

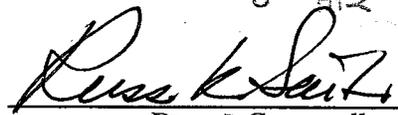
CONTRACT CERTIFICATION

I hereby certify that there is an appropriation balance in the account(s) named below for this Contract No. 56451
with G4S JUSTICE SERVICES, INC.

APPROPRIATION	(*)	AMOUNT
631 G 07 010 V1 Intake Service Centers		67,452.00

* Federal funds, as received. Sec. 103D-309, H.R.S.

Dated November 6, 2007


Comptroller
State of Hawaii

DEPT OF PUBLIC SAFETY
ADMINISTRATIVE SERVICES OFFICE
2007 NOV 13 A 9:36



STATE OF HAWAII
CONTRACT FOR GOODS OR SERVICES
BASED UPON
COMPETITIVE SEALED PROPOSALS

CONTRACT NO.

56451

This Contract, executed on the respective dates indicated below, is effective as of July 1, 2007, between the Department of Public Safety,
(Insert name of state department, agency, board or commission)
 State of Hawaii ("STATE"), by its Interim Director,
(Insert title of person signing for State)
 (hereafter also referred to as the HEAD OF THE PURCHASING AGENCY or designee ("HOPA")), whose address is 919 Ala Moana Boulevard, Room 400, Honolulu, Hawaii 96814
and G4S Justice Services, Inc.
 ("CONTRACTOR"), a Corporation
(Insert corporation, partnership, joint venture, sole proprietorship, or other legal form of the Contractor)
 under the laws of the State of Delaware, whose business address and federal and state taxpayer identification numbers are as follows: 30201 Aventura, Rancho Santa Margarita, California 92688; FEIN: ; HIGET:

RECITALS

- A. The STATE desires to retain and engage the CONTRACTOR to provide the goods or services, or both, described in this Contract and its attachments, and the CONTRACTOR is agreeable to providing said goods or services or both.
- B. The STATE has issued a request for competitive sealed proposals, and has received and reviewed proposals submitted in response to the request.
- C. The solicitation for proposals and the selection of the CONTRACTOR were made in accordance with section 103D-303, Hawaii Revised Statutes ("HRS"), Hawaii Administrative Rules, Title 3, Department of Accounting and General Services, Subtitle 11 ("HAR"), Chapter 122, Subchapter 6, and applicable procedures established by the appropriate Chief Procurement Officer ("CPO").
- D. The CONTRACTOR has been identified as the responsible and responsive offeror whose proposal is the most advantageous for the STATE, taking into consideration price and the evaluation factors set forth in the request.
- E. Pursuant to Chapter 353C-2, HRS, the STATE
(Legal authority to enter into this Contract)
 is authorized to enter into this Contract.

F. Money is available to fund this Contract pursuant to:
 (1) Act 160, SLH 2006
(Identify state sources)
 or (2) _____
(Identify federal sources)
 or both, in the following amounts: State \$ 67,452.00
 Federal \$ _____

NOW, THEREFORE, in consideration of the promises contained in this Contract, the STATE and the CONTRACTOR agree as follows:

- 1. Scope of Services. The CONTRACTOR shall, in a proper and satisfactory manner as determined by the STATE, provide all the goods or services, or both, set forth in the request for competitive sealed proposals number PSD 07-ISC-22 ("RFP") and the CONTRACTOR'S accepted proposal ("Proposal"), both of which, even if not physically attached to this Contract, are made a part of this Contract.
- 2. Compensation. The CONTRACTOR shall be compensated for goods supplied

or services performed, or both, under this Contract in a total amount not to exceed SIXTY-SEVEN THOUSAND, FOUR HUNDRED FIFTY-TWO AND NO/100 DOLLARS (\$ 67,452.00), including approved costs incurred and taxes, at the time and in the manner set forth in the RFP and CONTRACTOR'S Proposal.

3. Time of Performance. The services or goods required of the CONTRACTOR under this Contract shall be performed and completed in accordance with the Time of Performance set forth in Attachment-S3, which is made a part of this Contract.

4. Bonds. The CONTRACTOR is required to provide or is not required to provide: a performance bond, a payment bond, a performance and payment bond in the amount of NOT APPLICABLE DOLLARS (\$ N/A).

5. Standards of Conduct Declaration. The Standards of Conduct Declaration of the CONTRACTOR is attached to and made a part of this Contract.

6. Other Terms and Conditions. The General Conditions and any Special Conditions are attached to and made a part of this Contract. In the event of a conflict between the General Conditions and the Special Conditions, the Special Conditions shall control. In the event of a conflict among the documents, the order of precedence shall be as follows: (1) this Contract, including all attachments and addenda; (2) the RFP, including all attachments and addenda; and (3) the Proposal.

7. Liquidated Damages. Liquidated damages shall be assessed in the amount of NOT APPLICABLE DOLLARS (\$ N/A) per day, in accordance with the terms of paragraph 9 of the General Conditions.

8. Notices. Any written notice required to be given by a party to this Contract shall be (a) delivered personally, or (b) sent by United States first class mail, postage prepaid. Notice to the STATE shall be sent to the HOPA'S address indicated in the Contract. Notice to the CONTRACTOR shall be sent to the CONTRACTOR'S address indicated in the Contract. A notice shall be deemed to have been received three (3) days after mailing or at the time of actual receipt, whichever is earlier. The CONTRACTOR is responsible for notifying the STATE in writing of any change of address.

IN VIEW OF THE ABOVE, the parties execute this Contract by their signatures, on the dates below, to be effective as of the date first above written.

STATE

Clayton A. Frank
(Signature)

Clayton A. Frank
(Print Name)

Interim Director
(Print Title)

10/8/07
(Date)

CONTRACTOR

CORPORATE SEAL

(If available)

GAS Justice Services, Inc.
(Name of Contractor)

T. W. ...
(Signature)

PETER CAUGHTLIN
(Print Name)

VP BUSINESS ANALYSIS
(Print Title)

9/24/2007
(Date)

APPROVED AS TO FORM:

[Signature]
Deputy Attorney General

* Evidence of authority of the CONTRACTOR'S representative to sign this Contract for the CONTRACTOR must be attached.



G4S Justice Services, Inc.
30201 Aventura
Rancho Santa Margarita
California 92688

Telephone: 949 635 1600
Fax: 949 635 1627
www.group4securicor.com

September 24, 2007

Authority to bind the Company

Please accept this letter as evidence of Corporate Resolution on behalf of G4S Justice Services Inc. that Peter Loughlin, Vice President, Business Analysis, is authorized to bind the company to the provision of RFP's and any contract documents pursuant to them.

Sincerely

A handwritten signature in black ink, appearing to read 'Fiona Walters'.

Fiona Walters
President and CEO
G4S Justice Services, Inc



STATE OF HAWAII

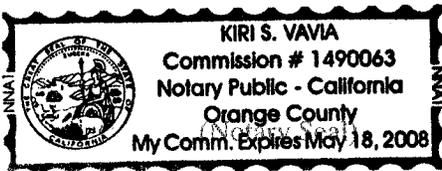
CONTRACTOR'S ACKNOWLEDGMENT

STATE OF California)
) SS.
COUNTY OF Orange)

On this 24th day of September, 2007 before me appeared

_____ 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

Peter Loughlin and _____ of G4S Justice Services, Inc., the CONTRACTOR named in the foregoing instrument, and that he/she/they is/are authorized to sign said instrument on behalf of the CONTRACTOR, and acknowledges that he/she/they executed said instrument as the free act and deed of the CONTRACTOR.



P. Loughlin
(Signature)
PETER LOUGHLIN
(Print Name)

Kiri S. Vavia Notary Public, State of California
My commission expires: May 18, 2008



STATE OF HAWAII
CONTRACTOR'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 G4S Justice Services, Inc., CONTRACTOR, the undersigned does declare as follows:

1. CONTRACTOR 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. CONTRACTOR 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. CONTRACTOR 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. CONTRACTOR 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).

CONTRACTOR 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, Hawaii Revised Statutes, commonly referred to as the Code of Ethics, including the provisions which are the source of the 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.

CONTRACTOR

By *P. Langhin*
(Signature)

Print Name PETER LANGHIN

Print Title VP BUSINESS ANALYSIS

Name of Contractor G4S Justice Services, Inc.

Date 9/24/2007

* 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 must be awarded by competitive sealed bidding under section 103D-302, HRS, or a competitive sealed proposal under section 103D-303, HRS. Otherwise, the Agency may not award the Contract unless it 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).



STATE OF HAWAII

SCOPE OF SERVICES

The Contractor shall rent Offender Monitoring Equipment and shall furnish Monitoring Services to the Department of Public Safety, Intake Services Center, all in strict accordance with the terms and conditions of this Agreement. It is understood that the Agreement includes as part hereof, the General Conditions, Form AG-008 Rev. 11/03/2006, which is attached hereto, and the Request for Proposals, No. PSD 07-ISC-22 and the Contractor's proposal, both of which are included by reference. In times of conflict, the laws and rules of the State and the policies and procedures of the Department of Public Safety shall govern.

Equipment shall be new, of the latest general proven technology, and meeting the Federal Communication Commission rules and regulations. Used, refurbished or reconditioned equipment is unacceptable.

Contractor shall provide initial training in the use of the equipment to on-site personnel within ten (10) working days of the Notice to Proceed commencement date. Contractor shall also provide training on any enhancements to the basic equipment. Refresher training shall be provided at least annually at no additional cost to the State.

Throughout the contract life, Contractor shall provide to on-site personnel, a system of technical support, which includes equipment maintenance.

Contractor shall (1) have a central monitoring office staffed to provide continuous 24-hour per day, seven (7) days a week monitoring services, and (2) furnish the State with all new monitoring units of the latest technology. Contractor shall have a contingency plan in place to ensure continuous 24-hour-per-day monitoring service.

Contractor shall initially provide to the State, sixty (60) monitoring units. The State reserves the right to increase or decrease the number of units upon forty-eight (48) hours written notice to the Contractor.

The monitoring units provided to the State shall be capable of providing continuous signaling monitoring of participants while at home.

Contractor shall provide monitoring service reports as required by the Department of Public Safety.

EQUIPMENT

The Contractor's equipment shall be upgradeable and PSD shall receive from the Contractor all new revisions as they become available after one year of proven use at no additional cost to PSD. All equipment and services upgrades, or changes will be approved in writing by PSD's Contract Administrator.

1. Transmitter

- a. Shall be small, lightweight, not pose a safety hazard and not unduly restrict the activities of the offender.
- b. Shall send an individually coded signal, with a transmission range of approximately 150 feet.
- c. Shall be easily installed on the offender with minimal training and experience of the installer.

- d. The strap shall be adequate to fit most individuals and shall be easily replaced in the field.
- e. Shall emit a signal at least once every 60 seconds.
- f. Shall be shock-resistant, water and moisture proof, and function reliably under normal atmospheric and environmental conditions.
- g. The batteries shall last a minimum of twelve (12) months, including shelf life, without the need for recharging or replacement.
- h. The batteries shall be on a scheduled change not less than twelve (12) months or emit a low battery warning up to five (5) days prior to the battery dying while in use. The batteries shall be easily replaced in the transmitter. Alternatively, for sealed units, the entire unit shall be replaced upon a low battery warning.
- i. The strap and circuitry within the transmitter shall enable the transmitter to immediately notify the host computer (when in range of the receiver) of any tamper attempt or removal from the offender's ankle or wrist, including severing the strap or removal of the transmitter without severing the strap.
 - (1) A tamper alert signal shall be sent when an offender enters the range of the receiver/monitor and a tamper occurred while the offender was out of range. If the transmitter is in range when a tamper occurs, notification must be immediate. Tamper condition shall be reset automatically.
- j. The transmitter and receiver shall be specifically coded to prevent the possibility of two different offenders sending a message via the same receiver. The transmitter shall be designed to discourage tracing and duplication of a signal.

2. Receiver/Monitor

- a. Shall be able to detect the following events and immediately communicate them to the central computer with the time of occurrence:
 - (1) Identification of offender
 - (2) Arrival of transmitter within range of the receiver/monitor
 - (3) Departure of transmitter out of range with the receiver/monitor
 - (4) Cutting or removal of the transmitter attachment strap from offender
 - (5) Loss or restoration of the 110 AC power
 - (6) Tampering with receiver to gain unauthorized access to internal mechanism
 - (7) Disconnection and restoration of telephone service
 - (8) Attempts to simulate or duplicate radio signal by device other than offender's transmitter.
- b. Shall be tamper-resistant with tamper notification abilities.
- c. Receiver shall automatically communicate with the central computer at preset intervals with a maximum of 6 hours or less if no offender activity is detected. This shall present status reports and indicates it is connected and functioning properly.
- d. Shall be easily installed to a standard pulse or touch-tone telephone using a standard RJ11-C connector as well as the standard two-prong AC power source.

- e. Shall be powered by 110 volt AC line current, with battery backup, capable of providing a minimum of sixteen (16) hours of power and full operation including dial-outs in the event of AC power loss.
- f. Shall include an internal clock and memory to store and time stamp data in the event that communication with the central computer is disrupted. Data stored in the event of a disruption shall be for a day's worth of events and shall then be transmitted to the central computer, as soon as communication is restored.
- g. Shall be able to deliver courtesy alert beeping tones on a line in use in order to communicate with the central computer system. These tones are intended to alert offender to yield the line.
- h. Shall be able to receive the signal from the designated transmitter within the specified range of approximately 150 feet without undue obstruction or interference.
- i. Surge protectors shall be provided for incoming power and telephone lines which are designed in accordance with the manufacturer's recommendations to be fully compatible with the equipment.
- j. Shall receive signals from the transmitter at least once every 60 seconds.
- k. Shall have at least a 10-foot long power cord.
- l. Shall be programmed to receive signals from a unique corresponding transmitter by the central computer.

3. Central Computer

- a. Shall be operating on a 24-hour, 7-days a week basis and staffed by adequately screened and trained personnel.
- b. Shall be located at a secured location(s), with security provisions, where access to the computer records is restricted to authorized individuals.
- c. The center shall have a toll-free "hotline" service available and accessible 24-hours a day and staffed by qualified, technically skilled personnel to troubleshoot monitoring problems.
- d. Shall continuously receive and retain all data sent by each receiver, together with the date and time of each occurrence. All voice responses of the offender shall be stored for later playback. All data shall be continuously stored electronically, available online in real time and later shall be printable in various report formats.
- e. The computer system shall have an alert mechanism to notify the Contractor's monitoring personnel of unauthorized absences, late arrivals, equipment malfunctions and tampers upon their occurrence.
- f. In the event an offender's unauthorized absence is reported by radio frequency, the computer system must have an automatic call back feature and provide immediate, accurate verification that the offender is or is not present.
- g. The Contractor shall periodically update the system with the state of the art computer equipment.

- h. Data shall be backed up on at least a daily basis to prevent data loss due to system failure.
- i. The Contractor shall provide a contingency plan in case of a system malfunction, which cannot be corrected within four (4) hours.
- j. The computer system shall be able to retain relevant personal information for each offender, including name, address, and phone number. The Contractor shall also provide a means to modify this information 24-hours a day.
- k. The software shall be network-based featuring expansion capability to monitor a large number of offenders and all specified monitoring technologies on one database.
- l. The software shall be able to provide for curfew periods covering the whole day (24 hours), portions of the whole day, or both during a period of a week.

4. MONITORING SERVICES

Contractor shall:

- a. Shall provide 24 hours, 7 days a week monitoring of offender on the system in order to promptly detect unauthorized absences, late arrivals, equipment malfunctions and tampering, and to respond promptly to inquiries from PSD.
- b. Shall monitor offender activity data when it is transmitted from the receiver/monitor to the central computer.
- c. Contractor shall provide PSD remote and automated capability for accessing monitoring system to view, print, download and enter offender's monitoring information. Note: The remotely accessible system shall have an adequate security infrastructure to prevent unauthorized users from gaining access to offenders' data. The system will have an appropriate security monitoring system at multiple levels. The security system shall provide information on attempted intrusions and other relevant or useful information that can be reported for further investigation and referral for criminal action.
- d. Upon the occurrence of curfew violation, tampering, loss of power, the monitoring system shall notify PSD caseworker using the caseworker's selected options and schedule by fax, pager notification, or email.
- e. The Contractor shall maintain a contingency plan for movement to a backup monitoring system within a reasonable amount of time following a system malfunction.
- f. The Contractor shall specify its proposed security safeguards to prevent unauthorized access to monitoring data. After contract execution, the Contractor, prior to commencing services, shall submit a list of employees authorized to make changes or modify offenders' data or other agency program settings. Employees on the list will serve as contacts for PSD caseworkers when there is a need to change offenders' data.
- g. The Contractor shall provide security codes to PSD which safeguards the security of data modifications made remotely or over communications systems/lines with the monitoring system or manually on the telephone with a monitoring center employee.
- h. The Contractor shall provide information on monitoring system architecture to include the

hardware, software, and power source(s). This shall include a description of contingency plans for system failures, such as notifying the caseworker.

- i. Daily reports shall include offender activity, curfew, violations and other alert conditions such as, but not limited to, disconnects, tampers, power loss and restoration, telephone service disconnect and restoration and shall cover a 24-hour period (Hawaiian Standard Time).
- j. The system used for monitoring should be reliable, accurate and consistent, and have a minimal number of false readings (e.g. out of range signal due to dead zones in the residence, low battery indicators reported as violations.)
- k. The Contractor shall maintain the accuracy of central monitoring system time and shall support world time zones.
- l. The Contractor shall provide a system of technical support with sufficient experienced personnel to perform remote diagnostics and the ability to troubleshoot equipment problems in a timely manner.
- m. The Contractor shall rent to the agency all the necessary equipment and provide replacement parts and maintenance of the electronic monitoring system. The Contractor shall detail the logistical process to be used to provide and deliver equipment.
- n. The contractor shall maintain a stable inventory of equipment at PSD specified location(s). In cases of equipment failure, the Contractor will be responsible for providing replacement(s) and the shipping costs.
- o. The Contractor shall maintain the equipment and spares in good operating condition and arrange for prompt repair or replacement. The Contractor shall be responsible for all replacement and shipping costs. The Contractor shall supply sufficient non-durable items, e.g., spare straps and all other necessary parts for attaching and maintaining equipment, to allow timely installation and the servicing of onsite inventory.

5. OPTIONAL AS NEEDED EQUIPMENT

Voice Verification Monitoring System

- (1) Must have the ability to identify the offender's presence at a prescribed location. The number of prescribed locations should not be less than 25 different locations.
- (2) Must work by comparing an offender's voice to a voiceprint, or digitized representation of the offender's voice.
- (3) Must allow instant audible voice verification replay sessions via internet.
- (4) Must allow total voice enrollment including voiceprint in less than 5 minutes.
- (5) Must have the ability to place outbound calls and/or receive inbound calls with ANI identification ability.
- (6) Call schedules and alert notification options must be variable by offender case.
- (7) Must have ability to individually set the number of acceptable failures before an alert is

generated.

- (8) Must allow alert notifications through email, pager or fax.
- (9) Must have such hardware and software security features as necessary to be tamper resistant.
- (10) Must allow online access to offender compliance history.
- (11) Must have the ability to individually set the range of minutes between retry calls after busy signal or a no answer and the maximum number of attempts to verify within a verification call.
- (12) Must have the ability to allow a caseworker to view and print summary reports as needed.
- (13) Must be capable of recording and printing the name of offenders and date and time of violation.
- (14) Must demonstrate high degree of accuracy. Method of validation and percentage of accuracy must be explained and quantified as part of the technical proposal.

6. Spare Equipment

The Contractor shall maintain without charge an inventory of necessary equipment and supplies that will be stored at PSD's specified location(s) for immediate availability at all times or more as PSD determines the need. If inventory is depleted, the Contractor shall immediately ship replacement monitoring units by overnight delivery at no additional cost. The Contractor shall replenish or increase the inventory within 24 hours after notification of a need from PSD.

7. TRAINING

- a. The Contractor shall impart skills and knowledge necessary to implement and manage the program. The training includes thorough review of the entire operation of the system.
- b. The Contractor shall provide training to include, but not limited to, initial orientation and on going specialized and advanced sessions. The Contractor shall also supply operational, procedural and training manuals.
- c. Training will be coordinated through the PSD Contract Administrator or designee.

8. REPORTS

- a. The Contractor shall supply statistical reports, in compliance with the State of Hawaii budgetary requirements.
- b. The Contractor shall supply statistical reports as requested during the fiscal period, for the purpose of evaluating the program.
- c. The Contractor shall provide operational reports by individual profiles, which will assist in the supervision of the offender or the handling of violations as requested. Reports shall include the data compiled during an offender's term of monitoring and shall be available online in real time.

- d. The Contractor shall provide accurate offender schedule changes, alerts of curfew violation, tampering, power loss, phone disconnect reports on individual offenders for the purpose of supporting testimony in court and shall provide expert testimony, as needed on those records, as well as equipment, monitoring center, procedures, etc.
- e. The Contractor shall provide monthly billing reports – a report for each separate branch that would indicate the billable period, the description of the monitoring service provided, the quantity of billable days for each branch, the unit price, the extended price and subtotals and totals. Attachments to this report will also indicate the grand total of days billed during the month and details which include the offender ID, offender name, monitoring type, unit serial numbers, start date, stop date, billing date, billing days, etc.
- f. The Contractor shall provide an inventory report listing the equipment assigned to each branch on a monthly basis.
- g. The Contractor shall provide a monthly report of equipment returned for repairs, and repairs made; replacement issued.

9. TESTIMONY PREPARATION AND APPEARANCE

- a. The Contractor shall be competent to attest to its methodology and performance in any legal proceedings if called upon or subpoenaed. If required to provide testimony, the Contractor shall have the person with direct responsibility for the information requested, appear and testify on behalf of PSD. The costs of travel and any witness fees will be paid by the State as provided for by law and are outside the scope of this contract.
- b. The Contractor shall notify PSD immediately upon receipt of any legal process requiring disclosure of records of offenders.
- c. The Contractor shall, upon request of the court, PSD and/or in response to a subpoena, appear and testify in any legal proceedings convened by the court. Reimbursement for subpoenaed testimony will be through the State and will be based on their witness fee and expense schedule. PSD agrees to provide any necessary consent/release forms that Federal, State, or local law require.

10. QUALITY CONTROL PROGRAM

The Contractor shall have a formal Quality Control program in place that will detect errors in monitoring, prevent future errors, and provide quality assurance for the services provided under this contract. The Quality Control Program will include a routine review process that addresses all areas of the Contractor's performance required.

11. LOST, STOLEN, AND OR DAMAGED UNITS

The Contractor will cover the cost of lost, stolen, or damaged equipment in the amount of no less than ten percent (10%) of the daily average of units per year. To the extent possible, PSD will assist the Contractor in recovering restitution from the offender. The Contractor to provide unit cost for units lost, stolen or damaged in excess of the 10% per year.



STATE OF HAWAII

COMPENSATION AND PAYMENT SCHEDULE

As compensation for the work to be performed by the Contractor, the State agrees to pay the Contractor the quoted unit price of \$2.31 per unit per participant per day and for any optional services as quoted below. The cost per unit per participant per day shall be based on and applicable only upon use by the participant. Charges shall cease upon equipment removal from the participant. The cost per unit per participant per day pricing shall include rental of equipment, monitoring services, maintenance, training, phone charges, shipping, all applicable taxes, and any other costs incurred and necessary for electronic monitoring on a per-participant, per-day basis. The unit cost shall be the all-inclusive cost to the State, and no other costs shall be honored.

Contractor shall forward monthly invoices, original and three (3) copies, to the Contract Administrator:

Department of Public Safety
Oahu Intake Services Center
2199 Kamehameha Hwy.
Honolulu, HI 96819

Invoices for payment shall itemize all the services provided for the billing period and shall reference the contract number.

For the first twelve-month period, Contractor's maximum compensation is \$67,452.00. Continued service requirements are expressly contingent upon the availability of State funds beyond June 30, 2008.

A tax clearance certificate, not over two (2) months old, with an original green certified copy stamp, must accompany the invoice for final payment on the contract.

Item No.

1.	<u>Minimum Electronic Monitoring Equipment</u> (Transmitter & Receiver/Monitor):	Firm, fixed price per unit, per day
	a. 80 units in service per month	\$ <u>2.31</u>
	b. 80+ units in service per month	\$ <u>2.31</u>
2.	<u>Optional, As Needed Equipment</u>	
	a. Voice Verification - 5 calls per day	\$ <u>2.15</u>
	b. Additional calls in excess of 5 calls	\$ <u>0.40</u>



STATE OF HAWAII
TIME OF PERFORMANCE

The contract period for rental of equipment and furnishing of services shall be for the thirty-six month period, or portion thereof, commencing on July 1, 2007, or the date indicated on the Notice to Proceed, contingent upon the availability of funds beyond June 30, 2008.

Unless terminated, the contract shall be extended for not more than two (2) additional twelve-month periods without the necessity of re-bidding, upon mutual agreement in writing at least sixty (60) days prior to expiration, provided the contract terms remain the same or adjusted by PSD initiated contract modification.

GENERAL CONDITIONS

Table of Contents

	<u>Page(s)</u>
1. Coordination of Services by the STATE.....	2
2. Relationship of Parties: Independent Contractor Status and Responsibilities, Including Tax Responsibilities	2
3. Personnel Requirements	3
4. Nondiscrimination	3
5. Conflicts of Interest	3
6. Subcontracts and Assignments	3
7. Indemnification and Defense.....	4
8. Cost of Litigation.....	4
9. Liquidated Damages.....	4
10. STATE'S Right of Offset	4
11. Disputes.....	4
12. Suspension of Contract.....	4
13. Termination for Default.....	5
14. Termination for Convenience.....	6
15. Claims Based on the Agency Procurement Officer's Actions or Omissions	7
16. Costs and Expenses	8
17. Payment Procedures; Final Payment; Tax Clearance	9
18. Federal Funds	9
19. Modifications of Contract.....	9
20. Change Order	10
21. Price Adjustment	11
22. Variation in Quantity for Definite Quantity Contracts.....	11
23. Changes in Cost-Reimbursement Contract.....	11
24. Confidentiality of Material	12
25. Publicity	12
26. Ownership Rights and Copyright	12
27. Liens and Warranties.....	12
28. Audit of Books and Records of the CONTRACTOR	12
29. Cost or Pricing Data	12
30. Audit of Cost or Pricing Data.....	13
31. Records Retention	13
32. Antitrust Claims	13
33. Patented Articles.	13
34. Governing Law.....	13
35. Compliance with Laws	13
36. Conflict between General Conditions and Procurement Rules.....	13
37. Entire Contract	13
38. Severability.....	13
39. Waiver	13
40. Pollution Control.....	14
41. Campaign Contributions.....	14

GENERAL CONDITIONS

1. Coordination of Services by the STATE. The head of the purchasing agency ("HOPA") (which term includes the designee of the HOPA) shall coordinate the services to be provided by the CONTRACTOR in order to complete the performance required in the Contract. The CONTRACTOR shall maintain communications with HOPA at all stages of the CONTRACTOR'S work, and submit to HOPA for resolution any questions which may arise as to the performance of this Contract. "Purchasing agency" as used in these General Conditions means and includes any governmental body which is authorized under chapter 103D, HRS, or its implementing rules and procedures, or by way of delegation, to enter into contracts for the procurement of goods or services or both.
2. Relationship of Parties: Independent Contractor Status and Responsibilities, Including Tax Responsibilities.
 - a. In the performance of services required under this Contract, the CONTRACTOR is an "independent contractor," with the authority and responsibility to control and direct the performance and details of the work and services required under this Contract; however, the STATE shall have a general right to inspect work in progress to determine whether, in the STATE'S opinion, the services are being performed by the CONTRACTOR in compliance with this Contract. Unless otherwise provided by special condition, it is understood that the STATE does not agree to use the CONTRACTOR exclusively, and that the CONTRACTOR is free to contract to provide services to other individuals or entities while under contract with the STATE.
 - b. The CONTRACTOR and the CONTRACTOR'S employees and agents are not by reason of this Contract, agents or employees of the State for any purpose, and the CONTRACTOR and the CONTRACTOR'S employees and agents shall not be entitled to claim or receive from the State any vacation, sick leave, retirement, workers' compensation, unemployment insurance, or other benefits provided to state employees.
 - c. The CONTRACTOR shall be responsible for the accuracy, completeness, and adequacy of the CONTRACTOR'S performance under this Contract. Furthermore, the CONTRACTOR intentionally, voluntarily, and knowingly assumes the sole and entire liability to the CONTRACTOR'S employees and agents, and to any individual not a party to this Contract, for all loss, damage, or injury caused by the CONTRACTOR, or the CONTRACTOR'S employees or agents in the course of their employment.
 - d. The CONTRACTOR shall be responsible for payment of all applicable federal, state, and county taxes and fees which may become due and owing by the CONTRACTOR by reason of this Contract, including but not limited to (i) income taxes, (ii) employment related fees, assessments, and taxes, and (iii) general excise taxes. The CONTRACTOR also is responsible for obtaining all licenses, permits, and certificates that may be required in order to perform this Contract.
 - e. The CONTRACTOR shall obtain a general excise tax license from the Department of Taxation, State of Hawaii, in accordance with section 237-9, HRS, and shall comply with all requirements thereof. The CONTRACTOR shall obtain a tax clearance certificate from the Director of Taxation, State of Hawaii, showing that all delinquent taxes, if any, levied or accrued under state law against the CONTRACTOR have been paid and submit the same to the STATE prior to commencing any performance under this Contract. The CONTRACTOR shall also be solely responsible for meeting all requirements necessary to obtain the tax clearance certificate required for final payment under sections 103-53 and 103D-328, HRS, and paragraph 17 of these General Conditions.
 - f. The CONTRACTOR is responsible for securing all employee-related insurance coverage for the CONTRACTOR and the CONTRACTOR'S employees and agents that is or may be required by law, and for payment of all premiums, costs, and other liabilities associated with securing the insurance coverage.

3. Personnel Requirements.
- a. The CONTRACTOR shall secure, at the CONTRACTOR'S own expense, all personnel required to perform this Contract.
 - b. The CONTRACTOR shall ensure that the CONTRACTOR'S employees or agents are experienced and fully qualified to engage in the activities and perform the services required under this Contract, and that all applicable licensing and operating requirements imposed or required under federal, state, or county law, and all applicable accreditation and other standards of quality generally accepted in the field of the activities of such employees and agents are complied with and satisfied.
4. Nondiscrimination. No person performing work under this Contract, including any subcontractor, employee, or agent of the CONTRACTOR, shall engage in any discrimination that is prohibited by any applicable federal, state, or county law.
5. Conflicts of Interest. The CONTRACTOR represents that neither the CONTRACTOR, nor any employee or agent of the CONTRACTOR, presently has any interest, and promises that no such interest, direct or indirect, shall be acquired, that would or might conflict in any manner or degree with the CONTRACTOR'S performance under this Contract.
6. Subcontracts and Assignments. The CONTRACTOR shall not assign or subcontract any of the CONTRACTOR'S duties, obligations, or interests under this Contract and no such assignment or subcontract shall be effective unless (i) the CONTRACTOR obtains the prior written consent of the STATE and (ii) the CONTRACTOR'S assignee or subcontractor submits to the STATE a tax clearance certificate from the Director of Taxation, State of Hawaii, showing that all delinquent taxes, if any, levied or accrued under state law against the CONTRACTOR'S assignee or subcontractor have been paid. Additionally, no assignment by the CONTRACTOR of the CONTRACTOR'S right to compensation under this Contract shall be effective unless and until the assignment is approved by the Comptroller of the State of Hawaii, as provided in section 40-58, HRS.
- a. Recognition of a successor in interest. When in the best interest of the State, a successor in interest may be recognized in an assignment contract in which the STATE, the CONTRACTOR and the assignee or transferee (hereinafter referred to as the "Assignee") agree that:
 - (1) The Assignee assumes all of the CONTRACTOR'S obligations;
 - (2) The CONTRACTOR remains liable for all obligations under this Contract but waives all rights under this Contract as against the STATE; and
 - (3) The CONTRACTOR shall continue to furnish, and the Assignee shall also furnish, all required bonds.
 - b. Change of name. When the CONTRACTOR asks to change the name in which it holds this Contract with the STATE, the procurement officer of the purchasing agency (hereinafter referred to as the "Agency procurement officer") shall, upon receipt of a document acceptable or satisfactory to the Agency procurement officer indicating such change of name (for example, an amendment to the CONTRACTOR'S articles of incorporation), enter into an amendment to this Contract with the CONTRACTOR to effect such a change of name. The amendment to this Contract changing the CONTRACTOR'S name shall specifically indicate that no other terms and conditions of this Contract are thereby changed.
 - c. Reports. All assignment contracts and amendments to this Contract effecting changes of the CONTRACTOR'S name or novations hereunder shall be reported to the chief procurement officer (CPO) as defined in section 103D-203(a), HRS, within thirty days of the date that the assignment contract or amendment becomes effective.
 - d. Actions affecting more than one purchasing agency. Notwithstanding the provisions of subparagraphs 6a through 6c herein, when the CONTRACTOR holds contracts with more than one purchasing

agency of the State, the assignment contracts and the novation and change of name amendments herein authorized shall be processed only through the CPO's office.

7. Indemnification and Defense. The CONTRACTOR shall defend, indemnify, and hold harmless the State of Hawaii, the contracting agency, and their officers, employees, and agents from and against all liability, loss, damage, cost, and expense, including all attorneys' fees, and all claims, suits, and demands therefore, arising out of or resulting from the acts or omissions of the CONTRACTOR or the CONTRACTOR'S employees, officers, agents, or subcontractors under this Contract. The provisions of this paragraph shall remain in full force and effect notwithstanding the expiration or early termination of this Contract.
8. Cost of Litigation. In case the STATE shall, without any fault on its part, be made a party to any litigation commenced by or against the CONTRACTOR in connection with this Contract, the CONTRACTOR shall pay all costs and expenses incurred by or imposed on the STATE, including attorneys' fees.
9. Liquidated Damages. When the CONTRACTOR is given notice of delay or nonperformance as specified in paragraph 13 (Termination for Default) and fails to cure in the time specified, it is agreed the CONTRACTOR shall pay to the STATE the amount, if any, set forth in this Contract per calendar day from the date set for cure until either (i) the STATE reasonably obtains similar goods or services, or both, if the CONTRACTOR is terminated for default, or (ii) until the CONTRACTOR provides the goods or services, or both, if the CONTRACTOR is not terminated for default. To the extent that the CONTRACTOR'S delay or nonperformance is excused under paragraph 13d (Excuse for Nonperformance or Delay Performance), liquidated damages shall not be assessable against the CONTRACTOR. The CONTRACTOR remains liable for damages caused other than by delay.
10. STATE'S Right of Offset. The STATE may offset against any monies or other obligations the STATE owes to the CONTRACTOR under this Contract, any amounts owed to the State of Hawaii by the CONTRACTOR under this Contract or any other contracts, or pursuant to any law or other obligation owed to the State of Hawaii by the CONTRACTOR, including, without limitation, the payment of any taxes or levies of any kind or nature. The STATE will notify the CONTRACTOR in writing of any offset and the nature of such offset. For purposes of this paragraph, amounts owed to the State of Hawaii shall not include debts or obligations which have been liquidated, agreed to by the CONTRACTOR, and are covered by an installment payment or other settlement plan approved by the State of Hawaii, provided, however, that the CONTRACTOR shall be entitled to such exclusion only to the extent that the CONTRACTOR is current with, and not delinquent on, any payments or obligations owed to the State of Hawaii under such payment or other settlement plan.
11. Disputes. Disputes shall be resolved in accordance with section 103D-703, HRS, and chapter 3-126, Hawaii Administrative Rules ("HAR"), as the same may be amended from time to time.
12. Suspension of Contract. The STATE reserves the right at any time and for any reason to suspend this Contract for any reasonable period, upon written notice to the CONTRACTOR in accordance with the provisions herein.
 - a. Order to stop performance. The Agency procurement officer may, by written order to the CONTRACTOR, at any time, and without notice to any surety, require the CONTRACTOR to stop all or any part of the performance called for by this Contract. This order shall be for a specified period not exceeding sixty (60) days after the order is delivered to the CONTRACTOR, unless the parties agree to any further period. Any such order shall be identified specifically as a stop performance order issued pursuant to this section. Stop performance orders shall include, as appropriate: (1) A clear description of the work to be suspended; (2) Instructions as to the issuance of further orders by the CONTRACTOR for material or services; (3) Guidance as to action to be taken on subcontracts; and (4) Other instructions and suggestions to the CONTRACTOR for minimizing costs. Upon receipt of such an order, the CONTRACTOR shall forthwith comply with its terms and suspend all performance under this Contract at the time stated, provided, however, the CONTRACTOR shall take all reasonable steps to minimize the occurrence of costs allocable to the performance covered by the order during the period of performance stoppage. Before the stop performance order expires, or within any further period to which the parties shall have agreed, the Agency procurement officer shall either:
 - (1) Cancel the stop performance order; or