

INTER-GOVERNMENTAL SERVICE AGREEMENT
BETWEEN THE
UNITED STATES DEPARTMENT OF HOMELAND SECURITY
U.S. IMMIGRATION AND CUSTOMS ENFORCEMENT
OFFICE OF DETENTION AND REMOVAL
AND
CENTRAL FALLS DETENTION FACILITY CORPORATION

This Agreement is entered into between United States Department of Homeland Security Immigration and Customs Enforcement, hereinafter referred to as "**DHS/ICE**" or "**ICE**", and the Central Falls Detention Facility Corporation, hereinafter referred to as the "**Service Provider**" for the detention and care of aliens, thereafter referred to as "**detainees**".

FACILITY LOCATION:

The Service Provider shall provide detention services for detainees at the following institution(s):

Donald W. Wyatt Detention Facility
950 High Street
Central Falls, Rhode Island 02863

Article I. Purpose

- A. **Purpose:** The purpose of this Intergovernmental Service Agreement (IGSA) is to establish an Agreement between DHS/ICE and the Service Provider for the detention, and care of persons detained under the authority of Immigration and Nationality Act, as amended. The term "Parties" is used in this Agreement to refer jointly to DHS/ICE and the Service Provider. All persons in the custody of DHS/ICE are "Administrative Detainees". This term recognizes that DHS/ICE detainees are not charged with criminal violations and are only held in custody to assure their presence throughout the administrative hearing process, and to assure their presence for removal from the United States pursuant to a lawful final order by the Immigration Court, the Board of Immigration Appeals or other Federal judicial body.
- B. **Responsibilities:** This Agreement sets forth the responsibilities of DHS/ICE and the Service Provider. The Agreement states the services the Service Provider shall perform satisfactorily to receive payment from DHS/ICE at the rate prescribed in Article I, C.
- C. **Guidance:** (1) This is a fixed rate agreement [not a cost reimbursable agreement] with respect to the detainee day rate. The detainee day rate is **\$96.00**. DHS/ICE shall be responsible for reviewing and approving the costs associated with this agreement and subsequent modifications utilizing all applicable federal procurement laws, regulations

and standards in arriving at the detainee day rate. Future rate proposals shall be prepared using the ICE Jail Services Cost Statement in accordance with the OMB Circular A-87.

Article II. General

- A. **Funding:** The obligation of ICE to make payments to the Service Provider is contingent upon the availability of Federal funds. ICE will, however, neither present detainees to the Service Provider nor direct performance of any other services until ICE has the appropriate funding. Orders will be placed under this IGSA when specific requirements have been identified and funding obtained. Performance under this IGSA is not authorized until the Contracting Officer issues an order, in writing. The effective date of the agreement will be negotiated and specified in a delivery/task order to this IGSA, which is supported by the ICE Contracting Officer. This IGSA is neither binding nor effective unless signed by the ICE Contracting Officer. Payments at the approved rate will be paid upon the return of the signed agreement by the authorized Local Government official to ICE.
- B. **Subcontractors:** The Service Provider shall notify and obtain approval from ICE if it intends to house ICE detainees in a facility other than the Donald W. Wyatt Detention Facility. If either that facility, or any future one is operated by an entity other than the Service Provider, ICE shall treat the entity as a subcontractor to the Service Provider. The Service Provider shall ensure that any subcontract includes all provisions of this Agreement, and shall provide ICE with copies of all subcontracts in existence during any part of the term of this Agreement. ICE will not accept invoices from, or make payments to a subcontractor.
- C. **Consistent with Law:** This firm fixed rate agreement, not cost reimbursable agreement is permitted under applicable statutes, regulation, policies or judicial mandates. Any provision of this Agreement contrary to applicable statutes, regulation, policies or judicial mandates is null and void, but shall not necessarily affect the balance of the Agreement.

Article III. Covered Services

- A. **Bedspace:** The Service Provider shall provide male/female beds on a space available basis. The Service Provider shall house all detainees as determined within the Service Provider's classification system. ICE will be financially liable only for the actual detainee days as defined in Paragraph C of this Article.
- B. **Basic Needs:** The Service Provider shall provide adult ICE detainees (gender as specified in Paragraph A of this Article) with safekeeping, housing, subsistence, medical and other services in accordance with this Agreement. In providing these services, the Service Provider shall ensure compliance with all applicable laws, regulations, fire and safety

codes, policies and procedures. If the Service Provider determines that ICE has delivered a person for custody who is under the age of eighteen (18), the Service Provider shall not house that person with adult detainees, and shall notify ICE immediately. The types and levels of services shall be consistent with those the Service Provider routinely affords other inmates.

- C. Unit of Service and Financial Liability: The unit of service will be a "detainee day" (one person per day). The detainee day begins on the date of arrival. The Service Provider may bill DHS/ICE for the date of arrival but not the date of departure. The Service Provider shall not charge for costs, which are not directly related to the housing and detention of detainees. Such costs include but are not limited to:
- 1) Salaries of elected officials
 - 2) Salaries of employees not directly engaged in the housing and detention of detainees
 - 3) Indirect costs in which a percentage of all local government costs are pro-rated and applied to individual departments unless, those cost are allocated under an approved Cost Allocation Plan
 - 4) Detainee services which are not provided to, or cannot be used by Federal detainees
 - 5) Operating costs of facilities not utilized by Federal detainees
 - 6) Interest on borrowing (however represented), bond discounts, costs of financing/refinancing, except as prescribed by OMB Circular A-87.
 - 7) Legal or professional fees (specifically legal expenses for prosecution of claims against the Federal Government, legal expenses of individual detainees or inmates)
 - 8) Contingencies
- D. Interpretive Services: The Service Provider shall make special provisions for non-English speaking, handicapped or illiterate detainees. ICE will reimburse the Service Provider for any costs associated with providing commercial written or telephone language interpretive services, and upon request, will assist the Service Provider in obtaining translation services. The Service Provider shall provide all instructions verbally (in English or the detainees' language as appropriate) to detainees who cannot read. The Service Provider shall include the amount that the Service Provider paid for such services on their regular monthly invoice. The Service Provider shall not use detainees for translation services, except in emergency situations. If the Service Provider uses a detainee for translation service, it shall notify ICE within twenty-four (24) hours.
- E. Escort and Transportation Services: The Service Provider will provide, upon request and as scheduled by ICE, necessary escort and transportation services for ICE detainees to and from designated locations. Escort services will be required for escorting detainees to court hearings; escorting witnesses to the courtroom and staged with ICE judge during proceedings. Transportation Services shall be performed by at least two (2) qualified sworn law enforcement or correctional officer personnel employed by the Service Provider under its policies, procedures and authorities.

Article IV. Receiving and Discharging Detainees

- A. **Required Activity:** The Service Provider shall receive and discharge detainees only to and from properly identified DHS/ICE personnel or other properly identified Federal law enforcement officials with prior authorization from DHS/ICE. Presentation of US Government identification shall constitute proper identification. The Service Provider shall furnish receiving and discharging services twenty-four (24) hours per day, seven (7) days per week. DHS/ICE shall furnish the Service Provider with reasonable notice of receiving and discharging detainees. The Service Provider shall ensure positive identification and recording of detainees and ICE officers. The Service Provider shall not permit medical or emergency discharges except through coordination with on-duty ICE officers.
- B. **Restricted Release of Detainees:** The Service Provider shall not release ICE detainees from its physical custody to any persons other than those described in Paragraph A of this Article for any reason, except for either medical, other emergency situations, or in response to a federal writ of habeas corpus. If an ICE detainee is sought for federal, state, or local proceedings, only ICE may authorize release of the detainee for such purposes. The Service Provider shall contact ICE immediately regarding any such requests.
- C. **Service Provider Right of Refusal:** The Service Provider retains the final and absolute right either to refuse acceptance, or request removal, of any detainee exhibiting violent or disruptive behavior, or of any detainee found to have a medical condition that requires medical care beyond the scope of the Service Provider's health care provider. In the case of a detainee already in custody, the Service Provider shall notify DHS/ICE and request such removals, and shall allow DHS/ICE reasonable time to make alternative arrangements for the detainee.
- D. **Emergency Evacuation:** In the event of an emergency requiring evacuation of the facility, the Service Provider shall evacuate ICE detainees in the same manner, and with the same safeguards, as it employs for persons detained under the Service Provider's authority. The Service Provider shall notify ICE within two (2) hours of evacuation.

Article V. DHS/ICE Detention Standards

SATISFACTORY PERFORMANCE:

The Service Provider is required, in units housing ICE detainees, to perform in accordance with the most current edition of **ICE National Detention Standards**. ICE Inspectors will conduct periodic inspections of the facility to assure compliance of the aforementioned standards.

Article VI. Medical Services

- A. Auspices of Health Authority: The Service Provider shall provide ICE detainees with on-site health care services under the control of a local government designated Health Authority. The Service Provider shall ensure equipment, supplies, and materials, as required by the Health Authority, are furnished to deliver health care on-site.
- B. Level of Professionalism: The Service Provider shall ensure that all health care service providers utilized for ICE detainees hold current licenses, certifications, and/or registrations with the State and/or City where they are practicing. The Service Provider shall retain a registered nurse to provide health care and sick call coverage unless expressly stated otherwise in this Agreement. In the absence of a health care professional, non-health care personnel may refer detainees to health care resources based upon protocols developed by United States Public Health Service (USPHS) Division of Immigration Health Services (DIHS). Healthcare or health trained personnel may perform screenings.
- C. Access to Health Care: The Service Provider shall ensure that on-site medical and health care coverage as defined below is available for all ICE detainees at the facility for at least eight (8) hours per day, seven (7) days per week. The Service Provider shall ensure that its employees solicit each detainee for health complaints and deliver the complaints in writing to the medical and health care staff. The Service Provider shall furnish the detainees instructions in his or her native language for gaining access to health care services as prescribed in Article III, Paragraph D.
- D. On-Site Health Care: The Service Provider shall furnish on-site health care under this Agreement. The Service Provider shall not charge any ICE detainee an additional fee or co-payment for medical services or treatment provided at the Service Provider's facility. The Service Provider shall ensure that ICE detainees receive no lower level of on-site medical care and services than those it provides to local inmates. On-site health care services shall include arrival screening within twenty-four (24) hours of arrival at the facility, sick call coverage, provision of over-the-counter medications, treatment of minor injuries (e.g. lacerations, sprains, and contusions), treatment of special needs and mental health assessments. Detainees with chronic conditions shall receive prescribed treatment and follow-up care.
- E. Arrival Screening: Arrival screening shall include at a minimum TB symptom screening, planting of the Tuberculin Skin Test (PPD), and recording the history of past and present illnesses (mental and physical).
- F. Acceptance of Detainees with Extreme Health Conditions: If the Service Provider determines that an ICE detainee has a medical condition which renders that person unacceptable for detention under this Agreement, (for example, contagious disease, condition needing life support, uncontrollable violence), the Service Provider shall notify

ICE. Upon such notification the Service Provider shall allow DHS/ICE reasonable time to make the proper arrangements for further disposition of that detainee.

- G. DIHS Pre-Approval for Non-Emergency Off-Site Care: DIHS acts as the agent and final health authority for ICE on all off-site detainee medical and health related matters. The relationship of the DIHS to the detainee equals that of physician to patient. The Service Provider shall release any and all medical information for ICE detainees to the DIHS representatives upon request. The Service Provider shall solicit DIHS approval before proceeding with non-emergency, off-site medical care (e.g. off site lab testing, eyeglasses, cosmetic dental prosthetics, dental care for cosmetic purposes). The Service Provider shall submit supporting documentation for non-routine, off-site medical health services to DIHS. For medical care provided outside the facility, DIHS may determine that an alternative medical provider or institution is more cost-effective or more aptly meets the needs of ICE and the detainee. ICE may refuse to reimburse the Service Provider for non-emergency medical costs incurred that were not pre-approved by DIHS. The Service Provider shall send all requests for pre-approval for non-emergent off-site care to:

United States Public Health Services
Division of Immigration Health Services
1220 L Street, NW PMB 468
Washington, DC 20005-4018
Phone: (703) 541-2155
FAX: (202) 318-0080

The Service Provider is to notify all medical providers approved to furnish off-site health care of detainees to submit their bills in accordance with instructions provided to:

BICE Emergis
DIHS Claims
P.O. Box 10250
Gaithersburg, MD 20898-0250
(Phone): (888)-383-3922
FAX: (888)-383-3957

- H. Emergency Medical Care: The Service Provider shall furnish twenty-four (24) hour emergency medical care and emergency evacuation procedures. In an emergency, the Service Provider shall obtain the medical treatment required to preserve the detainee's health. The Service Provider shall have access to an off-site emergency medical provider at all times. The Health Authority of the Service Provider shall notify DIHS Managed Care Coordinator by calling the telephone number listed in paragraph G above as soon as possible, and in no case more than seventy-two (72) hours after detainee receipt of such care. The Health Authority will obtain pre-authorization from the DIHS Managed Care Coordinator for service(s) beyond the initial emergency situation.

- I. Off-Site Guards: The Service Provider shall provide guards at all times detainees are admitted to an outside medical facility.
- J. DIHS Visits: The Service Provider shall allow DIHS Managed Care Coordinators reasonable access to its facility for the purpose of liaison activities with the Health Authority and associated Service Provider departments.

Article VII. No Employment of Unauthorized Aliens

Subject to existing laws, regulations, Executive Orders, and addenda to this Agreement, the Service Provider shall not employ aliens unauthorized to work in the United States. Except for maintaining personal living areas, persons detained for DHS/ICE shall not be required to perform manual labor.

Article VIII. Period of Performance

- A. This Agreement shall become effective upon the date of final signature by the ICE Contracting Officer and the authorized signatory of the Service Provider and will remain in effect indefinitely unless terminated in writing, by either party. Either party must provide written notice of intentions to terminate the agreement, sixty (60) days in advance of the effective date of formal termination, or the Parties may agree to a shorter period under the procedures prescribed in Article X.
- B. Basis for Price Adjustment: A firm fixed price with economic adjustment provides for upward and downward revision of the stated Per Diem based upon cost indexes of labor and operating expenses, or based upon the Service Provider's actual cost experience in providing the service.

Article IX. Inspection

- A. Jail Agreement Inspection Report: The Service Provider shall allow DHS/ICE to conduct inspections of the facility, as required, to ensure an acceptable level of services and acceptable conditions of confinement as determined by DHS/ICE. No notice to the Service Provider is required prior to an inspection. DHS/ICE will conduct such inspections in accordance with the Jail Agreement Inspection Report. The Jail Agreement Inspection Report stipulates minimum requirements for fire/safety code compliance, supervision, segregation, sleeping utensils, meals, medical care, confidential communication, telephone access, legal counsel, legal library, visitation, and recreation. DHS/ICE will share findings of the inspection with the Service Provider's facility administrator to promote improvements to facility operation, conditions of confinement, and level of service.

- B. Possible Termination: If the Service Provider fails to remedy deficient service ICE identifies through inspection within a reasonable time as determined by the ICE Contracting Officer, ICE may terminate this Agreement without regard to the provisions of Articles VIII and X.
- C. Share Findings: The Service Provider shall provide ICE copies of facility inspections, reviews, examinations, and surveys performed by accreditation sources.
- D. Access to Detainee Records: The Service Provider shall, upon request, grant DHS/ICE access to any record in its possession (regardless of whether the Service Provider created the record) concerning any alien whom it has detained pursuant to this Agreement. This right of access shall include, but not be limited to, incident reports, records relating to suicide attempts, and behavioral assessments and other records relating to the alien's behavior while in the Service Provider's custody. Furthermore, the Service Provider shall retain all records where this right of access applies. The retention period will be at least two (2) years from the date of the detainee's discharge from the Service Provider's custody.

Article X. Modifications and Disputes

- A. Modifications: Actions other than those designated in this Agreement will not bind or incur liability on behalf of either party. Either party may request a modification to this Agreement by submitting a written request to the other. A modification will become a part of this Agreement only after the ICE Contracting Officer and the authorized signatory of the Service Provider have approved it in writing.
- B. Disputes: The ICE Contracting Officer and the authorized signatory of the Service Provider are the parties to settle disputes, questions and concerns arising from this Agreement. Settlement of disputes shall be memorialized in a written modification between the ICE Contracting Officer and authorized signatory of the Service Provider. In the event a dispute is not able to be resolved between the Service Provider and the ICE Contracting Officer, the ICE Contracting Officer will make the final decision. If the Service Provider does not agree with the final decision, the matter may be appealed to the Head of the Contracting Activity (HCA) for resolution. The HCA may employ all methods available to resolve the dispute including alternative dispute resolution techniques. The Service Provider shall proceed diligently with performance of this agreement pending final resolution of any dispute.

Article XI. Adjusting the Detainee Day Rate

DHS/ICE shall reimburse the Service Provider at the fixed detainee day rate shown on the cover page of the document, Article I. (C). The Service Provider will be subject to an audit at the end of fiscal years 2007 and 2008. This audit will be based on the principles of allowability and allocability as set forth in OMB Circular A-87, federal procurement laws,

regulations, and standards. The detainee day rate, as determined from the 2008 fiscal year audit, will be subject to an annual automatic adjustment based on an escalation factor consistent with the Consumer Price Index (CPI) for the Rhode Island area. The CPI will only be applied on a yearly basis for a total of three (3) years (2008-2010 fiscal years) to the detainee day rates. At the end of the 2010 fiscal year, the Service Provider will then be subject to request a detainee day rate adjustment by submitting an ICE Jail Services Cost Statement. If DHS/ICE does not receive an official request for a detainee day rate adjustment that is supported by an ICE Jail Services Cost Statement, the fixed detainee day rate will be in place indefinitely.

DHS/ICE reserves the right to audit the actual and/or prospective costs upon which the rate adjustment is based. All rate adjustments are prospective. As this is a fixed rate agreement, there will be **no** retroactive adjustment(s).

Article XII. Enrollment, Invoicing, and Payment

- A. Enrollment in Electronic Funds Transfer: The Service Provider shall provide ICE office with the information needed to make payments by electronic funds transfer (EFT). Since January 1, 1999, ICE has made all payments only by EFT. The Service Provider shall identify their financial institution and related information on Standard Form 3881, Automated Clearing House (ACH) Vendor Miscellaneous Payment Enrollment Form. The Service Provider shall submit a completed SF 3881 to the ICE payment office prior to submitting its initial request for payment under this Agreement. If the EFT data changes, the Service Provider shall be responsible for providing updated information to the ICE payment office.
- B. Invoicing: The Service Provider shall submit an original itemized invoice containing the following information: the name and address of the facility; the name of each ICE detainee, his or her A-number, and his or her specific dates of detention; the total number of detainee days; the daily rate; the total detainee days multiplied by the daily rate; an itemized listing of all other charges; and the name, title, address, and phone number of the local official responsible for invoice preparation. The Service Provider shall submit monthly invoices within the first ten working days of the month following the calendar month when it provided the services, to:

Department of Homeland Security
Bureau of Immigration and Customs Enforcement
ICE, Detention & Removal Operations
JFK Federal Bldg
Government Center, Room 1775
Boston, MA 02203
ATTN: Edna McDonald
Phone: 615-565-3304
Fax: 615-565-4828

- C. Payment: ICE will transfer funds electronically through either an Automated Clearing House subject to the banking laws of the United States, or the Federal Reserve Wire Transfer System. The Prompt Payment Act applies to this Agreement. The Act requires ICE to make payments under this Agreement the thirtieth (30th) calendar day after the Deportation office receives a complete invoice. Either the date on the Government's check, or the date it executes an electronic transfer of funds, shall constitute the payment date. The Act requires ICE to pay interest on overdue payments to the Service Provider. The ICE will determine any interest due in accordance with the Act.

Article XIII. Hold Harmless and Indemnification Provisions

- A. Service Provider Held Harmless: ICE shall, subject to the availability of funds, save and hold the Service Provider harmless and indemnify the Service Provider against any and all liability claims and costs of whatever kind and nature, for injury to or death of any person(s), or loss or damage to any property, which occurs in connection with or is incident to performance of work under the terms of this Agreement, and which results from negligent acts or omissions of ICE officers or employees, to the extent that ICE would be liable for such negligent acts or omissions under the Federal Tort Claims Act, 28 USC 2691 *et seq.*
- B. Federal Government Held Harmless: The Service Provider shall save and hold harmless and indemnify federal government agencies to the extent allowed by law against any and all liability claims, and costs of whatsoever kind and nature for injury to or death of any person or persons and for loss or damage to any property occurring in connection with, or in any way incident to or arising out of the occupancy, use, service, operation or performance of work under the tenets of this Agreement, resulting from the negligent acts or omissions of the Service Provider, or any employee, or agent of the Service Provider. In so agreeing, the Service Provider does not waive any defenses, immunities or limits of liability available to it under state or federal law.
- A. Defense of Suit: In the event a detainee files suit against the Service Provider contesting the legality of the detainee's incarceration and/or immigration/citizenship status, ICE shall request that the U.S. Attorney's Office, as appropriate, move either to have the Service Provider dismissed from such suit, to have ICE substituted as the proper party defendant; or to have the case removed to a court of proper jurisdiction. Regardless of the decision on any such motion, ICE shall request that the U.S. Attorney's Office be responsible for the defense of any suit on these grounds.
- B. DHS/ICE Recovery Right: The Service Provider shall do nothing to prejudice ICE's right to recover against third parties for any loss, destruction of, or damage to U.S. Government property. Upon request of the Contracting Officer, the Service Provider shall, at ICE's expense, furnish to ICE all reasonable assistance and cooperation, including assistance in the prosecution of suit and execution of the instruments of assignment in favor of ICE in obtaining recovery.

Article XIV. Financial Records

- A. **Retention of Records:** All financial records, supporting documents, statistical records, and other records pertinent to contracts or subordinate agreements under this Agreement shall be retained by the Service Provider for at least three (3)-years for purposes of federal examinations and audit. The (3)-year retention period begins at the end of the first year of completion of service under the Agreement. If any litigation, claim, negotiation, audit, or other action involving the records has been started before the expiration of the three (3)-year period, the records must be retained until completion of the action and resolution of all issues which arise from it or until the end of the regular three (3)-year period, whichever is later.
- B. **Access to Records:** ICE and the Comptroller General of the United States, or any of their authorized representatives, shall have the right of access to any pertinent books, documents, papers or other records of the Service Provider or its sub-recipients, which are pertinent to the award, in order to make audits, examinations, excerpts, and transcripts. The rights of access must not be limited to the required retention period, but shall last as long as the records are retained.
- C. **Delinquent Debt Collection:** ICE will hold the Service Provider accountable for any over payment, or any breach of this Agreement that results in a debt owed to the Federal Government. ICE shall apply interest, penalties, and administrative costs to a delinquent debt owed to the Federal Government by the Service Provider pursuant to the Debt Collection Improvement Act of 1982, as amended.

Article XV. Guard/Transportation Services

- A. **Transport Services Rate:** The Service Provider agrees, upon request of the Federal Government in whose custody a prisoner is held, to provide all such air/ground transportation services as may be required to transport detainees securely, in a timely manner, to locations as directed by the ICE Contracting Officer's Technical Representative (COTR) or designated ICE official. At least two (2) qualified law enforcement or correctional officer personnel employed by the Service Provider under their policies, procedures and practices will perform services. Transportation to off-site medical or emergency services is included in the daily per diem rate. All other transportation services will be reimbursed at the rate of **\$22.00** per hour for one (1) officer and **\$44.00** per hour for two (2) officers. Any incurred overtime pay for such services will be reimbursed at the applicable overtime rate of **\$33.00** per hour for one (1) officer and **\$52.00** per hour for two (2) officers. Transportation mileage shall be reimbursed at the mileage rate established pursuant to the current General Services Administration (GSA)/federal travel allowance rates.
- B. **Stationary/Escort Guard Services:** Escort/stationary guard services for federal detainees housed at their facility, and/or escort guard services for federal detainees housed at their

facility admitted to a medical facility; and for detainees attending off-site court proceedings, these services will be reimbursed in accordance with the rates listed in Section A of this Article. An officer or officers, shall keep the detainee under constant supervision twenty-four (24) hours per day until the detainee is ordered released from the hospital, or released to the appropriate ICE officials. The Service Providers agrees to augment such practices as may be requested by ICE to enhance specific requirements for security, detainee monitoring, visitation and contraband control at the order of the COTR.

- C. Indemnities: Furthermore, the Service Provider agrees to hold harmless and indemnify DHS/ICE and its officials in their official and individual capacities from any liability, including third-party liability or worker's compensation, arising from the conduct of the Service Provider and its employees during the course of transporting federal detainees on behalf of ICE.
- D. Personal Vehicles: The Service Provider shall not allow employees to use their personal vehicles to transport detainees. The Service Provider shall furnish vehicles equipped with interior security features including physical separation of detainees from guards. The Service Provider shall provide interior security specifications of the vehicles to ICE for review and approval prior to installation.
- E. Training and Compliance: The Service Provider shall comply with ICE transportation standards related to the number of hours the Provider's employee may operate a vehicle. The transportation shall be accomplished in the most economical manner. The Service Provider personnel provided for the above services shall be of the same qualifications, receive training, complete the same security clearances, and wear the same uniforms as those personnel provided for in other areas of this agreement.
- F. Same Sex Transport: During all transportation activities, at least one (1) officer shall be the same sex as the detainee. Questions concerning guard assignments shall be directed to the COTR for final determination.
- G. Miscellaneous Transportation: The COTR may direct the Service Provider to transport detainees to unspecified, miscellaneous locations.
- H. Billing Procedures: The itemized monthly invoice for such stationary guard services shall state the number of hours being billed, the duration of the billing (times and dates) and the name of the detainee(s) that was guarded.

Article XVI. Detainee Telephone Services

ICE will provide information regarding the Detainee Telephone System as well as the Detainee Service Provider to be utilized for this agreement, if different from any current service provider. The Service Provider will obtain these services in adherence to ICE

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direction. ICE acknowledges that Global Telelink is the current Telephone Service Provider at the Donald W. Wyatt Detention Facility.

Article XVII. Receipt and Discharge of Federal Detainees

- A. Authorized Receipt and Release of Detainees: The Service Provider agrees to receive and discharge Federal detainees only from and to properly identified law enforcement officers and with prior authorization. Admission and discharge of Federal detainees shall be fully consistent with Service Provider policies and procedures.
- B. Emergency Situations: ICE detainees shall not be released from the facility into the custody of other Federal, state, or local officials for any reason, except for medical or emergency situations, without express authorization of ICE.

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IN WITNESS WHEREOF, the undersigned, duly authorized officers, have subscribed their names on behalf of the Central Falls Detention Facility Corporation and the Department of Homeland Security, U.S. Immigration and Customs Enforcement.

ACCEPTED:

U.S. Immigration and Customs Enforcement

Claire Cashwell
Contracting Officer

By: Claire J. Cashwell

Date: 1/24/2007

ACCEPTED:

Central Falls Detention Facility Corporation

Maurice Brousseau
Vice Chairman
Board of Directors for the
Central Falls Detention Facility Corporation

By: Maurice Brousseau

Date: 1/9/07

CONTRACTING OFFICERS' TECHNICAL REPRESENTATIVE (COTR): {Ms. (b)(6), (b)(7)c **ICE DRO**} or successor is hereby designated as COTR for this Agreement. This designation does not include authority to sign contractual documents or to otherwise commit to, or issue changes, which could affect the price, quantity, or performance of this Agreement.

The Intergovernmental Service Agreement Number is DROIGSA-07-0002

2. AMENDMENT/MODIFICATION NO. P00001	3. EFFECTIVE DATE 24 January 2007	4. REQUISITION/PURCHASE NO.	5. PROJECT NO. (If applicable)
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6. ISSUED BY U.S. Department of Homeland Security Immigration and Customs Enforcement 425 I Street, N.W. Room 2208 Washington, D.C. 20536	CODE	7. ADMINISTERED BY (If other than Item 6) U.S. Department of Homeland Security Immigration and Customs Enforcement 425 I Street, N.W. Room 2208 Washington, D.C. 20536	CODE
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8. NAME AND ADDRESS OF CONTRACTOR (No., street, county, State and Zip Code) Central Falls Detention Facility 33 College Hill Road Suite 15A Warwick, Rhode Island 02886 2786		9A. AMENDMENT OF SOLICITATION NO. 9B. DATED (SEE ITEM 11) X 10A. MODIFICATION OF IGSA DROIGSA-07-0002 10B. DATED (SEE ITEM 13) 01/24/2007
CODE	FACILITY CODE	

11. THIS ITEM ONLY APPLIES TO AMENDMENTS OF SOLICITATIONS

The above numbered solicitation is amended as set forth in Item 14. The hour and date specified for receipt of Offers is extended, is not extended. Offers must acknowledge receipt of this amendment prior to the hour and date specified in the solicitation or as amended, by one of the following methods:
 (a) By completing Items 8 and 15, and returning ___ copies of the amendment; (b) By acknowledging receipt of this amendment on each copy of the offer submitted; or (c) By separate letter or telegram which includes a reference to the solicitation and amendment numbers. **FAILURE OF YOUR ACKNOWLEDGMENT TO BE RECEIVED AT THE PLACE DESIGNATED FOR THE RECEIPT OF OFFERS PRIOR TO THE HOUR AND DATE SPECIFIED MAY RESULT IN REJECTION OF YOUR OFFER.** If by virtue of this amendment you desire to change an offer already submitted, such change may be made by telegram or letter, provided each telegram or letter makes reference to the solicitation and this amendment, and is received prior to the opening hour and date specified.

12. ACCOUNTING AND APPROPRIATION DATA (If required)

13. THIS ITEM APPLIES ONLY TO MODIFICATIONS OF CONTRACTS/ORDERS, IT MODIFIES THE CONTRACT/ORDER NO. AS DESCRIBED IN ITEM 14.

A	THIS CHANGE ORDER IS ISSUED PURSUANT TO (Specify authority) THE CHANGES SET FORTH IN ITEM 14 ARE MADE IN THE CONTRACT ORDER NO. IN ITEM 10A.
B	THE ABOVE NUMBERED CONTRACT/ORDER IS MODIFIED TO REFLECT THE ADMINISTRATIVE CHANGES (Such as changes in paying office, appropriation data, etc.) SET FORTH IN ITEM 14, PURSUANT TO THE AUTHORITY OF FAR 43.103(b).
C	THIS SUPPLEMENTAL AGREEMENT IS ENTERED INTO PURSUANT TO AUTHORITY OF:
X D	OTHER (Specify type of modification and authority) FAR 43.103 (a) Mutual agreement by both parties

E. IMPORTANT: Contractor is not X is required to sign this document and return 1 copies to the issuing office.

14. DESCRIPTION OF AMENDMENT/MODIFICATION (Organized by UCF section headings, including solicitation/contract subject matter where feasible.)

See attached

Except as provided herein, all terms and conditions of the document referenced in Item 9A or 10A, as heretofore changed, remains unchanged and in full force and effect.

15a. NAME AND TITLE OF SIGNER (Type or print) Maurice Brousseau, Vice-Chair, CFDFC	15a. NAME AND TITLE OF CONTRACTING OFFICER (Type or print) Claire J. Cashwell
15b. CONTRACTOR/OFFEROR <i>Maurice Brousseau</i> (Signature of person authorized to sign)	15c. DATE SIGNED 2/6/07
15b. UNITED STATES OF AMERICA BY <i>Claire J. Cashwell</i> (Signature of Contracting Officer)	16c. DATE SIGNED 1/26/2007

CONTINUATION SHEET

REFERENCE NO. OF DOCUMENT BEING CONTINUED

PAGE OF

2 1 2

NAME OF OFFEROR OR CONTRACTOR

ITEM NO. (A)	SUPPLIES/SERVICES (B)	QUANTITY (C)	UNIT (D)	UNIT PRICE (E)	AMOUNT (F)
	<p>The following changes are made to subject IGSA:</p> <p>Article II General C. Consistent with Law: The last sentence is changed:</p> <p>From: Any provision of the Agreement contrary to applicable statutes, regulation, policies or judicial mandates is null and void, but shall not <i>necessarily</i> affect the balance of the Agreement.</p> <p>To: Any provision of the Agreement contrary to applicable statutes, regulation, policies or judicial mandates is null and void, but shall not affect the balance of the Agreement.</p> <p>-----</p> <p>Article IV Receiving and Discharging Detainees, A. <u>Requiring Activity</u> add the following sentence from Article XVII:</p> <p>Admission and discharge of Federal detainees shall be fully consistent with Service Provider policies and procedures</p> <p>-----</p> <p>Article VI Medical Services Off-site Guards. A sentence is added as follows:</p> <p>Such services shall be reimbursed in accordance with hourly rates identified in Article XV</p> <p>-----</p> <p>Article XV H. <u>Billing Procedures</u>: The following sentence shall be added:</p> <p>Invoices shall be prepared in accordance with Article XII, Paragraph B.</p> <p>Article XVII: DELETED (Content already included in Article IV)</p> <p>ALL OTHER TERMS AND CONDITIONS REMAIN THE SAME.</p>				

ORDER FOR SUPPLIES OR SERVICES

IMPORTANT: Mark all packages and papers with contract and/or order numbers.

1. DATE OF ORDER 09/05/2008	2. CONTRACT NO. (If any) DROIGSA-07-0002.	6. SHIP TO:	
		a. NAME OF CONSIGNEE	

3. ORDER NO. HSCEDM-09-F-IG026	4. REQUISITION/REFERENCE NO. FBO091010	ICE Detention & Removal
--	--	------------------------------------

5. ISSUING OFFICE (Address correspondence to) ICE/Detention Mngt/Detention IGSA's Immigration and Customs Enforcement Office of Acquisition Management 425 I Street NW, Suite 2208 Washington DC 20536	b. STREET ADDRESS Immigration and Customs Enforcement 801 I Street, NW Suite 900
--	--

c. CITY Washington	d. STATE DC	e. ZIP CODE 20536
------------------------------	-----------------------	-----------------------------

7. TO: a. NAME OF CONTRACTOR CENTRAL FALLS DETENTION FACILITY CORPORATION THE	f. SHIP VIA
--	-------------

b. COMPANY NAME	8. TYPE OF ORDER	
-----------------	------------------	--

c. STREET ADDRESS 950 HIGH STREET	<input type="checkbox"/> a. PURCHASE REFERENCE YOUR:	<input checked="" type="checkbox"/> b. DELIVERY Except for billing instructions on the reverse, this delivery order is subject to instructions contained on this side only of this form and is issued subject to the terms and conditions of the above-numbered contract.
---	---	--

d. CITY CENTRAL FALLS	e. STATE RI	f. ZIP CODE 028631506
---------------------------------	-----------------------	---------------------------------

9. ACCOUNTING AND APPROPRIATION DATA See Schedule	10. REQUISITIONING OFFICE ICE Detention & Removal
---	---

11. BUSINESS CLASSIFICATION (Check appropriate box(es))				12. F.O.B. POINT	
<input type="checkbox"/> a. SMALL	<input type="checkbox"/> b. OTHER THAN SMALL	<input type="checkbox"/> c. DISADVANTAGED	<input type="checkbox"/> g. SERVICE-DISABLED VETERAN-OWNED	Destination	
<input type="checkbox"/> d. WOMEN-OWNED	<input type="checkbox"/> e. HUBZone	<input type="checkbox"/> f. EMERGING SMALL BUSINESS			

13. PLACE OF		14. GOVERNMENT B/L NO.		15. DELIVER TO F.O.B. POINT ON OR BEFORE (Date) 30 Days After Award		16. DISCOUNT TERMS (b)(2)Low	
a. INSPECTION Destination	b. ACCEPTANCE Destination						

17. SCHEDULE (See reverse for Rejections)

ITEM NO. (a)	SUPPLIES OR SERVICES (b)	QUANTITY ORDERED (c)	UNIT (d)	UNIT PRICE (e)	AMOUNT (f)	QUANTITY ACCEPTED (g)
	DUNS Number: 784237450 This Task Order is issued against the Inter-Governmental Services Agreement (IGSA) No. DROIGSA-07-0002 for detention and transportation services. This order is issued under the authority of the Continued ...					

18. SHIPPING POINT	19. GROSS SHIPPING WEIGHT	20. INVOICE NO.	17(h) TOTAL (Cont. pages)
21. MAIL INVOICE TO:			
a. NAME U.S. DEPT. OF HOMELAND SECURITY		\$0.00	17(i) GRAND TOTAL
b. STREET ADDRESS (or P.O. Box) U.S. IMMIG. AND CUSTOMS ENFORCEMENT OFFICE OF DETENTION AND REMOVAL 801 I STREET, N.W., SUITE 800			
c. CITY WASHINGTON	d. STATE DC	e. ZIP CODE 20536	
		\$0.00	

22. UNITED STATES OF AMERICA BY (Signature) 	23. NAME (Typed) Stephanie Baker TITLE: CONTRACTING/ORDERING OFFICER
--	---

**ORDER FOR SUPPLIES OR SERVICES
SCHEDULE - CONTINUATION**

PAGE OF PAGES

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IMPORTANT: Mark all packages and papers with contract and/or order numbers.

DATE OF ORDER

CONTRACT NO.

ORDER NO.

08/27/2008

DROIGSA-07-0002.

HSCEDM-09-F-IG026

ITEM NO. (A)	SUPPLIES/SERVICES (B)	QUANTITY ORDERED (C)	UNIT (D)	UNIT PRICE (E)	AMOUNT (F)	QUANTITY ACCEPTED (G)
	<p>Immigration and Nationality Act, as amended, and in accordance with the attached IGSA between the U.S. Department of Homeland Security, U.S. Immigration and Customs Enforcement (ICE) Office of Detention and Removal (DRO), and Central Falls Detention Center.</p> <p>Availability of Funds: Funds are not presently available for this contract. The Government's obligation under this contract is contingent upon the availability of appropriated funds from which payment for contract purposes can be made. No legal liability on the part of the Government for any payment may arise until funds are made available to the Contracting Officer for this contract and until the Contractor receives notice of such availability, to be confirmed in writing by the Contracting Officer.</p> <p>As fiscal year (FY) 2009 funds become available, a formal modification will be executed to provide funding.</p> <p>Contracting Officer's Technical Rep (COTR): TBD DRO Program Office POC: (b)(6), (b)(7)c (202) 732- (b)(2)Low Contracting Officer: (b)(6), (b)(7)c (202) 616- (b)(2)Low Contracting Specialist: (b)(6), (b)(7)c (202) 616- (b)(2)Low</p> <p>Admin Office: US Department of Homeland Security Immigration and Customs Enforcement 425 I Street, NW Rm 2208 Washington, DC 20536 Period of Performance: 10/01/2008 to 09/30/2009</p>					
0001	<p>ALIEN DETENTION FY09--Detention and care of adult males/females detained at the CENTRAL Continued ...</p>				0.00	

TOTAL CARRIED FORWARD TO 1ST PAGE (ITEM 17(H))

**ORDER FOR SUPPLIES OR SERVICES
SCHEDULE - CONTINUATION**

PAGE OF PAGES

3 4

IMPORTANT: Mark all packages and papers with contract and/or order numbers.

DATE OF ORDER
08/27/2008

CONTRACT NO.
DROIGSA-07-0002.

ORDER NO.
HSCEDM-09-F-IG026

ITEM NO. (A)	SUPPLIES/SERVICES (B)	QUANTITY ORDERED (C)	UNIT (D)	UNIT PRICE (E)	AMOUNT (F)	QUANTITY ACCEPTED (G)
	<p>FALLS DETENTION CENTER, RI, at a daily detainee fixed-rate of \$101.76 per day, per detainee. FY period of 365 days @ 200 beds @ \$101.76 = \$7,428,480.</p> <p>Accounting Info: <div style="background-color: black; color: gray; padding: 2px;">(b)(2)Low</div> </p> <p>----- 000000 Funded: \$0.00 \$7,428,480.00 (Subject to Availability of Funds) \$0.00 (Subject to Availability of Funds)</p>					
0002	<p>Transportation / Guard Service - Provide all air, ground/transportation services as may be required to transport detainees securely to location as directed by the ICE COTR or designated ICE official. Transportation between the facility and Ice offices, plus related mileage is included in the per diem rate. Other ICE directed transportation/ guard services are reimbursed at the rate of \$23.32 for a single officer and \$46.64 for 2 officers per hour for regular 8-hour shift. Estimated \$128,469.88 total for 365 days.</p> <p>Accounting Info: <div style="background-color: black; color: gray; padding: 2px;">(b)(2)Low</div> </p> <p>----- 000000 Funded: \$0.00 \$128,480.00 (Subject to Availability of Funds) \$0.00 (Subject to Availability of Funds)</p>				0.00	
0003	<p>Transportation / Guard Service Overtime (OT)--OT at \$34.98 for a single officer and \$55.12 for 2 officers. Estimated \$75,920 total for 365 days.</p> <p>Accounting Info: <div style="background-color: black; color: gray; padding: 2px;">(b)(2)Low</div> </p>				0.00	

TOTAL CARRIED FORWARD TO 1ST PAGE (ITEM 17(H))

**ORDER FOR SUPPLIES OR SERVICES
SCHEDULE - CONTINUATION**

PAGE OF PAGES

4

4

IMPORTANT: Mark all packages and papers with contract and/or order numbers.

DATE OF ORDER
08/27/2008

CONTRACT NO.
DROIGSA-07-0002.

ORDER NO.
HSCEDM-09-F-IG026

ITEM NO. (A)	SUPPLIES/SERVICES (B)	QUANTITY ORDERED (C)	UNIT (D)	UNIT PRICE (E)	AMOUNT (F)	QUANTITY ACCEPTED (G)
0004	<p align="center">(b)(2)Low</p> <p>----- 000000 Funded: \$0.00 \$75,920.00 (Subject to Availability of Funds) \$0.00 (Subject to Availability of Funds)</p> <p>Reimbursable mileage to transport detainees. Transportation mileage shall be reimbursed at the mileage rate pursuant to the current General Services Administration (GSA) federal travel allowance rates. Estimated 185 miles total for 365 days.</p> <p>Accounting Info: (b)(2)Low</p> <p>----- 000000 Funded: \$0.00 \$34,099.94 (Subject to Availability of Funds) \$0.00 (Subject to Availability of Funds)</p> <p>All other terms and conditions of the IAA (DROIGSA-06-0003) remain the same.</p> <p>The total amount of award: \$7,666,979.94. The obligation for this award is shown in box 17(i).</p>				0.00	

TOTAL CARRIED FORWARD TO 1ST PAGE (ITEM 17(H))

AMENDMENT OF SOLICITATION/MODIFICATION OF CONTRACT		1. CONTRACT ID CODE	PAGE OF PAGES 1 2
2. AMENDMENT/MODIFICATION NO. P00002	3. EFFECTIVE DATE 10/01/2008	4. REQUISITION/PURCHASE REQ. NO.	5. PROJECT NO. (If applicable)
6. ISSUED BY ICE/Detention Mngt/Detention IGSAs Immigration and Customs Enforcement Office of Acquisition Management 425 I Street NW, Suite 2208 Washington DC 20536	CODE ICE/DM/DI	7. ADMINISTERED BY (If other than Item 6) ICE/Detention Mngt/Detention IGSAs Immigration and Customs Enforcement Office of Acquisition Management 425 I Street NW, Suite 2208 Attn: Stephanie Baker Washington DC 20536	CODE ICE/DM/DI
8. NAME AND ADDRESS OF CONTRACTOR (Via, street, county, State and ZIP Code) CENTRAL FALLS DETENTION FACILITY CORPORATION THE 950 HIGH STREET CENTRAL FALLS RI 028631506		(x) 9A. AMENDMENT OF SOLICITATION NO.	9B. DATED (SEE ITEM 11)
CODE 784237450000 FACILITY CODE		x 10A. MODIFICATION OF CONTRACT/ORDER NO. DROIGSA-07-0002.	10B. DATED (SEE ITEM 11) 01/24/2007

11. THIS ITEM ONLY APPLIES TO AMENDMENTS OF SOLICITATIONS

The above numbered solicitation is amended as set forth in Item 14. The hour and date specified for receipt of Offers is extended, is not extended.
 Offers must acknowledge receipt of this amendment prior to the hour and date specified in the solicitation or as amended, by one of the following methods: (a) By completing Items 6 and 15, and returning _____ copies of the amendment; (b) By acknowledging receipt of this amendment on each copy of the offer submitted; or (c) By separate letter or telegram which includes a reference to the solicitation and amendment numbers. FAILURE OF YOUR ACKNOWLEDGEMENT TO BE RECEIVED AT THE PLACE DESIGNATED FOR THE RECEIPT OF OFFERS PRIOR TO THE HOUR AND DATE SPECIFIED MAY RESULT IN REJECTION OF YOUR OFFER. If by virtue of this amendment you desire to change an offer already submitted, such change may be made by telegram or letter, provided each telegram or letter makes reference to the solicitation and this amendment, and is received prior to the opening hour and date specified.

12. ACCOUNTING AND APPROPRIATION DATA (If required)

See Schedule

13. THIS ITEM ONLY APPLIES TO MODIFICATION OF CONTRACTS/ORDERS. IT MODIFIES THE CONTRACT/ORDER NO. AS DESCRIBED IN ITEM 14.

CHECK ONE	A. THIS CHANGE ORDER IS ISSUED PURSUANT TO: (Specify authority) THE CHANGES SET FORTH IN ITEM 14 ARE MADE IN THE CONTRACT ORDER NO. IN ITEM 10A.
	B. THE ABOVE NUMBERED CONTRACT/ORDER IS MODIFIED TO REFLECT THE ADMINISTRATIVE CHANGES (such as changes in paying office, appropriation date, etc.) SET FORTH IN ITEM 14, PURSUANT TO THE AUTHORITY OF FAR 43.103(b).
	C. THIS SUPPLEMENTAL AGREEMENT IS ENTERED INTO PURSUANT TO AUTHORITY OF:
X	D. OTHER (Specify type of modification and authority) Bilateral; Per mutual agreement between the parties.

E. IMPORTANT: Contractor is not, is required to sign this document and return 1 copies to the issuing office.

14. DESCRIPTION OF AMENDMENT/MODIFICATION (Organized by UCF section headings, including solicitation/contract subject matter where feasible.)

DUNS Number: 784237450
 The purpose of this modification is to: (1) Amend Article I to adjust the detainee bed day rate; and (2) amend Article XV, Guard/Transportation Services.
 (1) Article I, (C)-Guidance: The detainee day rate is hereby changed from \$96.00, to be \$101.76
 (2) Article XV (A)-Guard/Transportation Services, is changed as follows:
 "...All other transportation services will be reimbursed at the rate of \$23.32 (Straight Time) for a single officer and \$46.64 for 2 officers. Any incurred overtime (OT) will be Continued ...

Except as provided herein, all terms and conditions of the document referenced in Item 9A or 10A, as heretofore changed, remains unchanged and in full force and effect.

15A. NAME AND TITLE OF SIGNER (Type or print) ANTHONY VENTUOLO JR EXECUTIVE DIRECTOR CDF CORP.	16A. NAME AND TITLE OF CONTRACTING OFFICER (Type or print) Stephanie Baker
15B. CONTRACTOR/OFFEROR 	16B. UNITED STATES OF AMERICA
15C. DATE SIGNED 9-04-08	16C. DATE SIGNED 9/5/2008

NAME OF OFFEROR OR CONTRACTOR
CENTRAL FALLS DETENTION FACILITY CORPORATION THE

ITEM NO. (A)	SUPPLIES/SERVICES (B)	QUANTITY (C)	UNIT (D)	UNIT PRICE (E)	AMOUNT (F)
	reimbursed at a rate of \$34.98 for one officer and \$55.12 for 2 officers "				
	<p>The effective date of these changes is 1 Oct 08, and represents the first FY adjustment based on an escalation factor consistent with the Consumer Price Index (CPI) for the Rhode Island area, in accordance with Article XI of the IGSA. All other terms and conditions remain the same.</p>				

AMENDMENT OF SOLICITATION/MODIFICATION OF CONTRACT		1. CONTRACT ID CODE	PAGE OF PAGES
			1 3
2. AMENDMENT/MODIFICATION NO. P00001	3. EFFECTIVE DATE See Block 16C	4. REQUISITION/PURCHASE REQ. NO. FBO091010.1	5. PROJECT NO. (if applicable)
6. ISSUED BY ICE/DM/DI	CODE ICE/DM/DI	7. ADMINISTERED BY (if other than Item 6)	CODE ICE/DM/DI
ICE/Detention Mngt/Detention IGSA Immigration and Customs Enforcement Office of Acquisition Management 425 I Street NW, Suite 2208 Washington DC 20536		ICE/Detention Mngt/Detention IGSA Immigration and Customs Enforcement Office of Acquisition Management 425 I Street NW, Suite 2208 Attn: Stephanie Baker Washington DC 20536	
8. NAME AND ADDRESS OF CONTRACTOR (No., street, county, State and ZIP Code) CENTRAL FALLS DETENTION FACILITY CORPORATION THE 950 HIGH STREET CENTRAL FALLS RI 028631506		(X) 9A. AMENDMENT OF SOLICITATION NO.	
		9B. DATED (SEE ITEM 11)	
		X 10A. MODIFICATION OF CONTRACT/ORDER NO. DROIGSA-07-0002 HSCEDM-09-F-IG026	
		10B. DATED (SEE ITEM 11) 08/27/2008	
CODE 784237450000	FACILITY CODE		

11. THIS ITEM ONLY APPLIES TO AMENDMENTS OF SOLICITATIONS

The above numbered solicitation is amended as set forth in Item 14. The hour and date specified for receipt of Offers is extended, is not extended. Offers must acknowledge receipt of this amendment prior to the hour and date specified in the solicitation or as amended, by one of the following methods: (a) By completing Items 8 and 15, and returning _____ copies of the amendment; (b) By acknowledging receipt of this amendment on each copy of the offer submitted; or (c) By separate letter or telegram which includes a reference to the solicitation and amendment numbers. FAILURE OF YOUR ACKNOWLEDGEMENT TO BE RECEIVED AT THE PLACE DESIGNATED FOR THE RECEIPT OF OFFERS PRIOR TO THE HOUR AND DATE SPECIFIED MAY RESULT IN REJECTION OF YOUR OFFER. If by virtue of this amendment you desire to change an offer already submitted, such change may be made by telegram or letter, provided each telegram or letter makes reference to the solicitation and this amendment, and is received prior to the opening hour and date specified.

12. ACCOUNTING AND APPROPRIATION DATA (if required) Net Increase: \$1,932,006.00
See Schedule

13. THIS ITEM ONLY APPLIES TO MODIFICATION OF CONTRACTS/ORDERS. IT MODIFIES THE CONTRACT/ORDER NO. AS DESCRIBED IN ITEM 14.

CHECK ONE	A. THIS CHANGE ORDER IS ISSUED PURSUANT TO: (Specify authority) THE CHANGES SET FORTH IN ITEM 14 ARE MADE IN THE CONTRACT ORDER NO. IN ITEM 10A.
	B. THE ABOVE NUMBERED CONTRACT/ORDER IS MODIFIED TO REFLECT THE ADMINISTRATIVE CHANGES (such as changes in paying office, appropriation date, etc.) SET FORTH IN ITEM 14, PURSUANT TO THE AUTHORITY OF FAR 43.103(b).
	C. THIS SUPPLEMENTAL AGREEMENT IS ENTERED INTO PURSUANT TO AUTHORITY OF:
X	D. OTHER (Specify type of modification and authority) Add Funding

E. IMPORTANT: Contractor is not, is required to sign this document and return _____ 0 copies to the issuing office.

14. DESCRIPTION OF AMENDMENT/MODIFICATION (Organized by UCF section headings, including solicitation/contract subject matter where feasible.)
DUNS Number: 784237450
The purpose of this modification is to provide funds under the Task Order that is issued against the Inter-Governmental Services Agreement (IGSA) No. DROIGSA-07-0002 for detention and transportation services for Central Falls Detention Center, located in Central Falls, RI.

As a result of this change, the obligated amount of the purchase order is increased by \$1,932,006.00 from \$0.00 to \$1,932,006.00.

Contracting Officer's Technical Rep (COTR): TBD
Contracting Officer: (b)(6), (b)(7)c (202) 732 (b)(2)Low
Continued ...

Except as provided herein, all terms and conditions of the document referenced in Item 9A or 10A, as heretofore changed, remains unchanged and in full force and effect.

15A. NAME AND TITLE OF SIGNER (Type or print)	16A. NAME AND TITLE OF CONTRACTING OFFICER (Type or print) Jerald H. Neveleff
15B. CONTRACTOR/OFFEROR	16B. UNITED STATES OF AMERICA
15C. DATE SIGNED	16C. DATE SIGNED 3 NOV 08
(Signature of person authorized to sign)	(Signature of Contracting Officer)

NAME OF OFFEROR OR CONTRACTOR
CENTRAL FALLS DETENTION FACILITY CORPORATION THE

ITEM NO. (A)	SUPPLIES/SERVICES (B)	QUANTITY (C)	UNIT (D)	UNIT PRICE (E)	AMOUNT (F)
	Contracting Specialist: (b)(6), (b)(7)c (202)732- (b)(2)Low FOB: Destination Period of Performance: 10/01/2008 to 12/31/2008 Change Item 0001 to read as follows (amount shown is the total amount): 0001 ALIEN DETENTION FY09--Detention and care of adult males/females detainees at a daily detainee fixed-rate of \$101.76 per day, per detainee. \$101.76 X 92 Days X 200 Beds= \$1,872,384.00 Accounting Info: (b)(2)Low 000000 Funded: \$1,872,384.00 Change Item 0002 to read as follows (amount shown is the total amount): 0002 Transportation / Guard Service - Provide all air, ground/transportation services as may be required to transport detainees securely to location as directed by the ICE COTR or designated ICE official. Other ICE directed transportation/guard services are reimbursed at the rate of \$23.32 for a single officer and \$46.64 for 2 officers per hour for regular 8-hour shift. Estimated \$128,469.88 total for 365 days. Accounting Info: (b)(2)Low 000000 Funded: \$32,117.00 Change Item 0003 to read as follows (amount shown is the total amount): 0003 Transportation / Guard Service Overtime (OT)--OT at \$34.98 for a single officer and \$55.12 for 2 officers. Estimated \$75,920 total for 365 days. Accounting Info: (b)(2)Low 000000 Continued ...	18400	EA	101.76	1,872,384.00
		1	LO	32,117.00	32,117.00
		1	LO	18,980.00	18,980.00

CONTINUATION SHEET

REFERENCE NO. OF DOCUMENT BEING CONTINUED
DROIGSA-07-0002./HSCEDM-09-F-IG026/P00001

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NAME OF OFFEROR OR CONTRACTOR
CENTRAL FALLS DETENTION FACILITY CORPORATION THE

ITEM NO. (A)	SUPPLIES/SERVICES (B)	QUANTITY (C)	UNIT (D)	UNIT PRICE (E)	AMOUNT (F)
0004	<p>Funded: \$18,980.00</p> <p>Change Item 0004 to read as follows (amount shown is the total amount):</p> <p>Reimbursable mileage to transport detainees. Transportation mileage shall be reimbursed at the mileage rate pursuant to the current General Services Administration (GSA) federal travel allowance rates. Estimated 185 miles total for 365 days.</p> <p>Accounting Info: <div style="background-color: black; color: white; padding: 2px; display: inline-block;">(b)(2)Low</div></p> <p>000000 Funded: \$8,525.00 All other terms and conditions of the IGSA DROIGSA-07-0002 remain the same.</p>	1	LO	8,525.00	8,525.00

2. AMENDMENT/MODIFICATION NO. 3. EFFECTIVE DATE 4. REQUISITION/PURCHASE REQ. NO. 5. PROJECT NO. (If applicable)
 P00002 02/23/2009 FBO091010.2

6. ISSUED BY CODE ICE/DM/DI 7. ADMINISTERED BY (If other than Item 6) CODE ICE/DM/DI
 ICE/Detention Mngt/Detention IGSAs Immigration and Customs Enforcement
 Office of Acquisition Management 425 I Street NW, Suite 2208
 Washington DC 20536

8. NAME AND ADDRESS OF CONTRACTOR (No., street, county, State and ZIP Code) 9A. AMENDMENT OF SOLICITATION NO.
 CENTRAL FALLS DETENTION FACILITY CORPORATION THE 950 HIGH STREET
 CENTRAL FALLS RI 028631506

9B. DATED (SEE ITEM 11) 9C. MODIFICATION OF CONTRACT/ORDER NO.
 X DROIGSA-07-0002. H3CEDM-09-F-IG026
 9D. DATED (SEE ITEM 11) 08/27/2008
 CODE 784237450000 FACILITY CODE

11. THIS ITEM ONLY APPLIES TO AMENDMENTS OF SOLICITATIONS
 The above numbered solicitation is amended as set forth in Item 14. The hour and date specified for receipt of Offers: is extended, is not extended.
 Offers must acknowledge receipt of this amendment prior to the hour and date specified in the solicitation or as amended, by one of the following methods: (a) By completing items 8 and 15, and returning _____ copies of the amendment; (b) By acknowledging receipt of this amendment on each copy of the offer submitted; or (c) By separate letter or telegram which includes a reference to the solicitation and amendment numbers. FAILURE OF YOUR ACKNOWLEDGEMENT TO BE RECEIVED AT THE PLACE DESIGNATED FOR THE RECEIPT OF OFFERS PRIOR TO THE HOUR AND DATE SPECIFIED MAY RESULT IN REJECTION OF YOUR OFFER. If by virtue of this amendment you desire to change an offer already submitted, such change may be made by telegram or letter, provided each telegram or letter makes reference to the solicitation and this amendment, and is received prior to the opening hour and date specified.

12. ACCOUNTING AND APPROPRIATION DATA (If required) Net Decrease: -\$704,793.41
 See Schedule

13. THIS ITEM ONLY APPLIES TO MODIFICATION OF CONTRACTS/ORDERS. IT MODIFIES THE CONTRACT/ORDER NO. AS DESCRIBED IN ITEM 14.

CHECK ONE
 A. THIS CHANGE ORDER IS ISSUED PURSUANT TO: (Specify authority) THE CHANGES SET FORTH IN ITEM 14 ARE MADE IN THE CONTRACT ORDER NO. IN ITEM 10A.
 B. THE ABOVE NUMBERED CONTRACT/ORDER IS MODIFIED TO REFLECT THE ADMINISTRATIVE CHANGES (such as changes in paying office, appropriation date, etc.) SET FORTH IN ITEM 14, PURSUANT TO THE AUTHORITY OF FAR 43.603(b).
 X C. THIS SUPPLEMENTAL AGREEMENT IS ENTERED INTO PURSUANT TO AUTHORITY OF:
 Mutual Agreement of the Parties
 D. OTHER (Specify type of modification and authority)

E. IMPORTANT: Contractor is not, is required to sign this document and return 1 copies to the issuing office.

14. DESCRIPTION OF AMENDMENT/MODIFICATION (Organized by UCF section headings, including solicitation/contract subject matter where feasible.)

DUNS Number: 784237450
 The purpose of this modification is to process requisition FBO091010.2 that is to deobligate funds in the amount of \$704,793.41 under the Task Order. The funding being deobligated was processed under modification P00001 of this agreement.

As a result of this modification, the amount obligated under this task order is reduced by \$704,793.41 from \$1,932,006.00 to 1,227,212.59.

The Line Items below reflect their values after the reductions.

Field Office Representative: (b)(6), (b)(7)c 781/359 (b)(2)Low
 Continued ...

Except as provided herein, all terms and conditions of the document referenced in Item 9A or 10A, as heretofore changed, remains unchanged and in full force and effect.

15A. NAME AND TITLE OF SIGNER (Type or print) 15B. CONTRACTOR/OFFEROR 15C. DATE SIGNED 15D. UNITED STATES OF AMERICA 16A. NAME AND TITLE OF CONTRACTING OFFICER (Type or print) 16B. UNITED STATES OF AMERICA 16C. DATE SIGNED
 Anthony Venturolo Jr. Executive Director CFDF 3/1/09 Jerald H. Neveleff 12 Mar 09

CONTINUATION SHEET

REFERENCE NO. OF DOCUMENT BEING CONTINUED
DROIGSA-07-0002./HSCEDM-09-F-IG026/P00002

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NAME OF OFFEROR OR CONTRACTOR
CENTRAL FALLS DETENTION FACILITY CORPORATION THE

ITEM NO. (A)	SUPPLIES/SERVICES (B)	QUANTITY (C)	UNIT (D)	UNIT PRICE (E)	AMOUNT (F)
	Contracting Officer: (b)(6), (b)(7)c 202/732 (b)(2)Low Delivery: 30 Days After Award Discount Terms: (b)(2)Low Delivery Location Code: ICE/DRO ICE Detention & Removal Immigration and Customs Enforcement 801 I Street, NW Suite 900 Washington DC 20536 FOB: Destination Period of Performance: 10/01/2008 to 12/31/2008 Change Item 0001 to read as follows (amount shown is the total amount):				
0001	ALIEN DETENTION FY09--Detention and care of adult males/females detainees at a daily detainees fixed-rate of \$101.76 per day, per detainee.	1	EA	1,184,048.00	1,184,048.00
	Accounting Info: (b)(2)Low 000000 Funded: -\$688,336.00 Change Item 0002 to read as follows (amount shown is the total amount):				
0002	Transportation / Guard Service - Provide all air, ground/transportation services as may be required to transport detainees securely to location as directed by the ICE COTR or designated ICE official. Other ICE directed transportation/guard services are reimbursed at the rate of \$23.32 for a single officer and \$46.64 for 2 officers per hour for regular 8-hour shift. Estimated \$128,469.88 total for 365 days. Accounting Info: (b)(2)Low 000000 Funded: -\$9,473.28 Change Item 0003 to read as follows (amount shown is the total amount): Continued ...	1	LO	22,643.72	22,643.72

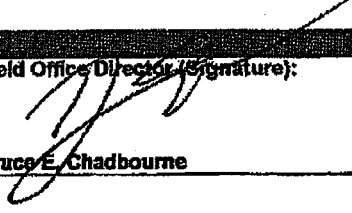
U.S. Department of Homeland Security
U.S. Immigration Customs Enforcement
Detention and Removal Office

Independent Government Cost Estimate (IGCE)

Instructions: This Independent Government Cost Estimate (IGCE) should be completed by the Field Office and submitted to the appropriate Immigration Customs Enforcement (ICE) Detention and Removal Office (DRO) representative as an estimate for your projected costs.

If additional guidance is required, please contact the ICE DRO representative at (202) 732-7405.

GENERAL INFORMATION			
Field Office District: FBO (BOSTON)			
Name Of Jail: Central Falls Detention Facility Corporation Donald W. Wyatt Detention Facility			
Physical Address Of Jail Street: 950 High Street			
City: Central Falls		State: Rhode Island	Zip: 02863
Phone Number: 401-729- (b)(2)Low			
Fax Number: 401-728-8970			
ESTIMATED COSTS			
(A) Number of Required Beds	(B) Proposed Per Diem Rate (\$)	(C) Estimated Number of Days (365)	(D) Total (\$) (A) x (B) x (C) = (D)
200	101.76	73,000	\$7,428,480.00
Subtotal:			\$
TRANSPORTATION COSTS			
(A) Hourly Guard Rate (\$)	(B) Estimated Number of Hours	(C) Estimated Number of Days (365)	(D) Total (\$) (A) x (B) x (C) = (D)
\$22.00 regular hrs (one officer)	8.0	365	\$128,480.00
\$44.00 regular hrs (two officers)			
\$33.00 Overtime hrs (one officer)	4.0	365	\$75,920.00
\$52.00 (two officers)			
\$.505 Mileage Transportation	185 mi	365	\$34,100.125
Subtotal:			\$238,500.125
TOTAL ANNUAL ESTIMATED COSTS:			\$7,666,980.125

APPROVAL AUTHORITY		
Field Office Director (Signature): 	Annual Estimated Amount: \$7,666,980.125	Date: June 2, 2008
Bruce E. Chadbourne		

Copy 1 - ICE DRO HQ
Copy 2 - Field Office District
Copy 3 - IGSA File

1

Automated September 2008

U.S. Department of Homeland Security
U.S. Immigration Customs Enforcement
Detention Removal Office

Request for Detention Services (RDS) (Support of ICE Detainees)

The Field Office District (FOD) shall complete and submit this form to the U.S. Immigration Customs Enforcement (ICE) Detention and Removals Office (DRO) Headquarters for the acquisition of detention services. A Plan of Action report must also be attached for the facilities which have never been covered by an Intergovernmental Service Agreement (IGSA).

SECTION I - GENERAL INFORMATION

DISTRICT: FBO (BOSTON)	NAME AND TITLE OF REQUESTOR: BRUCE E. CHADBOURNE Field Office Director	TELEPHONE NO: 781-3 (b)(2)Low	DATE PREPARED: June 2, 2008
IGSA NO.:			

**TYPE OF ACTION
REQUIRED:**

(New IGSA or Modification)

- | | |
|---|---|
| <input type="checkbox"/> NEW IGSA | <input checked="" type="checkbox"/> MODIFICATION |
| <input type="checkbox"/> Include Guard Services | <input checked="" type="checkbox"/> Rate Increase |
| <input type="checkbox"/> Include Transportation | <input type="checkbox"/> Add Guard Services |
| <input type="checkbox"/> Other | <input type="checkbox"/> Add Transportation |
| | <input type="checkbox"/> Other |

Local Contact Official	Name And Address (Facility/Contractor)		
NAME: Bruce E. Chadbourne	NAME: Anthony Ventetuolo, Contract Monitor Colleen Murphy, Business Manager		
TITLE: Field Office Director	STREET: 850 High Street		
PHONE: 781-3 (b)(2)Low	CITY: Central Falls	STATE: Rhode Island	ZIP: 02863

SECTION II - SUPPORTING DATA

DETAINEE TYPES TO BE INCLUDED: (Check all that apply)

- Adult Male
 Adult Female
 Juvenile Male
 Juvenile Female
 Family

- USMS
 BOP
 ICE

SECURITY LEVEL

- 1
 2
 3

INSPECTION DATE: (Applicable for Detention Only)

Date of Last Inspection: January 16, 2008

If the facility has not been inspected within the last year, an inspection must be conducted and attached to this request. For new facilities, an inspection report must be attached to the request. This will be required for authorized facilities over and under 72 hours.

U.S. Department of Homeland Security
 U.S. Immigration Customs Enforcement
 Detention Removal Office

PROJECTED FEDERAL ANNUAL UTILIZATION LEVELS:				
Utilization Category	ICE	BOF	USMS	Total
Estimated Number of Detainee Beds	200			200
Estimated Detainee Days to be Used Per Year	73,000			

SECTION III – SPECIAL INSTRUCTIONS

SPECIAL INSTRUCTIONS: (i.e., Guard services required, number of hours, hourly rate requested, etc.) (Number of days and jail day rates).

RATE REQUESTED BY LOCAL GOVERNMENT:

SECTION IV - APPROVALS

FIELD OFFICE DISTRICT (Signature) (Funds Availability) Bruce E. Champourne	ESTIMATED AMOUNT: \$7,666,930.125	DATE: June 2, 2008
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**RECOMMENDED RATE ADJUSTMENTS
FOR
PER DIEM AND TRANSPORTATION COSTS
AT THE
DONALD WYATT CENTER**

**PREPARED FOR THE
CENTRAL FALLS DETENTION FACILITY CORPORATION**

**BY
PUBLIC ASSET MANAGEMENT, INC.**

DECEMBER 5, 2007

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EXECUTIVE SUMMARY

The Central Falls Detention Facility Corporation (the "Corporation") recently completed numerous administrative actions and capital projects aimed at stabilizing the costs of services while increasing the service levels and capacity of the Donald Wyatt Detention Facility (the "Facility" and the Expanded Facility). These actions include:

- ▶ Completing an expansion of the Facility to increase capacity to six hundred eighty (680) detainees;
- ▶ Incorporating into the Expanded Facility greater services (courts, women's quarters, and training facility) not present within the original Facility;
- ▶ Assuming responsibility, by the Corporation, for the management of the Expanded Facility at a lower cost than that found with the previous provider;
- ▶ Retaining over 95% of the previous employees, thereby creating a continuity of service levels to client jurisdictions;
- ▶ Expanding the services provided to client agencies;
- ▶ Training new recruits to handle the expanded number of detainees;
- ▶ Recruiting a professional, on-site, finance team skilled in budget development and control, cash flow management, and compliance monitoring; and,
- ▶ Expanding the role of AVCORR to that of Executive Director of the Facility, a role that was ceded to AVCORR by the previous management company due to its remote location.

The Expanded Facility is now substantially complete. The financing of the expansion phase was accomplished via a tax exempt bond issue of the Corporation. This financing included sufficient monies to pay interest on the new debt for a two year period. That period expired on July 15, 2007.

The Corporation recently retained Public Asset Management, Inc. to review current cash flow and project future cash flow and net income for a four year period beginning January 1, 2007. This request resulted from the realization that beginning July 15, 2007 the actual cost of the debt service rises from \$2.7 million per year to \$8.5 million and the costs of operations would rise due to the increased number of detainees.

The budgetary/operating performance of the Corporation for 2007 was reviewed through October 31, 2007. During this time period the Corporation experienced substantial additional costs associated with concluding the construction contract, paying for the expanded capacity, transitional

costs, and increased operating costs. The actual accrued operating performance of the Corporation through October 31st is summarized in the following chart.

**CHART ONE
OPERATING PERFORMANCE
F.Y. 2007 TO OCTOBER 31**

ITEM	F.Y. 2007 To Oct. 31
Revenues:	
Per Diem	13,887,452
Transportation	474,973
Concessions	355,077
Interest	<u>568,152</u>
Total Revenues	15,285,654
Expenses	
Corporate and Facility	11,795,978
Subordinate	<u>1,904,567</u>
Total Expenses	13,700,545
Income Before Debt Service	1,585,109
Debt Service	3,767,500
Net Income	(2,182,391)
Cash Flow	1,190,820

A positive cash flow is achieved by the application of depreciation and amortization, draw on reserves and retaining a series of payment to the former management company. (The retention, also addressed performance issues relating to fiscal year 2006 which is not included within this calculation. A mutual agreement has been reached on payment of outstanding invoices. This agreement has yet to be memorialized but commits the Corporation to multi-year payment plan. The agreement compromises numerous issues associated with contract compliance and billing practices.)

Public Asset Management also forecast net income and cash flow for the Corporation assuming there was no modification in rates. This analysis, as shown below, concluded that without the rate increase the Corporation would experience a negative net income of \$3.65 million and a negative cash flow of \$2.31 million. In the event these projections materialized the Corporation would not have complied with its bond covenants thereby surfacing several issues with bond holders.

**CHART TWO
PROJECTED OPERATING PERFORMANCE
F.Y. 2008 WITHOUT RATE ADJUSTMENT**

ITEM	F.Y. 2008 Projected
Revenues:	
Per Diem	21,429,446
Transportation	660,000
Concessions	658,800
Interest	<u>416,552</u>
Total Revenues	23,164,798
Expenses	
Corporate and Facility	15,140,800
Subordinate	<u>2,899,560</u>
Total Expenses	18,704,536
Income Before Debt Service	5,124,438
Debt Service	8,773,337
Net Income	(3,648,899)
Cash Flow	(2,309,339)

Based on the trends noted above, it is recommended that the Corporation proceed to implement the following actions and policies:

- ▶ Maintain maximum occupancy within the Expanded Facility in conjunction with those jurisdictions that serves as its client base.
- ▶ Increase the per diem rate for the U.S. Marshals Service ("USMS") and Immigration and Customs Enforcement ("ICE") by 6% as of January 1, 2008 and thereafter increase the rate by the annual Cost of Living Index.
- ▶ The transportation rate be increased by the annual Cost of Living Index beginning in 2009.
- ▶ A minimum staffing level of 660 detainees be negotiated with USMS and ICE and that the allocation between the two parties be established by direct conversations with USMS and ICE.
- ▶ The agreement reached concerning these recommendations be memorialized within a revised Intergovernmental Agreement between the Corporation and client jurisdictions.

Charts detailing the projected cash flow and profitability of the Corporation at these rates are included within the narrative. These charts indicate that even with these rates the Corporation will not experience a positive net income when incorporating all direct and indirect costs, i.e., depreciation, amortization, subordinate expenses. However, cash flow will be positive in these years but only within a slight margin. The following chart summarizes the financial profile of the above recommendations.

**CHART THREE
CASH FLOW PROJECTIONS
F.Y. 2008 THROUGH 2010 WITH RATE ADJUSTMENTS**

<u>ITEM</u>	<u>F.Y. 2008</u>	<u>F.Y. 2009</u>	<u>F.Y. 2010</u>
Assumptions:			
Capacity	680	680	680
Occupancy Rate	97.00%	97.00%	97.00%
Projected Occupancy	660	660	660
Current Per Diem Rate	\$96.00	\$101.76	\$104.81
Cost of Living Increase	6.00%	3.00%	3.00%
Projected Per Diem Rate	\$101.76	\$104.81	\$107.96
Revenues:			
Per Diem Revenues	24,566,248	25,249,404	26,006,886
Other Revenues	<u>1,735,352</u>	<u>1,778,352</u>	<u>1,822,952</u>
Total Revenues	26,301,600	27,027,956	28,829,838
Expenses:			
Corporate and Facility	15,140,800	16,736,620	17,236,456
Subordinate	<u>2,899,560</u>	<u>2,899,560</u>	<u>2,899,560</u>
Total Expenses	18,040,360	19,636,180	20,136,016
Income Before Debt Service	8,261,240	7,391,776	7,693,822
Debt Service	<u>8,773,337</u>	<u>8,773,337</u>	<u>8,773,337</u>
Net Income	(512,097)	(1,381,561)	(1,079,515)
Projected Cash Flow	827,463	(42,001)	260,045

There are two underlying themes not readily apparent in the above chart. First, the Corporation anticipated that it could not anticipate significant increases in the per diem rate to cover increased operating costs and debt service obligations. Therefore, the Corporation determined to expand the capacity within projected staffing levels beyond the original design capacity of 642 detainees.

Capacity was increased during the construction phase to 680 with an assumed occupancy rate of 97.00% resulting in an average daily population of 660. In addition, by assuming the responsibility

for management of the Facility, the Corporation eliminated significant costs associated with overhead and profit for a private corporation. These two actions allow the Corporation to minimize the rate adjustment in 2008 to 6.00% and to the Cost of Living (projected at 3.00% annually) beginning January 1, 2009.

The recommended rate adjustments will maintain the Corporation's economic viability, thus allowing for the continuation of the professionalism and high levels of service expected by the USMS and ICE.

JUSTIFICATION FOR PER DIEM RATE INCREASE

During the deliberations surrounding the opening of the expanded Facility coupled with the decision to assume management responsibility for the Facility, Public Asset Management was asked to prepare a multi-year cash flow model of operations and debt service. The initial analysis assumed the original design capacity of 642 detainees and projected an occupancy rate of 95%. Transportation billings were also assumed to remain at current levels.

That analysis (detailed within Exhibit One, attached) concluded that:

- ▶ The Corporation's net income for fiscal year 2008 would be a loss approximating \$3.5 million;
- ▶ The Corporation's cash flow for the same time period would be a negative \$2.3 million; and,
- ▶ The Corporation would be in default of its financial covenants.

Recognizing the severity of the situation, the Corporation took several actions, including:

- ▶ Finalizing its decision to assume management responsibility for the administration of the Facility, thus eliminating corporate costs and overhead;
- ▶ Increasing the capacity of the Facility to 680;
- ▶ Working closely with client jurisdictions to accelerate the ramp up to full capacity;
- ▶ Expanding its service levels to further assist client jurisdictions in achieving their respective goals and performance standards; and,
- ▶ Implementing management controls and programs to contain and track costs.

Even with these actions, it was concluded that a rate increase was necessary. However, the rate increase required was reduced significantly due to the prospective management decisions on the part of the Corporation.

Further analysis, concluded that with the increase in capacity and a modest rate increase in per diem rates, the Corporation may not achieve a positive net income but it would achieve a positive cash flow beginning in 2008. The following actions were recommended to the Corporation and are now incorporated into this analysis:

- ▶ Increase the per diem rate from \$96.00 to \$101.76 effective January 1, 2008. This represents a rate increase of 6.00% over the current rate.

- ▶ Effective January 1, 2009 and thereafter annually modify the per diem rate by the Cost of Living Index.
- ▶ Increase transportation billing rates by the Cost of Living beginning January 1, 2009 to cover increased costs for fuel and insurance.
- ▶ Negotiate a combined commitment from USMS and ICE for a guaranteed capacity commitment of 660 detainees per day.
- ▶ Modify the Intergovernmental Agreement with USMS and ICE to reflect the above changes.

Based on projections, the Corporation's cash flow will average 1.40% of Revenues over the three year period. The combined net income for the same period will approximate a loss of \$2.97 million. However, with the application of depreciation and amortization, the Corporation is projected to experience a positive cash flow of \$1.05 million over the three year period. These items plus the classification of certain expenses as subordinate allow the Corporation to remain in compliance with its bond covenants.

ASSUMPTIONS EMPLOYED

Based on independent analysis and conversations with the staff of the Corporation the following assumptions were utilized within the analysis.

Revenues:

Per Diem Revenues - Per diem revenues were increased by 6.00% in 2008. For fiscal years 2009 and 2010, it was assumed that these rates were modified by the Cost of Living Index and for the purposes of this analysis, that Index was estimated at 3.00% in each of the two years.

Transportation - Transportation rates were held constant in 2008 and increased by 3.00% in the following two years.

Concessions - This line item consists of telephone use, vending machine revenues, and similar smaller items. No increase in 2008 and a nominal increase of 3.50% in 2009 and 2010.

Interest - A requirement of the financing was to fund within the bond issue monies equal to one year of debt service (approximately \$8.4 million). These funds are invested within a guaranteed investment contract and the semi-annual commitment are recorded within this line item. Nominal interest is generated by other short term investments. However, as most of the cash is utilized for operations these proceeds are negligible.

Expenses:

Corporate and Facility Costs - These costs include the salary and fringe benefits of all employees of the Corporation, inmate care, insurance, legal, professional contract services, building maintenance, utilities, building and grounds repair, and interest due others. In nearly all of these categories, the Corporation is budgeting less than that found under the previous management contract with only two exceptions. The insurance costs for the Corporation increased significantly due to the expanded Facility and the increased coverage associated with direct management of the Facility. In addition, utility costs have increased significantly due to the nature of this service within the region. Projected increases were made for each line item within this category ranging from 3.50% to 10.00% for items such as utilities and insurance.

Subordinate Expenses - Amortization and depreciation are carried under this classification. Also, payments to the City of Central Falls for impact fees and the conclusion of an obligation to the previous management company are subordinate.

Debt Service - Debt service is level and fixed for the through 2035. Annual debt service approximates \$8.75 million. The Corporation deposits one-twelfth of the annual principal and interest requirement on a monthly basis.

Projected Cash Flow - This projection is achieved by adding back depreciation and amortization to Net Income.

Exhibit A
Operating Proforma - Fiscal Year 2008 With No Rate Adjustment

Exhibit A
Operating Performance - Fiscal Year 2008 with Run Rate Adjustment

	January	February	March	April	May	June	July	August	September	October	November	December	Total
REVENUES													
Per Diem Revenue Assumptions													
Capacity	442	442	442	442	442	442	442	442	442	442	442	442	442
Operating Rate	91.00%	91.00%	91.00%	91.00%	91.00%	91.00%	91.00%	91.00%	91.00%	91.00%	91.00%	91.00%	91.00%
Per Diem Occupancy	60	60	60	60	60	60	60	60	60	60	60	60	60
Days in month	31	29	31	30	31	30	31	31	30	31	30	31	31
Contract Rate	\$8,400	\$8,400	\$8,400	\$8,400	\$8,400	\$8,400	\$8,400	\$8,400	\$8,400	\$8,400	\$8,400	\$8,400	\$8,400
Contract Occupancy	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Per Diem Revenue	1,789,682	1,789,682	1,789,682	1,789,682	1,789,682	1,789,682	1,789,682	1,789,682	1,789,682	1,789,682	1,789,682	1,789,682	1,789,682
Projected Per Diem Revenue	1,789,682	1,789,682	1,789,682	1,789,682	1,789,682	1,789,682	1,789,682	1,789,682	1,789,682	1,789,682	1,789,682	1,789,682	1,789,682
Other Revenue													
Transportation	51,000	51,000	51,000	51,000	51,000	51,000	51,000	51,000	51,000	51,000	51,000	51,000	51,000
Contingency	54,900	54,900	54,900	54,900	54,900	54,900	54,900	54,900	54,900	54,900	54,900	54,900	54,900
Service	71,275	71,275	71,275	71,275	71,275	71,275	71,275	71,275	71,275	71,275	71,275	71,275	71,275
TOTAL REVENUES	2,111,232	2,111,232	2,111,232	2,111,232	2,111,232	2,111,232	2,111,232	2,111,232	2,111,232	2,111,232	2,111,232	2,111,232	2,111,232
EXPENSES													
Salary and Benefits													
Contractor expenses	919,800	919,800	919,800	919,800	919,800	919,800	919,800	919,800	919,800	919,800	919,800	919,800	919,800
Other Direct and Administrative	102,900	102,900	102,900	102,900	102,900	102,900	102,900	102,900	102,900	102,900	102,900	102,900	102,900
Business	31,600	31,600	31,600	31,600	31,600	31,600	31,600	31,600	31,600	31,600	31,600	31,600	31,600
Building Maintenance and Utilities	20,700	20,700	20,700	20,700	20,700	20,700	20,700	20,700	20,700	20,700	20,700	20,700	20,700
Building and Grounds Repair	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000
Interest	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300
TOTAL EXPENSES	1,286,200	1,286,200	1,286,200	1,286,200	1,286,200	1,286,200	1,286,200	1,286,200	1,286,200	1,286,200	1,286,200	1,286,200	1,286,200
UNADJUSTED EXPENSES													
Depreciation	86,400	86,400	86,400	86,400	86,400	86,400	86,400	86,400	86,400	86,400	86,400	86,400	86,400
Amortization	28,800	28,800	28,800	28,800	28,800	28,800	28,800	28,800	28,800	28,800	28,800	28,800	28,800
Payment Due Grand Committee	18,000	18,000	18,000	18,000	18,000	18,000	18,000	18,000	18,000	18,000	18,000	18,000	18,000
Charge of Grand Jury Expense	43,200	43,200	43,200	43,200	43,200	43,200	43,200	43,200	43,200	43,200	43,200	43,200	43,200
TOTAL UNADJUSTED EXPENSES	176,400	176,400	176,400	176,400	176,400	176,400	176,400	176,400	176,400	176,400	176,400	176,400	176,400
TOTAL EXPENSES INCLUDING DEBT SERVICE	1,462,600	1,462,600	1,462,600	1,462,600	1,462,600	1,462,600	1,462,600	1,462,600	1,462,600	1,462,600	1,462,600	1,462,600	1,462,600
DEBT SERVICE	64,800	64,800	64,800	64,800	64,800	64,800	64,800	64,800	64,800	64,800	64,800	64,800	64,800
NET INCOME	725,900	725,900	725,900	725,900	725,900	725,900	725,900	725,900	725,900	725,900	725,900	725,900	725,900
PROJECTED MONTHLY CASH FLOW													
CHANGING MONTHLY CASH FLOW	(7,000)	(11,400)	(10,800)	(7,800)	(9,100)	(20,000)	(1,500)	(22,100)	(25,400)	(19,200)	(20,400)	(16,200)	(14,000)
(7,000)	(11,400)	(10,800)	(7,800)	(9,100)	(20,000)	(1,500)	(22,100)	(25,400)	(19,200)	(20,400)	(16,200)	(14,000)	
(7,000)	(11,400)	(10,800)	(7,800)	(9,100)	(20,000)	(1,500)	(22,100)	(25,400)	(19,200)	(20,400)	(16,200)	(14,000)	

Exhibit B
Operating Proforma - Fiscal Year 2008 With Recommended Rate Adjustments

**RHODE ISLAND DEPARTMENT OF CORRECTIONS
 COSTS PER OFFENDER - FY 2006**

Facility/Description	Average Population	Excluding Central DOC Admin and Capital Costs			Including Central DOC Admin and Capital Costs		
		Total	Per Annum	Per Diem	Total	Per Annum	Per Diem
Institutionalized Offenders							
Men's Facilities							
Middletown	608	\$19,667,724	\$32,348	\$38.63	20,955,716	\$34,467	\$56.43
Madison/Middletown	861	\$30,285,535	\$34,953	\$55.77	32,989,857	\$37,446	\$57.02
Intake Services Center	1,049	\$35,181,387	\$33,338	\$91.88	37,795,877	\$36,030	\$58.71
Maximum	389	\$18,407,127	\$47,319	\$129.64	19,753,138	\$50,779	\$133.12
Minimum/Prize	284	\$13,827,300	\$48,558	\$133.39	14,877,908	\$52,366	\$143.47
High Security Center	87	\$8,747,997	\$109,552	\$275.48	9,388,120	\$107,910	\$295.64
Women's Facilities	211	\$11,434,334	\$54,286	\$148.73	12,397,572	\$58,756	\$160.98
Total Institution Population	3,509	\$138,081,404	\$39,351	\$407.81	\$148,152,216	\$42,221	\$115.67
Community Based Offenders							
Probation & Parole	11,624	\$10,478,831	\$901	\$2.47	\$11,127,876	\$957	\$2.62
House Confinement	282	\$1,261,202	\$6,955	\$19.05	\$2,213,561	\$7,859	\$21.51
Women's Transitional Housing	7	\$57,160	\$30,166	\$137.44	\$365,946	\$52,277	\$143.23
Total Community Population	11,913	\$12,797,193	\$1,073	\$2.94	\$13,706,976	\$1,151	\$3.15
Admin Overhead/RI Cap Funds		\$10,994,996			Distorted		
Total		\$161,869,193			\$161,869,193		

- NOTES:
- Source of data: Population report for FY 2006.
 - This table includes actual expenditures for general revenues, federal grants and restricted receipt expenditures. Source of financial data: State Comptroller's financial statements.
 - Includes administrative and executive services such as DOC Director, payroll, business operations, IT services, personnel admin; also includes RI Capital Funds and debt service payments.
 - In this column, the administrative overhead has been distributed on a formula basis to the various program accounts.
 - Population includes all women; those awaiting trial as well as sentenced females classified to the various program accounts.
 - Population includes offenders under active supervision only. It does not include bonded cases, court-ordered unmonitored cases, deported cases, offenders pending to immigration or another jurisdiction or cases pending transfer. Data as of 6/2/06.
 - Population for this group does not include 78 persons on electronic monitoring panels, which numbers included in the probation & parole row above. A proportionate share of the cost of monitoring has also been transferred from this row to the one above. Data reflects average population for the fiscal year 2006.
 - This program ended 3/5/2006. This mean average population is lower than prior years because of a several-month slow down process.