

STATE OF ARIZONA
DEPARTMENT OF CORRECTIONS
1601 West Jefferson Street
Phoenix, Arizona 85007

AMENDMENT FOUR

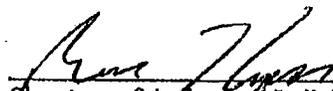
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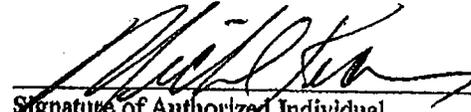
All other terms and conditions of the Contract shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto agree to carry out the terms of this Contract.

COMMON MARKET EQUIPMENT COMPANY, INC

ARIZONA DEPARTMENT OF CORRECTIONS


Signature of Authorized Individual
Date 1-9-13


Signature of Authorized Individual
Date 1/30/13

Russ Thompson
Typed Name
Vice President
Title
2200 South 75th Avenue
Phoenix, Arizona 85043-7410
Address

Michael P. Kearns
Typed Name
Division Director, Administrative Services
Typed Title
1601 West Jefferson Street, MC 328
Phoenix, Arizona 85007
Address

Additional Signatures as Applicable


Signature
Date
Art Castillo
Typed Name
REGIONAL DIRECTOR, BODY SHOPS
Typed Title

Signature
Date

Typed Name

Typed Title

This amendment shall be effective when all signatures are affixed.

Prepared by: Karen D. Ingram, Senior Procurement Specialist

Date: October 4, 2012

STATE OF ARIZONA
DEPARTMENT OF CORRECTIONS
1601 West Jefferson Street
Phoenix, Arizona 85007

AMENDMENT FOUR

This Contract is entered into between Common Market Equipment Company, Inc., hereinafter referred to as the Contractor, and the Director of the Arizona Department of Corrections (Department), for and on behalf of its Arizona Correctional Industries (ACI), hereinafter known as the Department or ACI is hereby amended as follows:

Purpose of Amendment:

To extend the term of the Contract in accordance with Section 3, Paragraph B, as amended, this Contract is hereby extended for one additional five (5) year term effective April 1, 2013, and will expire on March 31, 2018.

This Amendment shall also include and incorporate the following changes:

Add to Special Terms and Conditions:

Unlawful Sexual Conduct

A person – who is employed by the State Department of Corrections or the Department of Juvenile Corrections; is employed by a private prison facility or a city or county jail; Contracts to provide services with the State Department of Corrections, the Department of Juvenile Corrections, a private prison facility or a city or county jail; is an official visitor, volunteer or agency representative of the State Department of Corrections, the Department of Juvenile Corrections, a private prison facility or a city or county jail – commits unlawful sexual conduct by intentionally or knowingly engaging in any act of a sexual nature with an offender who is in the custody of the State Department of Corrections, the Department of Juvenile Corrections, a private prison facility or a city or county jail or with an offender who is under the supervision of either Department or a city or county.

This section does not apply to a person who is employed by the State Department of Corrections, a private prison facility or a city or county jail or who Contracts to provide services with the State Department of Corrections, a private prison facility or a city or county jail or an offender who is on release status if the person was lawfully married to the prisoner or offender on release status before the prisoner or offender was sentenced to the State Department of Corrections or was incarcerated in a city or county jail.

Unlawful sexual conduct with an offender who is under fifteen years of age is a class 2 felony. Unlawful sexual conduct with an offender who is between fifteen and seventeen years of age is a class 3 felony. All other unlawful sexual conduct is a class 5 felony.

Unlawful sexual conduct; correctional facilities; classification; Definition A.R.S. §13-1419.

Federal Prison Rape Elimination Act 2003

The Contractor shall comply with the Federal Prison Rape Elimination Act of 2003.

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AMENDMENT FOUR

To provide, if applicable, pesticide protection and Hazardous Material Training (HAZMAT) for inmates prior to initiating the work activities described in this Contract.

The Contractor shall comply with the Site Safety and Health Plan included as Attachment #13 of this amendment/contract.

Inmates shall not be allowed to be present while hazardous materials, inclusive of pesticides, are being used or applied. The Arizona Structural Pests Control Board advises, no inmate shall be allowed to handle or to apply pesticides. However, all hazardous materials (inclusive of pesticides), if stored and/or used on this site, and while ADC staff and/or inmates are present, require they be trained to recognize such hazardous materials and relative adverse medical signs and symptoms associated with the chemical, in accordance with the federal chemical "Right-to-Know Act (SARA Title III).

Page 21, Attachment #2, paragraph 4, **MINIMUM WAGE SURCHARGE: shall now read:**

The minimum wage surcharge is only applied as an additional cost if it is determined, after calculating all costs* for a given pay period, that the net effective hourly cost during the period was less than the Federal minimum wage or **AZ State Minimum Wage – whichever is higher**. This determination is accomplished by dividing the sum of costs for a specific pay period, including inmate wages, CO/IPS and ACI Management Fee, by the total number of inmate hours worked during the pay period. If calculated to be less than the Federal minimum wage or **AZ State Minimum Wage – whichever is higher**, a surcharge will be added to the invoice bringing the net effective hourly cost up to the Federal minimum wage or **AZ State Minimum Wage – whichever is higher**. (*Inmate Wages, CO/IPS Costs and ACI Management fee.)

SITE SAFETY AND HEALTH PLAN

Developed by: State of Arizona, Department of Administration
Risk Management Section

Provided by: Barry Keith, Manager, Safety and Environmental Services,
Administrative Services Division

PROGRAM OBJECTIVES

- 1.1 This Safety and Loss Prevention Program is established to exercise all available means of eliminating or controlling hazards and risks associated with renovation and construction projects.
 - 1.1.1 Minimize Personal Injuries;
 - 1.1.2 Maximize Property Conservations;
 - 1.1.3 Achieve Greater Efficiency; and
 - 1.1.4 Reduce Direct and Indirect Costs

- 1.2 The effectiveness of Safety and Loss Prevention Program will depend on the active participation and full cooperation of all involved with the project to include management, supervisors, inmates, and employees, and their efforts in carrying out the following basic responsibilities.
 - 1.2.1 Plan all work to minimize personal injury, property damage and loss of productive time.
 - 1.2.2 Properly select inmates/employees based upon their skill level for the necessary job tasks.
 - 1.2.3 Provide for the protection of adjacent property and safety of the public.
 - 1.2.4 Coordinate activities with others at the work location.
 - 1.2.5 Establish and conduct an educational program to stimulate and maintain interest and participation of all inmates and employees through:
 - 1.2.5.1 Safety Meetings.
 - 1.2.5.2 Prompt investigation of all accidents and serious potential incidents to determine cause or causes and take necessary corrective action to eliminate a recurrence of a loss or incident.
 - 1.2.5.3 Use of proper work methods, personal protective equipment, and mechanical guards.
 - 1.2.5.4 Employee/inmate safety instructions to all assigned work.
 - 1.2.5.5 Safety training programs.

RESPONSIBILITIES

- 2.1 It is the purpose of the program to organize and direct activities, which will:
 - 2.1.1 Avoid injuries.
 - 2.1.2 Reduce construction interruption due to an accident.
 - 2.1.3 Assure a safe and healthy place to work.

- 2.2 The Project Manager is required to establish and administer a site-specific safety program and will:
 - 2.2.1 Make periodic loss prevention surveys.
 - 2.2.2 Submit written recommendations.
 - 2.2.3 Periodically attend safety meetings.
 - 2.2.4 Assure safety orientation meetings for employees/inmates are conducted and documented.
 - 2.2.5 Provide warning signs, safety literature, reporting forms, and other educational and training materials as deemed appropriate.
 - 2.2.6 Maintain a written comprehensive Safety and Loss Prevention manual.
 - 2.2.7 Give due consideration to all safety factors during pre-planning.
 - 2.2.8 Employ only those individuals physically and mentally capable of performing in a safe manner.
 - 2.2.9 Comply with the Occupational Safety and Health Act and all other applicable Federal, State and Local regulations.
 - 2.2.10 Provide and enforce the use of all necessary testing equipment for employee/inmate health and safety. Provide and enforce the use of personal protective equipment and use only where Engineering controls are not feasible.
 - 2.2.11 Provide properly guarded and maintained tools, machinery and equipment.
 - 2.2.12 Maintain necessary accident records and promptly file the reports required by the State or Federal authorities and the insurer.
 - 2.2.13 Promptly investigate any incident that causes injury or damage to property.
 - 2.2.14 Plan and schedule work operations so as to control personal injury and property damage hazards.
 - 2.2.15 Maintain good housekeeping conditions and fire protection equipment.
 - 2.2.16 Maintain an effective equipment inspection and maintenance program.
 - 2.2.17 Provide proper and specific work task training for employees/inmates regarding the hazards of their jobs and how to work safely.
 - 2.2.18 Correct unsafe work habits of employees/inmates as soon as they are observed.
 - 2.2.19 Eliminate unsafe conditions under their control and promptly report those they cannot eliminate to the proper authority.

**STANDARD WORK PROVISION
INMATE WORK PROGRAMS**

**Amendment Four
Attachment #13
ADC Contract No. 030038DC**

- 2.2.20 Conduct weekly toolbox meetings with all employees/inmates and maintain written records of these meetings. The written record shall include the date, topic discussed, comments, and attendees.
- 2.2.21 Ensure each employee/inmate understands that violations of the project safety program will not be tolerated and that proper disciplinary action will be administered, including removal from the Project for violation of safety policy.

GENERAL SAFETY REQUIREMENTS

3.1 Laws and Regulations:

- 3.1.1 Responsible project management representatives shall comply with and enforce all local, state and federal laws, rules, statutes and regulations of governing or regulatory bodies within the geographical scope of its operations. They will also cooperate with all regulatory agencies regarding job site safety and health, and allow full access to the project for visitation.

3.2 Audit Procedures:

- 3.2.1 All documentation regarding safety training, hazard communication, electrical safety programs, equipment safety programs, equipment inspection and maintenance records, and fire protection inspection shall be kept on the job site.

3.3 Drug and Alcohol Policy:

- 3.3.1 The possession or use of any non-prescribed drug or any alcohol beverage on the job site is strictly prohibited.

SPECIFIC REQUIREMENTS

4.1 Emergency Procedures Guideline:

- 4.1.1 The Project Manager will set up emergency procedures for the following categories:
 - 4.1.1.1 Fire
 - 4.1.1.2 Injuries
 - 4.1.1.3 Injury to the general public
 - 4.1.1.4 Property damage, particularly to utilities; i.e., gas, water, sewage, electrical, telephone, or pedestrian and vehicle routes.
 - 4.1.1.5 Public demonstrations
 - 4.1.1.6 Bomb threats
 - 4.1.1.7 Other exposures at the construction site
- 4.1.2 In order that necessary emergency services are supplied promptly, the Project Manager shall:
 - 4.1.2.1 Post in a conspicuous place, a list of emergency phone numbers, along with the type of information to be transmitted for each emergency situation.
 - 4.1.2.2 Delegate responsibility for making emergency calls.
- 4.1.3 It is the responsibility of the Project Manager to ensure immediate (5 min or less) reliable emergency medical response is available or to provide full time dedicated, trained emergency medical staff and facilities to be available to all employees/inmates if employees/inmates are working with materials that could adversely affect their respiration, or are subject to electrical shock that could cause loss of the breathing function, and medical response is longer than 3 to 4 minutes, the Project Manager must

**STANDARD WORK PROVISION
INMATE WORK PROGRAMS**

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adhere to the OSHA rules and regulations, 29 CFR 1926.50, regarding medical response for a construction site.

- 4.1.4 The Project Manager's emergency procedures should be reviewed regularly and, where necessary, adjusted to provide maximum effectiveness.

4.2 Protection of the Public:

- 4.2.1 The Project Manager shall take all necessary precautions to prevent injury to the public or damage to property of others. The term "public" shall include all persons not engaged in the project or others working under his/her direction. Precautions to be taken shall include, but not limited to, the following:

- 4.2.1.1 Work shall not be performed in any area occupied by the public unless specified permitted by the contract or in writing by the Project Manager.
- 4.2.1.2 When it is necessary to maintain public use of work areas involving sidewalks, entrances to buildings, lobbies, corridors, aisles, stairways and vehicular roadways, the Project Manager shall protect the public with appropriate guardrails, barricades, temporary partition shields, and adequate visibility. Such protection shall guard against harmful radioactive rays or particles, flying materials, falling or moving materials and equipment, hot or poisonous materials, explosives and explosive atmospheres, flammable or toxic liquids and gases, open flames, energized circuits or other harmful exposures.
- 4.2.1.3 Sidewalks, entrances to buildings, lobbies, corridors, aisles, doors or exits shall be kept clear of obstructions to permit safe ingress and egress of the public at all times.
- 4.2.1.4 Appropriate warnings, signs, and instructional safety signs shall be conspicuously posted where necessary. In addition, a signal shall control the movement of motorized equipment in areas where the public might be endangered.
- 4.2.1.5 Sidewalk sheds, canopies, catch platforms and appropriate fences shall be provided when it is necessary to maintain public pedestrian traffic adjacent to the erection, demolition or structural, alteration of outside walls on any structure. The protection required shall be in accordance with the laws and regulations of the regulatory bodies.
- 4.2.1.6 A temporary fence shall be provided around the perimeter of above ground operations adjacent to public areas except where a sidewalk shed or fence is, if provided by the contract or as required by Subparagraph 5 above. Perimeter fences shall be at least six feet high and/or in compliance with the laws and regulations of the regulatory bodies involved.
- 4.2.1.7 Guardrails shall be provided on both sides of vehicular and pedestrian bridges, ramps, runways and platforms. Pedestrian walkways elevated above adjoining surfaces, or walkways within six feet of the top of excavated slopes or vertical banks shall be protected with guardrails, except where sidewalk sheds or fences are provided as required by Subparagraph 5 above. Guardrails shall be made of rigid materials capable of withstanding a force of at least 200 pounds applied in any direction at any point in their structure. Their height shall be approximately 42-inches. Top rails and post may be 2-inches by 4-inches dressed wood or equal. Intermediate horizontal rails at mid-height and toe boards at platform level may be 1-inch by 6-inch wood or equal. Posts shall not be over eight feet apart.

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INMATE WORK PROGRAMS**

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- 4.2.1.8 Barricades meeting the requirements of the political subdivision involved shall be provided where sidewalk sheds, fences or guardrails as referenced above, are not required between work areas and pedestrian walkways, roadways or occupied buildings. Barricades shall be secured against accidental displacement and shall be maintained to perform the work. During the period a barricade is removed temporarily for the purposes of work, a watchman shall be placed at all openings.
- 4.2.1.9 Temporary sidewalks shall be provided when a permanent sidewalk is obstructed by the Trade Subcontractor's or any tier operations. They shall be in accordance with the requirements of the political subdivision involved. Guardrails shall be provided on both sides of temporary sidewalks.
- 4.2.1.10 Warning signs and lights including lanterns, torches, flares and electric lights, meeting requirements of the political subdivision involved, shall be maintained from dusk to sunrise along guardrails, barricades, temporary sidewalks and at every obstruction to the public. These shall be placed at both ends of such protection or obstructions and not over 20 feet apart alongside of such protection or obstructions.

4.3 Housekeeping

- 4.3.1 During the course of construction/renovation, house keeping practices will be followed to keep the work areas, passageways, and stairs in and around the buildings or other structures, free from debris of all types.
 - 4.3.1.1 This shall include scrap lumber and form lumber with protruding nails.
 - 4.3.1.2 Combustible scrap and debris shall be removed at regular intervals. Containers shall be provided for the collection of scrap, trash and other debris.

4.4 Personal Protective Equipment:

- 4.4.1 The Project Manager shall be responsible for requiring the wearing of appropriate personal protective equipment in all operation where there is an exposure to hazardous conditions or where there is an indication of the need for using such equipment to reduce the hazard to employees/inmates. Such equipment will be used where engineering out the hazard is not feasible.

4.5 Flammable and Combustible Liquids:

- 4.5.1 Flammable and combustible liquids shall be stored and dispensed in compliance with regulations and rules established by the governing regulatory bodies.
- 4.5.2 Any leakage or spillage of flammable or combustible liquids shall be cleaned up immediately and disposed of promptly and safely.
- 4.5.3 Transfer of flammable liquids from one container to another shall require electrically bonding the containers.
- 4.5.4 Small quantities of flammable liquids that may be used at various points on the Job Site shall be handled in approved safety cans.
- 4.5.5 No smoking, matches, or open flames will be permitted within 50 feet of the area where flammable liquids are used or transferred, unless conditions warrant greater clearance.

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INMATE WORK PROGRAMS**

**Amendment Four
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- 4.5.6 Fuel trucks will properly marked, contents clearly identified, posted and with proper fire protection.
- 4.5.7 Fuel tanks over 500 gallons will be diked, grounded, and protected from contact by vehicles on all sides. Proper identification of tanks and access for measurement will be maintained.

4.6 Tools – Hand and Power:

- 4.6.1 All hand and power tools and equipment shall be maintained in a safe condition. The Project Manager shall be responsible for the condition of all tools or equipment used by employees/inmates.
- 4.6.2 Power operated tools that are designed to accommodate guards shall be equipped with such guards while in use.
- 4.6.3 Belts, gears, shafts, pulleys, sprockets, spindles, drums, flywheels, chains, or other reciprocating, rotating or moving parts of such equipment or tools shall be guarded if such parts are exposed to contact.
- 4.6.4 Wrenches shall not be used when the jaws are sprung or worn to the point that slippage occurs.
- 4.6.5 Impact tool such as wedges and chisels shall be kept free of mushroomed heads.
- 4.6.6 Wooden handles of tool shall be kept free of splinters and cracks and shall be kept tight in the tool.
- 4.6.7 All hand-held powered drills, fastener drivers, grinders with wheels greater than 2-inches in diameter, disc sanders, belt sanders, reciprocating saws, saber saws and similar operating power tools shall be equipped with a momentary contact off-on control and may have a lock-on control provided that turn off can be accomplished with a single motion of the same finger or fingers that turn it on.
- 4.6.8 All other hand-held powered tools such as circular saws, chain saws, and percussion tools with positive accessory holding means, shall be equipped with a constant pressure switch that will shut off power when the pressure is released.
- 4.6.9 The use of electrical cords for hoisting or lowering tools shall not be permitted.
- 4.6.10 Pneumatic power tools shall be secured to the hose or whip by some positive means to prevent the tool from becoming accidentally disconnected. Each section of supply hose to pneumatic tool shall also be secured by some positive means to prevent accidental disconnection.
- 4.6.11 Safety clips or retainers shall be securely installed and maintained on pneumatic impact tools to prevent attachments from being accidentally expelled.
- 4.6.12 Pneumatic hoses shall not be used as a means of hoisting or lowering tools.
- 4.6.13 Only employees/inmates who have been trained in the operation of the particular tool in use shall be allowed to operate a power-actuated tool.
- 4.6.14 Power-actuated tools shall be tested each day before loading to see that safety devices are in proper working condition. The testing shall be done in accordance with the manufacturer's recommended pressure.

4.7 Earth Moving Equipment:

- 4.7.1 Operators will receive instructions on proper mounting and dismounting of equipment.

**STANDARD WORK PROVISION
INMATE WORK PROGRAMS**

**Amendment Four
Attachment #13
ADC Contract No. 030038DC**

- 4.7.2 Operators shall wear seat belts while vehicle is in motion.
- 4.7.3 Equipment shall be in safe operating condition and inspected daily for proper braking and hydraulic systems and tires.
- 4.7.4 Dozer, loader, scraper, backhoe buckets, glades and pans will be grounded before the operator dismounts.
- 4.7.5 Prior to mounting any equipment, the operator will visually inspect the area not visible from the operator's station.
- 4.7.6 Equipment will have audible warning devices in good working order.

GEO Procedures - Procedures based on Department written instructions that have been approved by the Department relative to the operation, management, and maintenance of ASP-Phoenix West.

Department Monitor - Department employee assigned to ASP-Phoenix West who serves as the liaison between the Department and ASP-Phoenix West regarding matters that arise as a result of the daily monitoring of the services provided by this contract.

Department Written Instructions - Department regulations and management directives issued by executive staff of the Department which govern the administration and operation of the Department and ASP-Phoenix West consistent with State statutes, rules and sound correctional practices.

This contract is hereby amended to change section 3.10:

From: Changes to the Contract to accomplish the following may be handled by written notice rather than formal amendment. All other changes shall be accomplished by formal amendment, signed by all parties.

To: All Changes to this Contract and its Terms and Conditions must be done by formal amendment through the ADC Procurement Services office.

The following Attachments have been revised:

Attachment #1, State Prisons Providing Inmate Work Pools, Attachment #2, Contract Service Costs, Attachment #10, Work Locations.

IN WITNESS WHEREOF, the parties hereto agree to carry out the terms of this Contract.

COMMON MARKET EQUIPMENT COMPANY, INC

Russ Thompson 6-15-09
Signature of Authorized Individual Date

Russ Thompson
Typed Name
Vice President
Typed Title
2200 South 75th Avenue
Phoenix, Arizona 85043-7410
Address

ARIZONA DEPARTMENT OF CORRECTIONS

J. Frigo 6-29-09
Signature of Authorized Individual Date

~~Denel Pickering~~ Judy L. Frigo
Typed Name Interim Division Director
~~Chief Procurement Officer, Procurement Services~~
Typed Title Support Services
1601 West Jefferson Street, MC 328
Phoenix, Arizona 85007
Address

Additional Signatures as Applicable

Signature of Authorized Individual Date

Typed Name

Typed Title

ARIZONA DEPARTMENT OF CORRECTIONS

Charles Flanagan 6-25-09
Signature of Authorized Individual Date

Charles Flanagan
Typed Name
Deputy Director
Typed Title

This amendment shall be effective when all signatures are affixed.

STATE OF ARIZONA
DEPARTMENT OF CORRECTIONS
1601 West Jefferson, MC 55302
Phoenix, Arizona 85007-3002

AMENDMENT NUMBER THREE

This **Contract** is entered into between **Common Market Equipment Company, Inc.**, hereinafter referred to as the **Contractor**, and the Director of the **Arizona Department of Corrections (Department)**, for and on behalf of its **Arizona Correctional Industries (ACI)**, hereinafter known as the **Department** or **ACI** is hereby amended as follows:

The Purpose of this Amendment:

To add the Arizona State Private Prison, Phoenix West into this Contract for the use of Inmate Labor for the Common Market Equipment Company, Inc., located at 2200 South 75th Avenue. Phoenix, Arizona 85009.

This contract is hereby amended to add the following:

Arizona State Private Prison, Phoenix West, agrees to provide transportation, with a CDL-licensed driver; for those ASP-Phoenix-West inmates working at the 2200 South 75th Avenue facility.

The Contractor Agrees to pay for Correctional Officer Supervision for any inmate who sustains a job-related injury and must be transported for emergency medical care.

Government Procurement; E-Verify Requirement A.R.S. §41-4401

The Contractor warrants compliance with all Federal Immigration laws and regulations relating to employees and warrants its compliance with Section A.R.S. §23-214, Subsection A. (That subsection reads: "After December 31, 2007, every employer, after hiring an employee, shall verify the employment eligibility of the employee through the E-Verify program.)

A breach of a warranty regarding compliance with immigration laws and regulations shall be deemed a material breach of the contract and the contractor may be subject to penalties up to and including termination of the contract.

Failure to comply with State audit process to randomly verify the employment records of contractors and subcontractors shall be deemed a material breach of the contract and the contractor may be subject to penalties up to and including termination of the contract.

The State Agency retains the legal right to inspect the papers of any employee who works on the contract to ensure that the contractor or subcontractor is complying with the warranty herein.

In accordance with A.R.S §35-391 and A.R.S §35-393, the contractor hereby certifies that the contractor does not have scrutinized business in Sudan and Iran.

ACI - Arizona Correctional Industries is that ADC organizational division that has statutory and administrative responsibility to manage contracts between ADC and private business enterprises which authorize the use of inmate labor to support the general business functions of the private business enterprise.

Alcohol Abuse Treatment Fund (AATF) - A fund authorized by A.R.S. §31-255, to provide alcohol abuse treatment and rehabilitation to specified inmates.

ASP - Phoenix West Warden - The individual employed by GEO Group, Inc. and charged with the overall responsibility to manage and operate ASP-Phoenix West.

ARIZONA STATE PRISON COMPLEXES

Phone Numbers	STATE PRISONS PROVIDING INMATE WORK POOLS	
(623)386-6160	Arizona State Prison Complex - Lewis	ASPC - L
	<u>Physical Address</u> 26700 S. Highway 85 Buckeye, Arizona 85326	<u>Mailing Address</u> P.O. Box 70 Buckeye, Arizona 85326-0170
(602)352-0350	Arizona State Private Prison - ASPC - Phoenix West	
	<u>Physical Address</u> 3402 West Cocopah Phoenix, Arizona 85009	<u>Mailing Address</u> 3402 West Cocopah Phoenix, Arizona 85009

ARIZONA CORRECTIONAL INDUSTRIES
CONTRACT SERVICE COSTS

Contract Service Costs are comprised of the components identified in subparagraphs 1 through 5 below. Costs will be re-evaluated on an annual basis and adjusted as necessary.

1. **INMATE WAGES:**

Inmates assigned to CME, prior to the date of the signing of this amendment, shall be paid \$2.00 per hour during the initial 120-day training period and \$4.00 per hour thereafter. Inmates hired after that date of the signing of this amendment shall be paid at the following wage rate: The initial wage rate will be \$3.00 per hour.

Beginning with the first day of the pay period following the 90th calendar day from the initial date of hire, inmates shall be paid \$3.25 per hour.

Beginning with the first day of the pay period following the 180th calendar day from the initial date of hire, inmates shall be paid \$3.50 per hour.

Beginning with the first day of the pay period following the 270th calendar day from the initial date of hire, inmates shall be paid \$3.75 per hour.

Beginning with the first day of the pay period following the 360th calendar day from the initial date of hire, inmates shall be paid \$4.00 per hour. For hours worked in excess of forty (40) hours per week, inmates shall receive compensation equal to one and one-half (1 ½) times their normal hourly wage rate.

2. **COSTS OF CORRECTIONAL OFFICERS:**

For *ADC Correctional Officers/IPS*, the costs of Correctional Officer (CO) supervision shall be based on the actual hours worked supervising inmates. In addition, one (1) hour per shift, for each CO, shall be added to the CO hours worked, to account for time spent on the egress and ingress of the inmates at the institution. The hourly cost of each ADC CO shall be \$38.18.

For *GEO Group Inc Correctional Officers*, the costs of Correctional Officer (CO) supervision shall be based on the actual hours worked supervising inmates, including the travel time to and from the work site. In addition, one (1) hour per shift, for each CO, shall be added to the CO hours worked, to account for time spent on the egress and ingress of the inmates at the institution. The hourly cost for each GEO Group Correctional Officer shall be \$21.50 for straight time and \$31.25 for hours worked in excess of forty (40) hours per payroll week or on holidays recognized and paid by the GEO Group.

In the event that an ADC Correctional Officer may be required, the hourly cost for each CO will be \$38.18.

3. **ACI MANAGEMENT FEE:** The ACI Management Fee shall be calculated and invoiced for each pay period at the rate of eleven percent (11%) of the sum of gross inmate wages and the cost of CO supervision.

4. **MINIMUM WAGE SURCHARGE**: The minimum wage surcharge is only applied as an additional cost if it is determined, after calculating all costs* for a given pay period, that the net effective hourly cost during the period was less than the Federal minimum wage. This determination is accomplished by dividing the sum of costs for a specific pay period, including inmate wages, CO and ACI Management Fee, by the total number of inmate hours worked during the pay period. If calculated to be less than the Federal minimum wage, a surcharge will be added to the invoice bringing the net effective hourly cost up to the Federal minimum wage. (*Inmate Wages, CO Costs and ACI Management fee.)
5. **UTILITIES**: Electrical service shall be metered and invoiced monthly to Contract Partner by ACI.

Costs identified above shall be made payable to Arizona Correctional Industries. ACI shall disburse payments in accordance with the terms and conditions set forth in this Contract and the attachments herein. The Contract Partner shall remit payments to ACI at the address shown below within ten (10) work days after receipt of invoice.

Arizona Correctional Industries
Attention: Accounts Receivable
P.O. Box 34420
Phoenix, Arizona 85067-4420

**WORK LOCATIONS OWNED AND/OR OPERATED BY
Common Market Equipment Company, Inc.**

1.	Arizona State Prison Complex - Lewis. Within the 15.91 acre area located between the Buckley Unit and the Rast Unit, exclusive of the area identified as the Excluded Area in the map shown below.
2.	Expansion of work area at ASPC-Lewis described in Amendment #1.
3.	Swift Transportation Company facility - 2200 S. 75 th Avenue, Phoenix, Arizona 85043.

STATE OF ARIZONA
DEPARTMENT OF CORRECTIONS
1601 West Jefferson Street
Phoenix, Arizona 85007

AMENDMENT NUMBER TWO

This Contract is entered into between Common Market Equipment Company, Inc., hereinafter referred to as the Contractor, and the Director of the Arizona Department of Corrections (Department), for and on behalf of its Arizona Correctional Industries (ACI), hereinafter known as the Department or ACI is hereby amended as follows:

Purpose of Amendment:

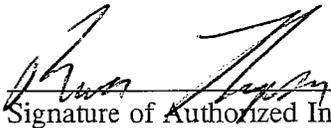
To extend the term of the Contract in accordance with Section 3, Paragraph B, as amended this Contract is hereby extended for one additional five (5) year term effective April 1, 2008, and will expire on March 31, 2013.

All other terms and conditions of the Contract shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto agree to carry out the terms of this Contract.

COMMON MARKET EQUIPMENT COMPANY, INC

ARIZONA DEPARTMENT OF CORRECTIONS


Signature of Authorized Individual 12-17-07
Date


Signature of Authorized Individual 1/16/08
Date

Russ Thompson
Typed Name
Vice President
Typed Title
2200 South 75th Avenue
Phoenix, Arizona 85043-7410
Address

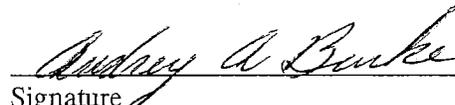
John R. Hallahan
Typed Name
Division Director, Administrative Services
Typed Title
1601 West Jefferson Street, MC 328
Phoenix, Arizona 85007
Address

Additional Signatures as Applicable

Signature Date

Typed Name

Typed Title

 1-4-08
Signature Date
Audrey Burke
Typed Name
Division Director, Program Services
Typed Title

This amendment shall be effective when all signatures are affixed.

ADC Contract Number 030038DC

STATE OF ARIZONA
DEPARTMENT OF CORRECTIONS
1601 West Jefferson Street
Phoenix, Arizona 85007

AMENDMENT NUMBER ONE

This Contract is entered into between Common Market Equipment Company, Inc., hereinafter referred to as the Contract Partner, and the Director of the Arizona Department of Corrections (Department), for and on behalf of its Arizona Correctional Industries (ACI), hereinafter known as the Department or ACI is hereby amended as follows:

Purpose of Amendment:

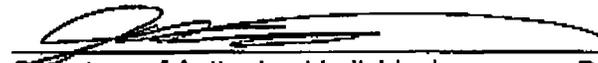
1. To amend Attachment #10 to this contract (ADC Contract Number 030038DC) recognizing an expansion in the space being provided at ASPC-Lewis to the Contract Partner for the conduct of the Contract Partner's inmate work program.
2. To amend paragraph 2.2 of this contract to change the reference to the work location from singular to plural.
3. To formally recognize that the Contract Partner has exercised its option to utilize the area described in paragraphs 3.24 and Attachment #10 as the Excluded Area.

All other terms and conditions of the Contract shall remain in full force and effect.

WITNESS WHEREOF, the parties hereto agree to carry out the terms of this Contract.

COMMON MARKET EQUIPMENT COMPANY, INC

ARIZONA DEPARTMENT OF CORRECTIONS



 Signature of Authorized Individual Date
James K. Burdette

 Typed Name
Vice President

 Typed Title
2200 South 75th Avenue
Phoenix, Arizona 85043-7410

 Address



 Signature of Authorized Individual Date
Michael J. Smarik

 Typed Name
Assistant Director, Division of Administrative Services

 Typed Title
1601 West Jefferson Street
Phoenix, Arizona 85007

 Address

Additional Signatures as Applicable

 Signature Date

 Typed Name

 Typed Title

 Signature Date

 Typed Name

 Typed Title

Section 2, Paragraph 2.2**Now Reads...**

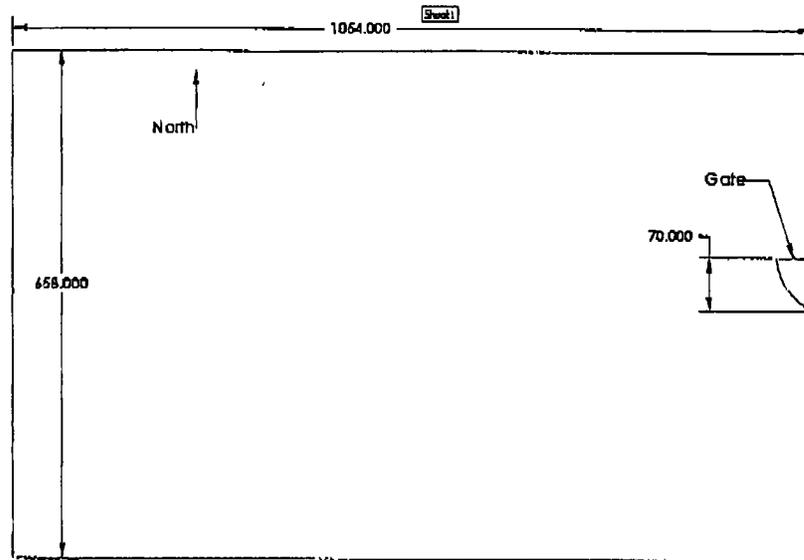
- 2.2 To provide space at ASPC-Lewis to accommodate the Contract Partner's Work Program operations at the location identified in Attachment #10. Adequate security measures shall be implemented to safeguard Contract Partner's representatives, assigned staff and equipment.

Change to Read...

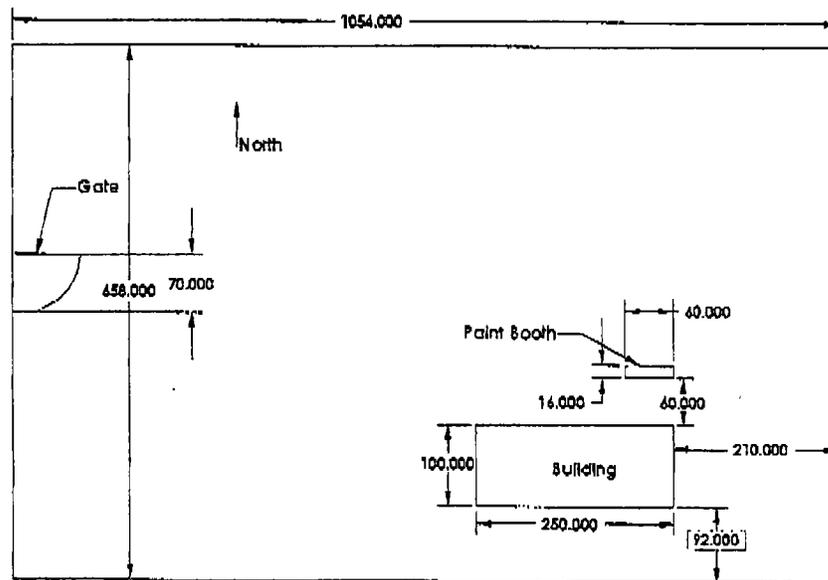
- 2.2 To provide space at ASPC-Lewis to accommodate the Contract Partner's Work Program operations at the locations identified in Attachment #10. Adequate security measures shall be implemented to safeguard Contract Partner's representatives, assigned staff and equipment.

**WORK LOCATIONS OPERATED BY
Common Market Equipment Company, Inc.**

- 1. Arizona State Prison Complex - Lewis. Within the area bordered on the north side by the Rast Unit and on the south side by the Buckley unit.



- 2. Arizona State Prison Complex - Lewis. Within the area bordered on the north side by the Bachman Unit and on the south side by the Barchey Unit, including all fixed structures contained therein.



STATE OF ARIZONA
DEPARTMENT OF CORRECTIONS
1601 West Jefferson Street
Phoenix, Arizona 85007-3002

INMATE WORK CONTRACT

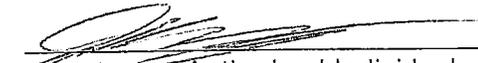
This **Contract** is entered into between **Common Market Equipment Company, Inc.**, hereinafter referred to as the **Contract Partner**, and the Director of the **Arizona Department of Corrections (Department)**, for and on behalf of its **Arizona Correctional Industries (ACI)**, hereinafter known as the **Department or ACI**, as specified.

This document, including the Scope of Services, Standard Work Provisions, any attachments or modifications, shall constitute the entire Contract between the parties and supercedes all other understandings, oral or written.

IN WITNESS WHEREOF, the parties hereto agree to carry out the terms of this Contract.

COMMON MARKET EQUIPMENT COMPANY, INC.

ARIZONA DEPARTMENT OF CORRECTIONS



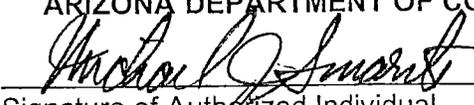
Signature of Authorized Individual Date 4-25-03
James K. Burdette

Typed Name
Vice-President

Typed Title
2200 South 75th Avenue

Phoenix, Arizona 85043-7410

Address



Signature of Authorized Individual Date 4-25-03
Michael J. Smarik

Typed Name
Assistant Director, Division of Administrative Services

Typed Title
1601 West Jefferson Street

Phoenix, Arizona 85007-3002

Address

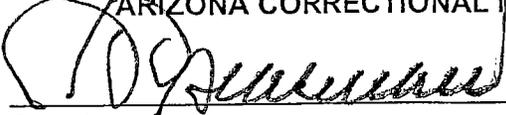
Additional Signatures as Applicable

ARIZONA CORRECTIONAL INDUSTRIES

Signature Date

Typed Name

Typed Title



Signature Date 4-25-03
John J. Spearman

Typed Name
Assistant Director, Arizona Correctional Industries

Typed Title

Procurement Authority:
to Contract:

Authority to Contract
Department: A.R.S.
§41-1604 et. seq.
§41-1623, §41-1624.01
§31-254

Authority to Contract
Contract Partner:

Expiration Date:

March 31, 2008

WITNESSETH

WHEREAS, the Department desires to implement the requirement that each able-bodied inmate under commitment to the Department shall engage in work activity during such term of imprisonment, and

WHEREAS, the Director of the Department has the authority to maintain and administer facilities and programs as may be required for the custody, control and rehabilitation of all inmates committed to the Department, and

WHEREAS, the Director of the Department may authorize inmate work crews from State institutions to perform acceptable tasks in any part of the State, and

WHEREAS, the Contract Partner has a need for a work force to support its used truck/trailer retrofitting and refurbishment operations at the location shown in Attachment #10, and

WHEREAS, the Department is able to provide an inmate work force and locations to support this work program from its Arizona State Prison Complex(es) (institutions), as shown in Attachment #1.

NOW, THEREFORE, the Department and the Contract Partner do hereby agree as follows:

1 THE CONTRACT PARTNER AGREES:

- 1.1 To appoint a supervisor(s) who shall provide both technical and operational supervision.
 - 1.1.1 Technical supervision means the Contract Partner shall provide staff who know the types of work tasks to be accomplished and the correct way to complete each task. Technical supervisors **teach** assigned inmates how to complete their job assignments.
 - 1.1.2 Operational supervision means the Contract Partner shall provide staff who remain with assigned inmate workers for the length of each shift to supervise inmate work production.
- 1.2 Contract Partners and the employees who participate in this Contract shall be screened and approved in writing prior to permitting them access to an institution and/or prior to allowing them to supervise inmates on or off institution grounds. Contract Partners shall submit in writing, upon request from ACI, any information necessary to screen and approve them for access to the institution. This information shall include, but not necessarily be limited to: Name, Date of Birth, and Social Security Number. Contract Partner personnel who require recurring access to the institution, and as such require a Contractor's Identification Card, will be required

to complete and submit the prescribed Background Questionnaire form to ACI. Background Questionnaire form will be provided by ACI.

- 1.3 Subsequent to Contract initiation, should the Contract Partner's supervisors change, ACI shall be notified at least two (2) work days **prior** to the impending change to permit completion of the Department approval process. If prior notice is not possible, the Department may withhold the inmate work crew of that supervisor until the necessary approval process is completed.
- 1.4 To provide necessary tools/equipment, drinking water, sanitary facilities and any special protective clothing or personal protective equipment required to accomplish work assignments.
- 1.5 To provide training to assigned inmates in accordance with the Contract Partner's established training program on procedures and responsibilities.
 - 1.5.1 Training shall be on-going and given to each new inmate who is subsequently assigned to this inmate work program.
 - 1.5.2 Inmates shall be advised of the expected performance standards during the training program.
 - 1.5.3 Contract Partner's training staff shall maintain a training log to document participating inmates and time spent in the training effort. The log shall record the following:
 - 1.5.3.1 Each inmate's name and Department identification number.
 - 1.5.3.2 Number of training hours given to participating inmates.
 - 1.5.3.3 Type of activity for which training was provided.
 - 1.5.3.4 Written acknowledgment from each inmate that the performance standard was provided.
 - 1.5.3.5 Name(s) of the Contract Partner's instructor(s).
 - 1.5.3.6 Signature of instructor(s) and each participating inmate.
- 1.6 To assign work hours, work locations, and job assignments subject to the concurrence of the Department. Work sites shall be confined to locations which are within the Contract Partner's authority to manage and maintain.
- 1.7 To designate a Contract Partner staff member who shall serve as a liaison between the Contract Partner, institution and ACI in developing and coordinating work schedules. The Contract Partner shall ensure that the applicable institution and ACI are given the name and phone number/extension of the contact person.

- 1.8 To allocate sufficient time from job responsibilities to allow Contract Partner's staff assigned to this work program to attend mandatory training given by the Department prior to initiating the work activities described in this Contract.
- 1.9 To maintain the work site(s) in the manner/condition in which it was approved by the Department as complying with the requirements imposed by the custody level of assigned inmates and assigned work responsibilities. If, during the term of this Contract, security/safety concerns become evident, or the Contract Partner wishes to change or alter the work site(s), the following procedure shall be followed:
- 1.9.1 If, in the opinion of the institution or ACI, said security/safety concern(s) pose an immediate threat to the inmate workers and/or staff, the Warden of the involved institution, or ACI may withhold further assignments of the inmate work crew(s) until the source of the concern is rectified.
- 1.9.2 Security/safety concerns shall be rectified immediately by the Contract Partner in accordance with direction received from ACI.
- 1.9.3 Failure on the part of the Contract Partner to respond to the request for corrective action from the institution/ACI under circumstances described in Paragraphs 1.9.1 and 1.9.2 above shall result in the immediate suspension of the work program.
- 1.9.3.1 The parties to this Contract may then meet to discuss resolution.
- 1.9.3.2 If resolution cannot be achieved, this Contract shall be terminated.
- 1.9.3.3 The Contract Partner shall make final payment to ACI as directed herein.
- 1.10 Should the Contract Partner wish to alter the work site(s) subsequent to the initiation of the work program, the following procedures shall be followed:
- 1.10.1 The Contract Partner shall provide written notice to ACI detailing the proposed changes prior to any change or alteration being initiated.
- 1.10.2 Representatives from the institution, ACI and the Contract Partner shall meet and conduct a review of the proposed changes to the work site(s). If the proposed change or alteration will negatively impact the security and/or safety of assigned inmate workers or staff, necessary corrective action(s) shall be developed.
- 1.10.3 If the Contract Partner proceeds with the proposed changes without having received written ACI approval, ACI may withhold further assignments of inmate work crews.
- 1.11 That all fixed improvements and alterations to the assigned work site(s), within each institution, shall become the property of the Department upon termination or expiration of this Contract.

- 1.12 To provide a working environment which meets the requirements of the Occupational Safety and Health Act (OSHA), Safety and Health Standards for General Industry (29 CFR Part 1910), as adopted by the State of Arizona.
- 1.13 To provide, if applicable, Hazardous Material (HAZMAT) training for inmates prior to initiating the work activities described in this Contract.
- 1.14 To employ adequate loss prevention procedures relative to Contract Partner's business operations, in order to minimize job related injuries.
- 1.15 To pay for the following:
- 1.15.1 Contract Service Costs, as invoiced and identified in Attachment #2.
- 1.16 To notify the on-site Correctional Officer (CO) of the need for extended work hours at least ninety (90) minutes prior to the inmates scheduled time of departure, in order for approval to be obtained. Extended work hours shall not be provided unless approved by the institution. Overtime is defined as hours worked in excess of forty (40) hours per week. Overtime pay is addressed in Attachment #2. The Department shall liberally approve any overtime requests of the Contract Partner, provided, however, that no inmate shall work in excess of sixty (60) hours per week, including overtime.
- 1.17 To comply with the following procedures in recording inmate work hours and rendering all payments due under this Contract:
- 1.17.1 **Daily Time Sheet(s)**, as identified in Attachment #3, shall be completed by the Contract Partner and include the signature(s) of the inmate(s), the Contract Partner's supervisor and the CO.
- 1.17.2 The Contract Partner shall complete the **Inmate Payroll Summary**, as shown by Attachment #4, bi-weekly (once every two weeks).
- 1.17.3 The original **Inmate Payroll Summary** with the corresponding **Daily Time Sheet(s)** shall be sent to the address specified below within three (3) work days following the end of the Contract Partner's scheduled pay period.
- Arizona Correctional Industries
Attention: Inmate Payroll
P.O. Box 34420
Phoenix, Arizona 85067-4420
- 1.18 The Contract Partner shall send a copy of the **Inmate Payroll Summary** and **Daily Time Sheet(s)** within three (3) work days following the end of the Contract Partner's scheduled pay period to the attention of the Business Manager at the institution providing labor, as identified in Attachment #1.
- 1.19 Payments as invoiced shall be made payable to **Arizona Correctional Industries** within ten (10) work days after receipt of invoice and sent to the address below:

Arizona Correctional Industries
Attention: Accounts Receivable
P.O. Box 34420
Phoenix, Arizona 85067-4420

- 1.20 ACI shall disburse payments as appropriate.
- 1.21 Terms and conditions for payment of invoices:
- 1.21.1 Net amount due within ten (10) work days after receipt of invoice.
- 1.21.2 Invoices not paid within thirty (30) calendar days of invoice date will be subject to a late fee of one and one-half percent (1-½%) per month of the amount owed.
- 1.21.3 Invoices not paid within sixty (60) calendar days of invoice date may result in the suspension and possible termination of the inmate work program.
- 1.22 Prior to the initiation of operations which may result in a financial liability to the Department or ACI, the Contract Partner shall accomplish one of the options listed on Attachment #5, Mechanism For Guarantee of Payment, to guarantee payment to ACI, for work performed by inmate workers. The choice of option shall be mutually agreed upon by both parties to the Contract. Specific conditions, related to each option are shown in Attachment #5.
- 1.23 To acquire and maintain the minimum insurance coverages and endorsements as shown in Attachment #6. Applicable coverages and endorsements shall be renewed for the duration of this Contract with verification in the form of an insurance certificate(s) provided to the Department each year. **Prior to Contract Execution**, the Contract Partner shall provide insurance certificates verifying that required coverages have been acquired.
- 1.24 That inmate labor performed under this Contract shall supplement the Contract Partner's existing workforce and shall not result in the displacement of free-world employees, or otherwise serve as a substitute for Contract Partner employees.
- 1.25 To comply with all Department written instructions regarding the provisions of contracted services within a correctional institution. Any allegations of non-compliance with Department written instructions, or other Contract Partner misconduct shall be subject to investigation by the Department which may entail legal searches of persons, equipment and vehicles.
- 1.26 Any modifications to the facility shall be approved by the Department, coordinated through ACI and the Department's Facilities Activation Bureau. All design and construction shall be completed under the direct supervision of an architect or engineer and shall be fully compliant with local codes. Prior to construction, the Contract Partner shall complete a Certificate of Responsibility for Inspection form, provided as Attachment #11 to this Contract. Additionally, at the completion of construction, and prior to occupancy, the responsible registrants shall file a Certificate of Completion, accompanied by an AIA Document G704.

- 1.27 That inmates assigned to this work program **shall not** drive any licensed, over-the-road vehicle as part of their job responsibilities. However, assigned inmates may be permitted to operate the Contract Partner's off-road mobile equipment, e.g., forklifts, etc., in accordance with Attachment #9.

2 THE DEPARTMENT AGREES:

- 2.1 To provide a mutually agreed upon number of inmates, subject to availability of said work force, to support the Contract Partner's used truck/trailer retrofitting and refurbishment operations at ASPC-Lewis.
- 2.2 To provide space at ASPC-Lewis to accommodate the Contract Partner's Work Program operations at the location identified in Attachment #10. Adequate security measures shall be implemented to safeguard Contract Partner's representatives, assigned staff and equipment.
- 2.3 To refrain from relocating the work area for this labor program from the location identified in Attachment #10 of this Contract.
- 2.4 To be responsible for feeding the inmates and furnishing all clothing, except special protective clothing and/or equipment.
- 2.5 To provide security supervision of assigned inmates in accordance with Department Order 713.02, Levels of Supervision.
- 2.6 To provide Correctional Officer (CO) supervision who shall provide security supervision of the inmate workers each work day. The assigned CO(s) shall follow Department notification procedures if:
- 2.6.1 An inmate fails to remain at the work site; and/or,
- 2.6.2 An inmate has an accident or becomes seriously ill at the work site;
- 2.6.3 As may otherwise be required.
- 2.7 To ensure that inmate workers assigned to this work program complete and sign the **Inmate Worker Agreement** and the **Inmate Worker Standards of Conduct Agreement**, shown in Attachments #7 and #8. These agreements shall be signed by the inmate(s) and witnessed by institution staff **prior** to the inmate's first day of work. Each original agreement is to be immediately forwarded to ACI.
- 2.8 To remove and replace as soon as possible any inmate who does not perform to the satisfaction of the Contract Partner.
- 2.9 To present training to Contract Partner's staff, who will be involved in supervising or interacting with inmate workers. This training shall be given **prior** to initiating the work activities described in this Contract and annually thereafter.
- 2.10 To designate a contact person, at each State Prison Complex identified by Attachment #1, who shall function as a liaison between the institution, ACI and the

Contract Partner in developing and coordinating work schedules, assignments, hours and transportation. ACI shall ensure the Contract Partner is given the name and telephone number/extension of each institution's contact person.

2.11 To recognize that circumstances may arise during the term of this Contract which may prohibit the assignment of inmates for work assignments. Such circumstances could include acts of nature, institution riots, lock-downs, inmate work strikes, etc. The following guidelines shall govern, if such general circumstances should occur at any of the Department institutions identified by Attachment #1.

2.11.1 If such circumstances arise that will impact the availability of inmate labor under this Contract, the institution's contact person shall immediately notify ACI and the Contract Partner.

2.11.2 The institution shall ensure that ACI is provided with a copy of all documentation relating to the incident and is advised as to when the work program will likely be able to resume. ACI will keep the Contract Partner informed, as appropriate.

2.11.3 The Contract Partner shall not hold the State, Department, ACI or the institution(s) involved, liable for failure to perform, or in default of Contract terms due to circumstances described above.

2.12 That prior to the initiation of this work program, the proposed work site(s) shall be inspected relative to security and safety concerns to ensure the work environment satisfies all requirements imposed by the custody level of assigned inmate workers and assigned work responsibilities. If, during the term of this Contract, security or safety concerns should become evident, or the Contract Partner wishes to change or alter the work site(s), the procedure described in Paragraph 1.10 of this Contract shall be followed.

2.12.1 All communications between the Department and the Contract Partner, regarding security/safety issues or work site(s) alterations, shall be documented in writing.

2.12.2 All written correspondence related to incidents involving security or safety issues shall be reported in accordance with Department written instructions.

2.13 To perform required background checks of Contract Partner staff involved in supervising or interacting with inmate workers and provide written results to the Assistant Director, ACI, or designee.

2.13.1 Prior to initiation of this Contract, the Department shall complete the screening process of Contract Partner staff referenced above.

2.13.2 Subsequent to Contract initiation, should the Contract Partner's supervisor(s) change, the Contract Partner shall notify ACI at least two (2) work days **prior** to the impending change to permit completion of the Department's approval process.

- 2.13.3 If prior notice is not possible, the institution may withhold the inmate work crew of that supervisor until the necessary approval process is completed.
- 2.14 To invoice the Contract Partner for payments due, in accordance with Contract terms, ten (10) work days after receipt of the **Inmate Payroll Summary and Daily Time Sheet(s)**. Invoices shall consist of **Contract Service Costs** as identified in Attachment #2.
- 2.15 That invoices shall be sent to the Contract Partner at the following address:
- Common Market Equipment Co., Inc.
c/o Swift Transportation Co., Inc.
Attention: Kevin Burdette
2200 South 75th Avenue
Phoenix, Arizona 85043-7410
- 2.16 To ensure that any inmate(s) who operates the Contract Partner's off-road mobile equipment as an assigned work duty is in compliance with Department written instructions governing the use of inmate drivers.
- 2.17 That the Assistant Director, ACI or designee, shall ensure, when additional Contract Partner's operations are established at appropriate prison institutions, that each respective Warden shall be provided a copy of the Contract and any amendments.
- 2.18 That the Assistant Director, ACI or designee, shall keep the Contract Partner fully informed of all Department written instructions and activities that have bearing upon the Contract Partner fulfilling assigned obligations under this Contract, including all security requirements relative to the provision of contracted services.
- 2.19 That the Assistant Director, ACI, or designee shall coordinate the administrative process within the Department to obtain security clearances for the Contract Partner's staff to access institution(s) identified by Attachment #1.

3 IT IS MUTUALLY AGREED THAT:

- 3.1 This Contract shall commence when all authorized signatures are affixed and all stated conditions have been met. Upon execution of all required actions, the Assistant Director of ACI shall publish and distribute a letter of **Authorization to Proceed** to the Contract Partner and all other concerned parties.
- 3.2 The expiration date shall be March 31, 2008, contingent upon availability of funds and resources of the Department to carry out its part of the Contract provided, however, that in the event that the Department notifies the Contract Partner that funds and resources are not fully available, the parties agree to work together in good faith to devise a solution to this problem. Unless terminated sooner as permitted herein, this Contract shall be automatically renewed for three (3) additional five (5) year terms each, effective April 1, 2008, April 1, 2013 and April 1, 2018.

- 3.3 The Department reserves the right to terminate the Contract for default in whole or in part due to the failure of the Contract Partner to comply with any term or condition of the Contract, to acquire and maintain all required insurance policies, bonds, licenses and permits. The Department shall provide written notice of the termination and the reasons for it to the Contract Partner.
- 3.4 Upon termination of this Contract all remaining monetary obligations and removal of the Contract Partner's property, up to the termination date shall be satisfied as follows:
- 3.4.1 The Contract Partner shall pay ACI for services rendered to the date of termination. ACI shall submit all requests for payment within thirty (30) calendar days after the date of termination of this Contract. All outstanding payments shall be made by the Contract Partner within ten (10) work days after request for payment, sent certified mail, return receipt requested, is received by the Contract Partner, in the format and to the location specified herein.
- 3.4.2 Payments made by the Contract Partner to ACI shall be in agreement with ACI's records. Should a discrepancy in amount of payment occur and remain unresolved after accomplishing the procedure identified herein, ACI may request an audit of the Contract Partner's financial records. The Contract shall remain in effect until the discrepancy is resolved; however, services to the Contract Partner shall end in accordance with the **Notice of Termination**.
- 3.5 The Assistant Director, ACI, or designee, shall be responsible for coordinating all actions stipulated above in the event an institution is removed from participation in this work program.
- 3.6 If a discrepancy in payment, or payment records is identified by either party to this Contract, the party discovering the discrepancy shall notify the other in writing within ten (10) work days after discovery. Both parties shall resolve the discrepancy by comparison and reconciliation of records.
- 3.7 Both parties recognize that respective and mutual obligations of the parties pertaining to start-up, operation and costs applicable to the subject inmate work Contract shall apply to each new operation established at other institutions as authorized herein.
- 3.8 Proper communication is essential to the success of the work program. The Contract Partner shall address all programmatic issues with ACI. Only immediate security/safety concerns shall be addressed to institution officials without first coordinating through ACI.
- 3.9 The Risk Management Division of the Arizona Department of Administration shall review and investigate all claims of Contract Partner personal property loss due to alleged negligence by the Department or the State.

- 3.10 Changes to the Contract to accomplish the following may be handled by written notice rather than formal amendment. All other changes shall be accomplished by formal amendment, signed by all parties.
- 3.10.1 Change of address of Contract Partner or Department.
- 3.10.2 Change of Contract Partner or Department authorized signatory, or designee, unless such change impacts respective obligations under this Contract.
- 3.10.3 Change in the name or address of the person(s) to whom notices, invoices, or payments are to be sent.
- 3.10.4 Changes to the following Attachments:
- 3.10.4.1 Attachment #1 Arizona State Prison Complexes
 - 3.10.4.2 Attachment #2 Contract Service Costs
 - 3.10.4.3 Attachment #3 Daily Time Sheet
 - 3.10.4.4 Attachment #4 Inmate Payroll Summary
 - 3.10.4.5 Attachment #5 Mechanism For Guarantee of Payment
 - 3.10.4.6 Attachment #7 Inmate Worker Agreement
 - 3.10.4.7 Attachment #8 Inmate Worker Standards of Conduct Agreement
 - 3.10.4.8 Attachment #9 Request for Authorization: Off-Road Equipment
 - 3.10.4.9 Attachment #10 Work Locations Owned and/or Operated by Contract Partner
 - 3.10.4.10 Attachment #12 Vehicle Inspection Agreement
- 3.11 This Contract is subject to cancellation pursuant to A.R.S. §38-511, the provisions of which are incorporated herein.
- 3.12 Each party to this Contract agrees to resolve all disputes arising out of or relating to this Contract through arbitration, after exhausting applicable administrative review to the extent required by A.R.S. §12-1518, except as may be required by other applicable statutes.
- 3.13 This Contract shall be governed and interpreted by the laws of the State of Arizona and the administrative rules promulgated thereunder (A.A.C. R2-7-901, et seq.).
- 3.14 The Contract Partner shall comply with State Executive Order No. 99-4 which mandates that all persons, regardless of race, religion, sex, age, national origin or political affiliation, shall have equal access to employment opportunities, and all other applicable Federal and State employment laws, rules and regulations, including the Americans With Disabilities Act. The Contract Partner shall take action to ensure that applicants for employment and employees are not discriminated against due to race, religion, age, sex, national origin or disability.
- 3.15 Each party to this Contract shall be responsible for its own negligence and any and all costs, including but not limited to, attorney fees, court costs and other litigation

expenses incurred as a result of the negligence and/or errors and omissions of its officers, employees, agents, or assigns arising out of the performance of this Contract.

- 3.16 To retain for inspection and audit by the State all books, accounts, reports, files and other records relating to the performance of this Contract for a period of five (5) years after its completion. Upon request by either party, a legible copy of all such records shall be produced at the administrative office of the requesting party or at the office of the State Auditor General. The original of all such records shall also be available and produced for inspection and audit when requested by the Auditor General or the requesting party to verify the authenticity of copy.
- 3.17 The parties to this Contract agree that the State of Arizona and the Department of Corrections, shall be indemnified and held harmless by the Contract Partner for the vicarious liability of the State as a result of entering into this Contract. The parties further agree that each party to this Contract shall be responsible for consequences arising from its own negligence.
- 3.18 Any and all notices, requests or demands given or made upon the parties hereto, pursuant to or in connection with this Contract, unless otherwise noted, shall be delivered in person or sent by United States Mail, postage prepaid, to the parties at their respective addresses as shown on the signature page of this document.
- 3.19 The parties recognize that in actual economic practice, overcharges resulting from antitrust violations are in fact borne by the purchaser. Therefore, the Contract Partner hereby assigns to the Department any and all claims for such overcharge.
- 3.20 That this Contract does not create a partnership between the parties and that each party shall remain a distinct legal entity. This paragraph is intended to clarify the term Contract Partner, as used in this Contract.
- 3.21 The inmate labor program may not be used in such a way so as to produce new or re-manufactured goods for introduction into interstate commerce by the Contract Partner or any third party with which the Contract Partner has entered into an agreement to repair, refurbish, retrofit or manufacture goods. As long as the preceding restriction is not violated by the Contract Partner, nothing in this Contract shall preclude the Contract Partner from engaging in other activities beyond repairing and refurbishing used trucks and/or trailers for its own use and the use of third parties.
- 3.22 The Contract Partner shall not advertise or publish information for commercial benefit concerning this Contract without the prior written approval of the Department and/or ACI.
- 3.23 In the event that Contract Partner enters into an agreement with BoMax Vehicle Servicing Group, LLC ("BoMax") whereby BoMax agrees to terminate ADC Contract No. 010007DC, Contract Partner will, as part of any such agreement, require BoMax to escrow up to \$100,000, and that amount shall be utilized to satisfy any amount which BoMax is indebted to the Department and/or ACI under ADC

Contract No. 010007DC. Upon the termination of ADC Contract No. 010007DC, the Department or ACI shall submit an invoice to BoMax up to and inclusive of the date of termination and shall provide a copy of such invoice to Contract Partner. Contract Partner shall ensure that such final invoice is paid from the escrowed amount with the balance of such Escrowed Amount remitted to BoMax by Contract Partner.

- 3.24 The Contract Partner shall have the first right of refusal to assume the use of the Excluded Area, described in Attachment #10, if Desert Thunder Welding LLC fails to establish a viable operation in the area by a date not to exceed six (6) months from the signing of this agreement, or if its affiliate ceases to operate in the area.
- 3.25 The Department and Contract Partner mutually agree to the Vehicle Inspection Agreement per Attachment #12.

WORK PROGRAM UTILIZING ON-SITE CORRECTIONAL OFFICER (CO) SUPERVISION

- A. No inmate shall be placed in a supervisory capacity over any other inmate.
- B. The Contract Partner shall provide immediate notification to the on-site CO of the following:
 - 1. Unsatisfactory work or malingering of inmates. If requested, the Contract Partner shall furnish a written account of such unsatisfactory performance.
 - 2. The discovery or suspicion of any intoxicant or un-prescribed drug in the possession of any inmate worker.
 - 3. An inmate's failure to remain at work in accordance with assigned job duties.
- C. In the event of accident or serious illness while on the job, the Contract Partner may administer first aid as necessary and shall notify Department authorities without delay. If necessary, in the interest of life or limb, the inmate may be transported to the nearest hospital.
- D. The Contract Partner shall provide training and special protective clothing if work environment necessitates use of specific safety precautions or if inmates must work with, near, or around hazardous materials, e.g., asbestos, explosives, radioactive substances. Provision of training shall be documented in writing for each inmate participant. Special protective clothing may include, but shall not be limited to, shoes, safety glasses, gloves, goggles, protective outerwear, hats, etc.
- E. The Contract Partner shall provide instruction to all inmate workers regarding necessary safety precautions at the job site. If inmate workers are required to operate special equipment as part of their job duties, appropriate training specific to its use shall be provided and documented.
- F. Contract Partner's supervisors shall have knowledge and training related to the particular work tasks described in the Contract to ensure that qualified technical supervision and assistance shall be provided to inmate workers as applicable to job requirements.
- G. All equipment, machinery and tools needed to accomplish designated work assignments shall be maintained in good repair and working condition by the Contract Partner.
- H. The Contract Partner shall comply with the required standards of the Occupational Safety and Health Act (OSHA), Safety and Health Standards for General Industry (29 CFR Part 1910), as adopted by the State of Arizona, during the term of this Contract; relative to safety of the work environment and equipment used by assigned inmate workers.
- I. The confidentiality of information regarding any inmate worker acquired in the course of service pursuant to this Contract shall be maintained in accordance with A.R.S. §31-221. **No information shall be released** without prior written authorization from ACI.

- J. The Contract Partner's personnel shall be instructed that it is unlawful for anyone to give, take or in any manner barter with inmates, i.e., the supplying of any goods, including food and soft drinks or monies, constitutes a felony for which they can be prosecuted. Inmates are not permitted to work where there are alcoholic beverages or illegal drugs. The Contract Partner's personnel shall not handle any mail, notes, packages, or verbal messages for assigned inmates. No inmate shall be permitted to make or receive telephone calls unless the call is made to or received from the prison facility in which the inmate is incarcerated.
- K. Authorized representative(s) of the Department shall be permitted to visit or telephone assigned inmates at the prescribed place of work, or to otherwise communicate with the Contract Partner to discuss each inmate's work performance, work attendance and general behavior.
- L. **The visiting of an inmate by any unauthorized person shall not be permitted.** If any person is found visiting with an inmate, his or her name and description shall be given to institution authorities. If it is not possible or feasible to obtain names, other identification such as automobile make, description and license number shall be obtained when possible.
- M. Any allegations of non-compliance with Department written instructions, or other Contract Partner misconduct, shall be subject to investigation by the Department.

ARIZONA STATE PRISON COMPLEXES

Phone Numbers	STATE PRISONS PROVIDING INMATE WORK POOLS						
(623)386-6160	Arizona State Prison Complex - Lewis (ASPC - L) <table><tr><td><u>Physical Address</u></td><td><u>Mailing Address</u></td></tr><tr><td>26700 S. Highway 85</td><td>P.O. Box 70</td></tr><tr><td>Buckeye, Arizona 85326</td><td>Buckeye, Arizona 85326-0170</td></tr></table>	<u>Physical Address</u>	<u>Mailing Address</u>	26700 S. Highway 85	P.O. Box 70	Buckeye, Arizona 85326	Buckeye, Arizona 85326-0170
<u>Physical Address</u>	<u>Mailing Address</u>						
26700 S. Highway 85	P.O. Box 70						
Buckeye, Arizona 85326	Buckeye, Arizona 85326-0170						

ARIZONA CORRECTIONAL INDUSTRIES
CONTRACT SERVICE COSTS

Contract Service Costs are comprised of the components identified in subparagraphs 1 through 5 below. Costs will be re-evaluated and adjusted on an annual basis, as necessary.

1. **INMATE WAGES**: During the initial 120-day training period, each inmate will receive compensation, as an ACI inmate worker, of \$2.00 per hour. Beginning with the pay period immediately following the 120-day training period, each inmate worker will receive pay at the rate of \$4.00 per hour. New inmate workers will be subject to the same two-tiered pay plan. For hours worked in excess of forty (40) hours per week, inmates shall receive compensation equal to one and one-half (1-1/2) times their normal hourly wage rate.
2. **COSTS OF CORRECTIONAL OFFICERS**: The costs of Correctional Officer (CO) supervision shall be based on the actual hours worked supervising inmates. In addition, one (1) hour per shift, for each CO, shall be added to the CO hours worked, to account for time spent on the egress and ingress of the inmates at the institution. The hourly cost of each CO shall be \$30.37.
3. **ACI MANAGEMENT FEE**: The ACI Management Fee shall be calculated and invoiced for each pay period at the rate of eleven percent (11%) of the sum of gross inmate wages and the cost of CO supervision.
4. **MINIMUM WAGE SURCHARGE**: The minimum wage surcharge is only applied as an additional cost if it is determined, after calculating all costs* for a given pay period, that the net effective hourly cost during the period was less than the Federal minimum wage. This determination is accomplished by dividing the sum of costs for a specific pay period, including inmate wages, CO and ACI Management Fee, by the total number of inmate hours worked during the pay period. If calculated to be less than the Federal minimum wage, a surcharge will be added to the invoice bringing the net effective hourly cost up to the Federal minimum wage. (*Inmate Wages, CO Costs and ACI Management fee.)
5. **UTILITIES**: Electrical service shall be metered and invoiced monthly to the Contract Partner by ACI.

Costs identified above shall be made payable to Arizona Correctional Industries. ACI shall disburse payments in accordance with the terms and conditions set forth in this Contract and the attachments herein. The Contract Partner shall remit payments to ACI at the address shown below within ten (10) work days after receipt of invoice.

Arizona Correctional Industries
Attention: Accounts Receivable
P.O. Box 34420
Phoenix, Arizona 85067-4420

MECHANISM FOR GUARANTEE OF PAYMENT

Prior to initiating any operations which may result in a financial liability to the Department and/or ACI, the Contract Partner shall accomplish one of the following, to guarantee payment to ACI, for work performed by inmates. The choice of option shall be mutually agreed upon by both parties.

- Option 1: The Contract Partner shall purchase a Payment Bond which will guarantee payment to ACI for work performed by inmates. This bond will meet the following conditions:
- A. Payment Bond shall be issued by an insurance company licensed by the Arizona State Insurance Department to conduct business in the State of Arizona.
 - B. Payment Bond shall guarantee payment of amounts computed using cost components identified in Attachment #2, **Contract Service Costs**; equal to an estimate of thirty (30) days of inmate labor expense, including CO supervision and ACI Management Fee.
- Option 2: The Contract Partner shall pre-pay to ACI, an amount equal to an estimate of thirty (30) days of inmate labor expense, including CO supervision and ACI Management Fee. This amount shall be held by ACI, for a period determined by ACI, to guarantee amounts invoiced. Should the Contract Partner subsequently choose to exercise another option, the amount pre-paid to ACI shall be refunded upon receipt of the required documents associated with the substituted option.
- Option 3: The Contract Partner shall establish an extension of credit with a State of Arizona or a Federally chartered bank, in the form of a Time Certificate of Deposit, in an amount equal to an estimate of thirty (30) days of inmate labor expense, including CO supervision and ACI Management Fee. This amount shall be net of any penalties for early withdrawal. ACI will be provided with a letter of confirmation, from such bank, verifying that the Contract Partner has authorized ACI to draw upon the Time Certificate of Deposit in the event of non-payment of amounts due within thirty (30) calendar days of invoice date. The letter shall also state that ACI must provide written approval, to the bank, before any monies may be withdrawn by the Contract Partner. The Contract Partner retains the authority to extend the specified period of the Time Certificate of Deposit.
- Option 4. The Contract Partner shall provide an irrevocable Letter of Credit drawn on a federally chartered bank in favor of the Department (ACI) in order to secure payment to the Department (ACI) for inmate labor expenses. Such Letter of Credit shall be in an amount equal to thirty (30) days of inmate labor expense, including CO supervision and ACI Management Fee. The parties shall review the appropriate amount of the Letter of Credit annually, each April 1, commencing April 1, 2004.

MINIMUM INSURANCE REQUIREMENTS

Without limiting any liabilities or any other obligation of the Contract Partner, the Contract Partner shall purchase and maintain (and cause its subcontractors to purchase and maintain), in a company or companies lawfully authorized to do business in the State of Arizona, and rated at least A VII in the current A.M. Best's, the minimum insurance coverage below. If Swift Transportation Inc., as the parent company carries the required coverages, said policies must show the Contract Partner (Common Market Equipment Inc.) as a covered entity.

- 1 Workers' Compensation insurance for the Contract Partner's employees to cover obligations imposed by Federal and State statutes and employers' liability insurance with a minimum specified by statute. Evidence of qualified self-insured status shall also suffice for this section.

1.1 Workers Compensation statutes, as follows:

Workers Compensation (Coverage A): Statutory Arizona benefits;
Employers Liability (Coverage B): \$500,000 each accident;
\$500,000 each employee/disease;
\$1,000,000 policy limit/disease.

2. Commercial General Liability, with minimum limits of \$1,000,000 per occurrence, and an unimpaired products and completed operations aggregate limit and general aggregate minimum limit of \$2,000,000. Coverage shall be at least as broad as the Insurance Service Office, Inc. Form CG00010196, issued on an Occurrence basis, and endorsed to add the State of Arizona and the Department as an Additional Insured with references to this Contract. The policy shall include coverage for:

- Bodily Injury;
- Broad Form Property Damage;
- Personal Injury;
- Blanket Contractual Liability;
- Independent Contractors;
- Products and Completed Operations;
- Fire Legal Liability

It is understood that Swift Transportation Inc. is self insured for the first \$1,000,000 deductible and will provide audited financial document showing such reserves.

- 3 Business Automobile Liability, with minimum limits of \$1,000,000 per occurrence combined single limit, with Insurance Service Office Inc. Declarations to include Symbol One (Any Auto) applicable to claims arising from bodily injury, death or property damage arising out of the ownership, maintenance or use of any auto. The policy shall be endorsed to add the State of Arizona and the Department of Corrections as an Additional Insured with reference to this contract.
- 4 The State of Arizona shall not indemnify for loss to Contract Partner's personal property that may be located at a Department institution to support described work activities. Contract Partner may purchase personal property insurance to cover such loss.

MINIMUM INSURANCE REQUIREMENTS
(Continued)

- 5 Certificates of Insurance acceptable to the State of Arizona and the Department of Corrections shall be issued and delivered prior to the commencement of the work defined in this Contract, and shall identify this Contract and include certified copies of endorsements naming the State of Arizona and the Department of Corrections as Additional Insured for liability coverages. The certificates, insurance policies and endorsements required by this paragraph shall contain a provision that coverages afforded will not be canceled until at least 60 days prior written notice has been given to the State of Arizona and the Department of Corrections. All coverages, conditions, limits and endorsements shall remain in full force and effect as required in this contract.

- 6 Failure on the part of the Contract Partner to meet these requirements shall constitute a material breach of contract, upon which the State of Arizona and the Department of Corrections may immediately terminate this Contract or, at its discretion, procure or renew such insurance and pay any and all premiums in connection therewith, and all monies so paid by the State of Arizona and the Department of Corrections shall be repaid by the Contract Partner upon demand, or the State of Arizona and the Department of Corrections may offset the cost of the premiums against any monies due to the Contract Partner. Costs for coverages broader than those required or for limits in excess of those required shall not be charged to the State of Arizona and the Department of Corrections. Contract Partner and its insurer(s) providing the required coverages shall waive their rights of recovery against the State of Arizona, its Departments, Employees and Officers, Agencies, Boards and Commissions.

ARIZONA DEPARTMENT OF CORRECTIONS

INMATE WORKER AGREEMENT

1. I agree that participation as an ACI inmate worker, in the Inmate Work Program with Common Market Equipment Company, Inc., is voluntary.
2. I am aware that while engaged as an ACI inmate worker, my gross wages before deductions will initially be \$3.00 per hour, with a raise to \$3.25 after 90 days, a second raise to \$3.50 after 180 days, a third raise to \$3.75 after 270 days and a final raise to \$4.00 after a year.
3. I understand that hours worked in excess of forty (40) hours per week, I shall receive compensation equal to one and one-half (1 ½) times the normal hourly wage rate.
4. I also understand that, as a condition of my participation in this work program, certain deductions from my wages will be made in accordance with A.R.S. §31-254 and Department Order 905, Inmate Banking/Money System.
5. I have read this Agreement and concur with both my wages as listed above, and the deductions as specified by Department Order 905.

INMATE	ADC WITNESS
Print Name: _____	Print Name: _____
ADC Number: _____	Title: _____
Signature: _____	Signature: _____
Date: _____	Date: _____

Retain copy for Institutional Purposes

Send Original to:

Arizona Correctional Industries
Attention: Business Development Unit
P.O. Box 34420 or M/C 860
Phoenix, Arizona 85067-4420

INMATE WORK CONTRACT
ACI/Common Market Equipment Company

INMATE WORKER STANDARDS OF CONDUCT AGREEMENT

1. Inmate workers assigned to the ACI/Common Market Equipment Company work program, shall not leave the work area.
2. Work schedules shall be adhered to at all times. Inmate workers shall be at their assigned work station and conducting work activities during their scheduled work hours.
3. No personal activities shall be performed at the work site during scheduled work hours.
4. Horseplay, name calling or other disruptive and/or unprofessional behavior will not be tolerated.
5. Inmate workers shall not use abusive language or profanity.
6. Work areas shall be maintained in a clean and orderly fashion at all times.
7. Possession of weapons is strictly prohibited.
8. Equipment and materials are the property of Common Market Equipment Company and shall not be used for personal use or be removed from the work site. This includes products from trash piles or trash containers.
9. Inmate workers must maintain accountability of assigned tools at all times. Failure to maintain accountability may result in removal from the ACI/Common Market Equipment Company work program.
10. Intentional abuse, misuse or damage to any Common Market Equipment Company property, tools, or equipment is prohibited.
11. Confrontational behavior toward any Common Market Equipment Company employee or visitor is prohibited.
12. Use of unauthorized controlled substances, at any time, is prohibited.
13. Causing damage or rework through inattention, carelessness or intentional misconduct is prohibited.
14. Use of Common Market Equipment Company telephones is prohibited.
15. Sleeping during work hours is prohibited.
16. An inmate charged with an alleged institutional rule violation, and/or placed in administrative investigative status for more than five (5) work days may be suspended from the

INMATE WORK CONTRACT
ACI/Common Market Equipment Company

Inmate Worker Standards of Conduct Agreement
(Continued)

ACI/Common Market Equipment Company position, Department Order 903.09, Paragraph 1.7
Disciplinary Process.

I understand that my participation as an ACI inmate worker for the ACI/Common Market Equipment Company position work program is a privilege. As an ACI inmate worker, assigned to the ACI/Common Market Equipment Company work program, I hereby agree to the Standards of Conduct listed above. I acknowledge that my failure to abide by any of the terms and conditions noted above shall be grounds for immediate termination from the work program and referral to the institution for disciplinary action.

_____	_____	_____
Inmate Printed Name	ADC Number	Signature and Date
_____	_____	_____
ADC Witness Printed Name	Title	Signature and Date

Distribution:

Original

Arizona Correctional Industries
Attention: Business Development Unit
P.O. Box 34420
(or M/C 860)
Phoenix, Arizona 85067-4420

Copy

Inmate Institutional File
Inmate Master File

ARIZONA DEPARTMENT OF CORRECTIONS
INMATE WORKER AGREEMENT

1. I agree that participation as an ACI inmate worker, in the Inmate Work Contract with Common Market Equipment Company, Inc., is voluntary.
2. I am aware that while engaged as an ACI inmate worker, my gross wages before deductions will be \$2.00 per hour for a 120-day training period. Beginning with the pay period immediately following the end of the 120-day period, my gross hourly wage will increase to \$4.00 per hour.
3. I understand that I may be required to work up to sixty (60) hours per week. Overtime hours will be paid at one and one-half (1-1/2) time the normal hourly wage rate.
4. I have read this Agreement and concur with both my wages as listed above, and the deductions as specified by Department Order 905.

INMATE	ADC WITNESS
Print Name: _____	Print Name: _____
ADC Number: _____	Title: _____
Signature: _____	Signature: _____
Date: _____	Date: _____

NOTE: Institution staff is to complete this form prior to the inmate's first day of work.

Retain copy for Institutional Purposes

Send Original to:

**Arizona Correctional Industries
Attention: Business Development Unit
P.O. Box 34420 (or M/C 860)
Phoenix, Arizona 85067-4420**

INMATE WORK CONTRACT
ACI/Common Market Equipment Company
ASPC-Lewis

INMATE WORKER STANDARDS OF CONDUCT AGREEMENT

1. Inmate workers assigned to the ACI/Common Market Equipment Company work program, shall not leave the work area.
2. Work schedules shall be adhered to at all times. Inmate workers shall be at their assigned work station and conducting work activities during their scheduled work hours.
3. No personal activities shall be performed at the work site during scheduled work hours.
4. Horseplay, name calling or other disruptive and/or unprofessional behavior will not be tolerated.
5. Inmate workers shall not use abusive language or profanity.
6. Work areas shall be maintained in a clean and orderly fashion at all times.
7. Possession of weapons is strictly prohibited.
8. Equipment and materials are the property of Common Market Equipment Company and shall not be used for personal use or be removed from the work site. This includes products from trash piles or trash containers.
9. Inmate workers must maintain accountability of assigned tools at all times. Failure to maintain accountability may result in removal from the ACI/Common Market Equipment Company work program.
10. Intentional abuse, misuse or damage to any Common Market Equipment Company property, tools, or equipment is prohibited.
11. Confrontational behavior toward any Common Market Equipment Company employee or visitor is prohibited.
12. Use of unauthorized controlled substances, at any time, is prohibited.
13. Causing damage or rework through inattention, carelessness or intentional misconduct is prohibited.
14. Use of Common Market Equipment Company telephones is prohibited.
15. Sleeping during work hours is prohibited.
16. An inmate charged with an alleged institutional rule violation, and/or placed in administrative investigative status for more than five (5) work days may be suspended from the

**INMATE WORK CONTRACT
ACI/Common Market Equipment Company
ASPC-Lewis**

**Inmate Worker Standards of Conduct Agreement
(Continued)**

ACI/Common Market Equipment Company position, Department Order 903.09, Paragraph 1.7
Disciplinary Process.

I understand that my participation as an ACI inmate worker for the ACI/Common Market Equipment Company position work program is a privilege. As an ACI inmate worker, assigned to the ACI/Common Market Equipment Company work program, I hereby agree to the Standards of Conduct listed above. I acknowledge that my failure to abide by any of the terms and conditions noted above shall be grounds for immediate termination from the work program and referral to the institution for disciplinary action.

_____	_____	_____
Inmate Printed Name	ADC Number	Signature and Date
_____	_____	_____
ADC Witness Printed Name	Title	Signature and Date

Distribution:

Original
Arizona Correctional Industries
Attention: Business Development Unit
P.O. Box 34420
(or M/C 860)
Phoenix, Arizona 85067-4420

Copy
Inmate Institutional File
Inmate Master File

**LETTER OF INSTRUCTION
REQUEST FOR AUTHORIZATION**

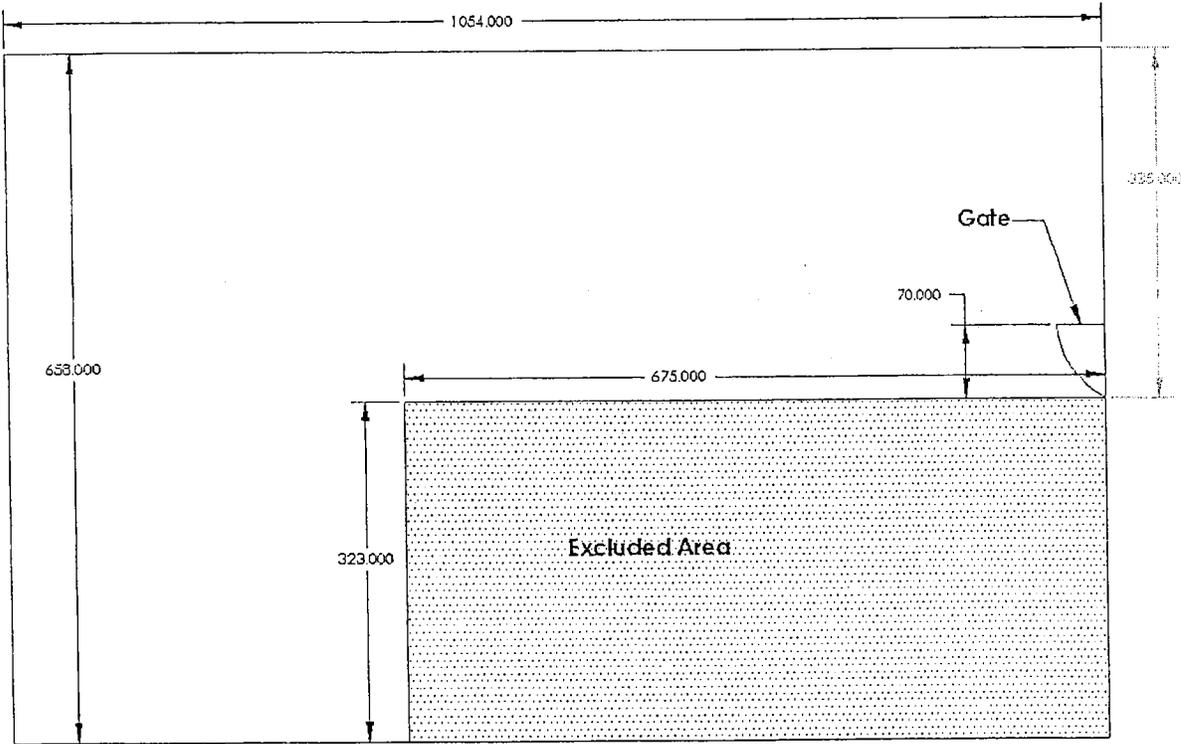
UTILIZING INMATE WORKERS FOR OPERATION OF OFF-ROAD MOBILE EQUIPMENT

Inmate Work Contracts between the Department/ACI and the Contract Partner provide authorization for assigned inmate workers to operate off-road mobile equipment under certain conditions. This Letter of Instruction provides the procedure for obtaining approval to utilize inmate workers on Contract Partner's off-road mobile equipment.

- 1 The Contract Partner shall provide written notice to ACI advising of the need to utilize inmate workers to operate specific off-road mobile equipment. The request shall include the following information:
 - 1.3 A complete list describing the type(s) of off-road mobile equipment to be operated;
 - 1.2 Identification of specific training, inmates will receive for each type of off-road mobile equipment; and
 - 1.3 A list of inmates, to include the inmate's Department identification number, for whom approval is being requested. The list **shall** reflect the type(s) of mobile equipment to be operated, specific to each inmate worker.
- 2 ACI shall acknowledge the Contract Partner's request and, after coordinating with institution officials, notify the Contract Partner in writing of those inmates approved to be trained to operate off-road mobile equipment. The Contract Partner **shall not** proceed with training until written notice of authorization is received from the Department.
- 3 Once approval to proceed with training is received, the Contract Partner shall provide safety and operational training to approved inmates for each type of specified off-road mobile equipment. The manufacturer's supplied training materials and/or materials developed in accordance with Occupational Safety and Health Act (OSHA) guidelines, for each specific type of mobile equipment, should meet the training requirements for each inmate operator. Copies of training materials shall be provided to ACI for record keeping purposes.
- 4 Once training is complete, the Contract Partner shall furnish ACI with documentary evidence of satisfactory completion of training for each inmate. The documentation shall include the inmate's certification by signature that he/she understands the operation and safety issues of each type of mobile equipment he/she has been trained to operate.
- 5 Following review of training documents provided by the Contract Partner, the Assistant Director, ACI and/or designee, shall furnish the Contract Partner with notification of approval for individual inmates. ACI shall maintain records of training and authorization for all inmate workers as long as they are engaged in this inmate work program.
- 6 The Contract Partner shall acquire and maintain applicable insurance in compliance with State requirements.

**WORK LOCATIONS OPERATED BY
Common Market Equipment Company, Inc.**

- | | |
|----|---|
| 1. | <p>Arizona State Prison Complex - Lewis.
Within the 15.91 acre area located between the Buckley Unit and the Rast Unit, exclusive of the area identified as the Excluded Area in the map shown below.</p> <p>NOTE: See paragraph 3.24 for first right of refusal.</p> |
|----|---|





**CERTIFICATE OF OBSERVATION
FOR
STATE CONSTRUCTION**

ARIZONA DEPARTMENT OF CORRECTIONS
PHOENIX, ARIZONA 85007
602-255-4226

AGENCY: _____
PROJECT: _____
LOCATION: _____
PROJECT MANAGER: _____

**CERTIFICATE OF RESPONSIBILITY FOR INSPECTION
(TO BE COMPLETED PRIOR TO CONSTRUCTION)**

General inspection/special inspection will be provided by the architect/engineer

REGISTRANT	<p>I CERTIFY THAT I AM FAMILIAR WITH THE DESIGN OF THE ABOVE NAMED PROJECT AND WILL CARRY OUT THE REQUIRED CONSTRUCTION OBSERVATIONS SPECIFIED IN SECTION 108, UBC.</p> <p>THE INDIVIDUALS NAMED BELOW WILL BE PERFORMING THE FIELD INSPECTIONS AND WILL BE ON THE JOB SITE TO RENDER COMPETENT INSPECTION.</p>
NAME OF FIELD INSPECTOR:	TYPE OF WORK:
NAME OF FIELD INSPECTOR:	TYPE OF WORK:
NAME OF FIELD INSPECTOR:	TYPE OF WORK:
NAME OF FIELD INSPECTOR:	TYPE OF WORK:

**CERTIFICATE OF COMPLETION
(TO BE COMPLETED AND FILED WITH AIA DOCUMENT G704)**

REGISTRANT	<p>I CERTIFY THAT, TO THE BEST OF MY KNOWLEDGE, THE PROJECT IS COMPLETE AND THE INSPECTION REQUIREMENTS OF THE BUILDING CONSTRUCTION CODE HAVE BEEN MET. A GUARANTEE THAT THE CONTRACTOR HAS NECESSARILY CONSTRUCTED THE BUILDING IN FULL ACCORD WITH THE PLANS AND SPECIFICATIONS IS NEITHER INTENDED NOR IMPLIED.</p>
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VEHICLE INSPECTION AGREEMENT

It shall be understood that Used Vehicles and Trailers, delivered to ASPC-Lewis could possibly contain materials, supplies, equipment, substances and/or other items that are either unlawful or not permitted in ASPC-Lewis. The Department and the Contract Partner have mutually agreed to the following:

- A. **Staging Area:** The Department will identify an area at ASPC-Lewis that is acceptable and appropriate for the Department's inspection and search of Used Vehicles and Trailers and personnel entering ASPC-Lewis for, or on behalf of the Contract Partner (Staging Area).
- B. **Safety and Security:** The Contract Partner shall assist the Department in the maintenance of an acceptable level of safety and security at ASPC-Lewis, and to facilitate the efficient processing of Used Vehicles and Trailers and drivers that are not Contract Partner employees at security checkpoints at ASPC-Lewis. The Contract Partner will direct that all Used Vehicles and Trailers arriving at ASPC-Lewis for, or on behalf of the Contract Partner, be taken to the Staging Area for a thorough inspection and search by the Department prior to being processed and introduced inside the exterior perimeter of ASPC-Lewis.
- C. **Availability to Inspect:** The Contract Partner agrees to make available for a detailed inspection by the Department at the Staging Area any Used Vehicles and Trailers or personnel intending to enter ASPC-Lewis for, or on behalf of the Contract Partner. The Contract Partner and the Department acknowledge that Staging Area inspections shall be in addition to, and not a replacement of, other inspections that shall be conducted by the Department at security checkpoints and/or inside the ASPC-Lewis exterior perimeter.
- D. **Acknowledgments by the Department:** The Department acknowledges and agrees that prior to entering the exterior perimeter of ASPC-Lewis that:
 1. Used Vehicles and Trailers and non-Common Market Equipment Company drivers may contain/possess Contraband;
 2. Used Vehicles and Trailers and non-Common Market Equipment Company drivers are outside the direct control of the Contract Partner until they are permitted entry by the Department into the exterior perimeter of ASPC-Lewis;
 3. The Contract Partner has neither the resources, nor the expertise to adequately inspect Used Vehicles and Trailers and non-Common Market Equipment Company drivers; and,

4. The Contract Partner is not responsible for the inspection of any Used Vehicles and Trailers or drivers.
- E. **Discovery of Contraband:** Per DO 708, the following procedures regarding searches for contraband shall apply. If, during the course of inspecting a Used Vehicle, Trailer or non-Common Market Equipment Company driver intending to enter ASPC-Lewis for, and on behalf of, the Contract Partner, the Department discovers any Contraband, the Department shall immediately notify Mr. Kevin Burdette, or other authorized official of the Contract Partner. All Contraband discovered by the Department shall be recorded and kept in a secure area. If such Contraband is determined to be an illegal substance, then the Department shall assume full responsibility for the confiscation, retention and the ultimate disposition of the Contraband. A copy of any reports concerning the confiscation, retention and disposition of illegal Contraband will be provided to The Contract Partner. Any individual found to have such illegal Contraband in his possession shall bear the sole responsibility for possessing such illegal Contraband. The Department shall maintain possession of any legal contraband until recovered by an authorized Contract Partner official, but in no case shall the Department be responsible for holding such Contraband for a period greater than 48 hours unless Contract Partner officials are unavailable for recovery.
- F. **Release of Used Vehicles and Trailers, and other Contract Partner Vehicles:** If the Department discovers Contraband in one of the Used Vehicles, Trailers or other Contract Partner Vehicles and retains such vehicle and/or trailer, the Department agrees to remove all such Contraband and release such vehicle and/or trailer to The Contract Partner as soon as possible. If the Department is unable to release the vehicle or trailer within 48 hours, the Department shall provide a written explanation to the Contract Partner as to why the Department is unable to release the vehicle and/or trailer.