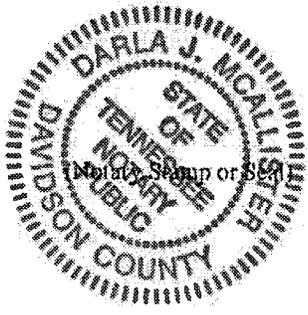
STATE OF Tennessee )  
 ) SS.  
Davidson COUNTY OF Nashville )  
 On this 13 day of June, 20 14, before  
 me appeared Anthony Grande  
 and \_\_\_\_\_, to me known, to be the  
 person(s) described in and, who, being by me duly sworn, did say that ~~he~~/she/they ~~is~~/are the  
Chief Development Officer and \_\_\_\_\_  
 of Continental Corporation of America  
 the PROVIDER named in the foregoing instrument, and that ~~he~~/she/they ~~is~~/are authorized to sign said  
 instrument on behalf of the PROVIDER, and acknowledges that ~~he~~/she/they executed said instrument  
 as the free act and deed of the PROVIDER.



B: [Redacted]  
 Print Name Darla J. McAllister  
 Date 6.23.2014  
 Notary Public, State of Tennessee  
 My commission expires: 8.23.2016

Doc. Date: July 1, 2014 # Pages: 18  
 Notary Name: Darla J. McAllister Circuit \_\_\_\_\_  
 Doc. Description: State of Hawaii  
 Supplemental Contract No. 3  
 To Contract PSD 11-ID/MB-19

[Redacted Signature] 6.23.2014  
 Date



NOTARY CERTIFICATION

**CERTIFICATE OF EXEMPTION FROM CIVIL SERVICE**

**1. By Heads of Departments or Agencies as Delegated by the Director of Human Resources Development<sup>1</sup>.**

Pursuant to the delegation of the authority by the Director of Human Resources Development, I certify that the services provided under this Contract, and the person(s) providing the services under this Contract are exempt from the civil service, pursuant to §76-16, Hawai'i Revised Statutes ("HRS").



7/2/14  
(Date)

Ted Sakai  
(Print Name)  
Director  
(Print Title)

<sup>1</sup> This part of the form may be used by all department heads and others to whom the Director of Human Resources Development (DHRD) has delegated authority to certify §76-16, HRS, civil service exemptions. The specific paragraph(s) of §76-16, HRS, upon which an exemption is based should be noted in the contract file. NOTE: Authority to certify exemptions under §§ 76-16(2), 76-16(12), and 76-16(15), HRS, has not been delegated; only the Director of DHRD may certify §§76-16(2), 76-16(12), and 76-16(15) exemptions.

**2. By the Director of Human Resources Development, State of Hawai'i.**

I certify that the services to be provided under this Contract, and the person(s) providing the services under this Contract are exempt from the civil service, pursuant to §76-16, HRS.

\_\_\_\_\_  
(Signature)  
\_\_\_\_\_  
(Print Name)  
\_\_\_\_\_  
(Print Title, if designee of the Director of DHRD)

\_\_\_\_\_  
(Date)

**PROVIDER'S  
STANDARDS OF CONDUCT DECLARATION**

For the purposes of this declaration:

"Agency" means and includes the State, the legislature and its committees, all executive departments, boards, commissions, committees, bureaus, offices; and all independent commissions and other establishments of the state government but excluding the courts.

"Controlling interest" means an interest in a business or other undertaking which is sufficient in fact to control, whether the interest is greater or less than fifty per cent (50%).

"Employee" means any nominated, appointed, or elected officer or employee of the State, including members of boards, commissions, and committees, and employees under contract to the State or of the constitutional convention, but excluding legislators, delegates to the constitutional convention, justices, and judges. (Section 84-3, HRS).

On behalf of:

CORRECTIONS CORPORATION OF AMERICA

(Name of PROVIDER)

PROVIDER, the undersigned does declare as follows:

1. PROVIDER  is\*  is not a legislator or an employee or a business in which a legislator or an employee has a controlling interest. (Section 84-15(a), HRS).
2. PROVIDER has not been represented or assisted personally in the matter by an individual who has been an employee of the agency awarding this Contract within the preceding two years and who participated while so employed in the matter with which the Contract is directly concerned. (Section 84-15(b), HRS).
3. PROVIDER has not been assisted or represented by a legislator or employee for a fee or other compensation to obtain this Contract and will not be assisted or represented by a legislator or employee for a fee or other compensation in the performance of this Contract, if the legislator or employee had been involved in the development or award of the Contract. (Section 84-14 (d), HRS).
4. PROVIDER has not been represented on matters related to this Contract, for a fee or other consideration by an individual who, within the past twelve (12) months, has been an agency employee, or in the case of the Legislature, a legislator, and participated while an employee or legislator on matters related to this Contract. (Sections 84-18(b) and (c), HRS).

PROVIDER understands that the Contract to which this document is attached is voidable on behalf of the STATE if this Contract was entered into in violation of any provision of chapter 84, Hawai'i Revised Statutes, commonly referred to as the Code of Ethics, including the provisions which are the source of the

\* Reminder to agency: If the "is" block is checked and if the Contract involves goods or services of a value in excess of \$10,000, the Contract may not be awarded unless the agency posts a notice of its intent to award it and files a copy of the notice with the State Ethics Commission. (Section 84-15(a), HRS).

CONTRACT NO. PSD 11-ID/MB-19

declarations above. Additionally, any fee, compensation, gift, or profit received by any person as a result of a violation of the Code of Ethics may be recovered by the STATE.

PROVIDER

By 

Print Name Anthony Grande

Print Title Chief Development Officer

Date 6/23/14

CONTRACT NO. PSD 11-ID/MB-19

Attachment 2

**TIME OF PERFORMANCE**

The time of performance on this contract is extended an additional twelve months, effective July 1, 2014 to June 30, 2015.

Unless terminated, this contract may be extended for one additional twelve month period.

\*\*\*\*\* END OF SECTION \*\*\*\*\*  
TIME OF PERFORMANCE  
SUPPLEMENTAL AGREEMENT NO. 3 TO CONTRACT PSD 11-ID/MB-19

CONTRACT NO. PSD 11-ID/MB-19

\*\*\*\*\* THIS PAGE IS INTENTIONALLY LEFT BLANK \*\*\*\*\*  
TIME OF PERFORMANCE  
SUPPLEMENTAL AGREEMENT NO. 3 TO CONTRACT PSD 11-ID/MB-19

**COMPENSATION AND PAYMENT SCHEDULE**

Pursuant to contract no. PSD 11-ID/MB-19, the per diem rate shall be adjusted on July 1st of each contract year, beginning July 1, 2012, the basic daily fee shall increase by 2.5% or by the Consumer Price Index for all Urban Consumers, West Region, as prepared by the United States Bureau of Labor Statistics, whichever is greater, but not to exceed 3%.

Consumer Price Index - All Urban Consumers  
Original Data Value

Series Id: CUUR0400SA0  
Not Seasonally Adjusted  
Area: West urban  
Item: All items  
Base Period: 1982-84=100  
Years: 2004 to 2014

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2004	189.4	190.8	192.2	192.3	193.4	193.3	192.9	193.0	193.8	195.0	195.1	194.2
2005	194.5	195.7	197.1	198.6	198.8	198.0	198.6	199.6	201.7	202.6	201.4	200.0
2006	201.7	202.7	203.8	205.3	206.9	206.4	206.7	207.5	207.8	207.1	206.3	206.2
2007	207.790	208.995	210.778	212.036	213.063	212.680	212.542	212.406	212.920	213.917	214.904	214.733
2008	215.739	216.339	218.533	219.437	221.009	223.040	223.867	222.823	222.132	221.034	217.113	214.685
2009	215.923	217.095	217.357	217.910	218.567	219.865	219.484	219.884	220.294	220.447	219.728	219.307
2010	219.989	220.179	220.809	221.202	221.417	221.147	221.331	221.523	221.384	221.708	221.671	222.081
2011	223.149	224.431	226.558	227.837	228.516	228.075	227.805	228.222	229.147	229.195	228.771	228.117
2012	228.980	229.995	232.039	232.561	233.053	232.701	231.893	233.001	234.083	234.966	233.206	232.029
2013	232.759	234.595	235.511	235.488	235.979	236.227	236.341	236.591	237.146	237.000	236.153	236.096
2014	236.707	237.614	239.092									

Mar-14 May-13  
(239.092 - 235.979) / 235.979 = 0.013192 7/1/14 to 6/30/15

$67.09 \times 0.013192 = 0.885041$       $\$67.09 + .89 = \$67.98$

Per minimum increase 2.50% = \$1.68      $\$67.09 + \$1.68 = \$68.77$

THE ADJUSTED PER DIEM RATE FOR THE CONTRACT PERIOD JULY 1, 2014 THROUGH JUNE 30, 2015 IS \$68.77.

All other terms and conditions remain unchanged.

\*\*\*\*\* END OF SECTION \*\*\*\*\*  
 COMPENSATION AND PAYMENT SCHEDULE  
 SUPPLEMENTAL AGREEMENT NO. 3 TO CONTRACT PSD 11-ID/MB-19

CONTRACT NO. PSD 11-ID/MB-19

\*\*\*\*\* THIS PAGE INTENTIONALLY LEFT BLANK \*\*\*\*\*  
COMPENSATION AND PAYMENT SCHEDULE  
SUPPLEMENTAL AGREEMENT NO. 3 TO CONTRACT PSD 11-ID/MB-19

**SPECIAL CONDITIONS**

The following paragraphs are added or revised:

"Prison Rape Elimination Act (PREA) - Failure to maintain full compliance with PREA as demonstrated through facility-specific PREA compliance audits shall constitute an event of default on the part of the Provider. The STATE shall provide written notice to Provider of the default and shall specify a reasonable period of time in which the Provider must cure the default. The STATE shall not specify a cure period of less than the corrective action period specified in the PREA standards, which is currently one hundred eighty (180) days. If the Provider fails to cure the default within the reasonable period of time specified, the STATE may assess liquidated damages against the Provider of \$100 per day for each day after the specified cure period that the Provider is in default, subject to a maximum of \$10,000.00 in liquidated damages following the first 3-year PREA audit cycle and a maximum of \$15,000.00 in liquidated damages following each subsequent PREA audit cycle during the term of this contract."

Revised Restitution Payments Language:

"Section 353-22.6, Hawaii Revised Statutes, requires the PSD to enforce victim restitution orders. Effective July 1, 2012, under Act 139, Section 10, Session Laws of Hawaii 2012, the amount deducted from an inmate's earnings, deposits and credits for victim restitution orders increased from 10% to 25%. This increase applies only to court orders for restitution imposed on or after July 1, 2012. It does not apply retroactively to orders imposed prior to July 1, 2012. For orders imposed prior to July 1, 2012, the required restitution deduction is 10%. However, where a given court order is inconsistent with the 25% or 10% statutory deduction, PSD must follow the court order. In conjunction with the State's Crime Victim Compensation Commission (CVCC), the PSD has agreed to deduct restitution amounts from Inmate earnings, deposits, and credits and forward these funds to the CVCC. Each facility shall cooperate with PSD's Mainland & FDC Branch in collecting victim restitution orders."

Revised Inmate Commissary Language:

"A commissary shall be available to Inmates for purchase of nonessential items not furnished by the facilities under this Contract, such as soft drinks, candy and personal items. Items sold in the commissary shall not be sold as a substitute for the facility's obligation to furnish supplies and materials that are essential to Inmates. Effective July 1 2012, under Act 190, Section 1, Session Laws of Hawaii 2012, any items purchased by an in-state and out-of-state inmate from a correctional facility commissary shall be subject to a 4% surcharge on the item's price. The proceeds from the surcharge shall be deposited into the automated victim information and notification system special fund.

After the 4% surcharge has been deducted, revenues may be used to pay all operating expenses of the commissary including but not limited to inventory purchase and commissary worker salaries and benefits. The profits from the commissary services shall benefit persons housed at the facilities under this Contract (equipment, services and programs); The PROVIDER may deny an Inmate access to the commissary or to any item sold in the commissary for disciplinary or medical reasons.

Restricted purchases of commissary items in segregation housing and the Special Housing Incentive Program shall be in accordance to CCA Policy."

\*\*\*\*\*END OF SECTION\*\*\*\*\*  
SPECIAL CONDITIONS  
SUPPLEMENTAL AGREEMENT NO. 3 TO CONTRACT PSD 11-ID/MB-19

CONTRACT NO. PSD 11-ID/MB-19

\*\*\*\*\* THIS PAGE INTENTIONALLY LEFT BLANK \*\*\*\*\*

\*\*\*\*\* THIS PAGE INTENTIONALLY LEFT BLANK \*\*\*\*\*

CONTRACT NO. PSD 11-ID/MB-19

\*\*\*\*\* THIS PAGE INTENTIONALLY LEFT BLANK \*\*\*\*\*

CONTRACT NO. PSD 11-ID/MB-19

\*\*\*\*\* THIS PAGE INTENTIONALLY LEFT BLANK \*\*\*\*\*

CONTRACT NO. PSD 11-ID/MB-19

\*\*\*\*\* THIS PAGE INTENTIONALLY LEFT BLANK \*\*\*\*\*  
SPECIAL CONDITIONS  
SUPPLEMENTAL AGREEMENT NO. 3 TO CONTRACT PSD 11-ID/MB-19