

## DENNIS CONARD, SHERIFF

**Michael K. Brown**  
Chief Deputy Sheriff



**Clifford G. Tebbitt**  
Jail Administrator

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Date: August 23, 2010

Memo To: Dee Bruemmer

From: Sheriff Conard 

**REF: Turnkey Corrections Corporation Contract**

Attached is a proposed contract from Turnkey Corrections Corporation for inmate commissary vending in the Scott County Jail.

Turnkey Corrections Corporation has been our commissary provider since October of 2007. This contract provides for a two percent increase in commission, paid to Scott County from commissary sales. This two percent increase equates to an increase of approximately \$3,700.00 annually.

During the recent National Sheriff's Conference, I contacted numerous jail commissary vendors asking them to review our operations and, if interested, provide a proposal for their services. None of these providers contacted us.

The contract has been sent to the County Attorney's Office, Risk Management and I.T. to determine if they have any concerns.

**COUNTY OF SCOTT  
JAIL VENDING SERVICE AGREEMENT**

THIS AGREEMENT, by and between the County of Scott, a political subdivision of the State of Iowa, hereinafter referred to as the "County," and TurnKey Corrections a Minnesota corporation, hereinafter referred to as "Provider."

WHEREAS, the County seeks to enter into an agreement for inmate commissary vending service, and

WHEREAS, Provider is capable of providing such service to the County and desires to do so according to the terms and conditions stated herein.

NOW THEREFORE, in consideration of the mutual undertakings and agreements contained within this agreement, the County and Provider hereby agrees as follows:

1. **Effective Date of Contract**

This agreement shall be effective 9/1/10.

2. **Term of Contract**

This agreement shall be in effect for forty-two (42) months with three (3) one (1) year renewable options and may be extended further upon mutual consent of both parties.

Provider shall pay a seventeen (17) percent commission based on gross sales to the County on all funds transferred to the "smart card" less the value of funds on cards from released inmates plus all canteen item sales. Commissions shall be net of all applicable sales taxes and postage.

See section 3. Scope of Services paragraph 3 and paragraph 4 for penalties TKC may incur if development deadlines are not met.

### 3. Scope of Services

The parties agree to the following services during the term of the agreement:

Provider shall install, maintain and supply vending machines and the TEAM software system (see Schedule A attached and made a part of this agreement), at the Scott County Jail.

Provider shall incur all costs associated with a Jail Management Software Interface. The interface shall transfer Inmate Account Code, Inmate Name and last known address and shall be completed by 10/31/2011. If deadline is not met due to TKC not completing TKC's portion of the interface, TKC will take a penalty by increasing the commissary profit commission due Scott County by 10% (17% to 27%) from 11/1/2011 until the interface is complete, without increasing the cost of the items to the inmates.

Provider shall develop a web service through the lobby kiosk to allow the public access to the Scott County website and shall be completed by 6/30/2011. If deadline is not met, TKC will take a penalty by increasing the commissary profit commission due Scott County by 10% (17% to 27%) from 11/1/2011 until the interface is complete, without increasing the cost of the items to the inmates.

Trust Accounting Software: provider shall furnish, install, repair, maintain all trust accounting software. The following is an overview of the TEAM trust accounting software features available to the County;

#### Account Management.

- Easy-to-use Interface steps users through Account Creation (booking) and Account Close (release) processes.
- Account Creation process gathers inmate information, accepts numerous deposit types, assigns Smart Card to inmate, and allows site charges to be applied against the account.
- Account Release process refunds money from Smart Card, allows site charges to be applied against the account, and returns money to the inmate through numerous withdrawal options.
- Track general inmate information including name, Inmate# (Criminal History Number), Unit#, language, status, audit information (user and date/time stamp of record creation and the last time the account was altered).
- Search for Accounts based on any combination of the following: inmate#, first/middle/last name, unit#, language, status, account group and soundex searches.
- Account Groups – each site has the ability to setup unlimited account groups. There are three types of account groups: (1) Accounting – Control maximum allowable smart-card and/or lien balance and maximum active smart-cards per account. Additional transaction limit controls allow one to define minimum and maximum allowable transaction dollar amounts; (2) Commissary – Defines product availability, pricing and commission on product sales (e.g. restrict commissary product list for Indigent Inmates and bill products to indigents at different rate); and (3) Access –

Define access to specific modules by Account Group (e.g. grant/restrict access to cashless services, commissary, kiosk mail, etc.)

- Cashless Smart Card.
  - The smart card has an electronically imbedded serial number and is programmed with a site code and a personal PIN number that can only be utilized with the assigned card. The smart cards are reusable. These smart cards are used in the kiosks and vending machines. Each inmate will be issued a smart card when booked in. If one is lost they can be re-created for a nominal charge to the inmate for the lost card.
  - The vending machines utilize state-of-the-art MDB technology in accepting the smart card.
  - Inmates are given a smart card when they are booked in and when they are released their account is closed with use of the smart card also.

#### Currency Handling.

- Cash-receiving (via bill acceptors/lock boxes), also referred to as “Money-In”.
- “Money-In” machine receives cash into a secured locked box and automatically records the transaction to the Inmates account.
- Cash is primarily deposited to accounts through the “Money-In” acceptor. The system also has the ability to access a cash, check or money order deposit entered manually.
- Secure bill-acceptor reduces counting time associated with cash and removes cash-handling responsibility from jail staff.
- Electronically counts bills received to ensure the deposited amount is 100% accurate.
- Eliminates theft of cash due to locked box acceptors.
- Eliminates errors with postings of cash transactions via use of the “Money-In” acceptors.
- Checks for counterfeit bills and will not accept them if a counterfeit bill is detected.
- Cash no longer needs to be counted. The “Money-In” acceptor does it all now.
- Lobby kiosk functions similar to the “Money-In” or an ATM machine to receive cash deposits for Inmates in public areas. This feature again eliminates cash handling by the jail staff.

#### Site Charges.

- Unlimited site charges may be created.
- Variable site charge options – Define minimum and maximum amounts for site charges.
- The site charges also have a default amount set with every charge for ease of appliance.
- Recovery of negative site charges.

#### Accounting

- Management of Inmate Trust Account.
- Double-entry accounting.
- Check Book and Bank Statement reconciliation
- Control accounts for AP Inmate, AP Vendor, and Lien.

- Custom-defined transaction types – Use pre-built transaction types to create your own types that are labeled using your own wording. Configure which transaction types will have per transaction and/or per-day limits.
- Negative balances/liens - Accounts can be configured to run a negative balance/lien for specific designated accounts. A deposit is first applied against an outstanding lien with any remaining balance available to the inmate.
- Recovered funds (funds received on an account that is carrying a lien balance) are allocated to the jail site charge account associated with the lien.
- Check signatures can be printed using an authorized scanned signature.
- Write checks to third parties (i.e. Vendors) from the inmate trust account.
- Detailed audit trail of all transactions.
- Manual notes can be entered for each transaction.
- Ability to track and report on site charges.

#### Reports

- Customization available.
- Automatically generates Account Balance Summary, Deposit Transactions, Cash-in Transactions, System Balance, Transaction History, Refund Transactions, Check Register, Void Checks, Daily Balance, Daily Shift, Inmate Deposits, Inmate Detail, Inactive Accounts, Closed Accounts, Event Log, Kiosk Status, Site Charge Detail, and Site Charge Grouping reports and many more additional reports.
- Export reports to Adobe Acrobat, Microsoft Excel formats, CSV, HTML and Comma Delineated.

Equipment and Maintenance: Provider shall furnish, install, repair and maintain all equipment and software for vending services at no cost to the County. Provider agrees to keep all equipment in good order and operating condition.

Each of the parties agrees to cooperate with the other and to perform all tasks necessary or desirable for the mutual benefit of both of the parties to operate a well run inmate vending service for the Scott County Jail.

Provider agrees to supply products on a timely basis and to regularly stock all machines, two to three (2 – 3) times per week or on an as needed basis. The stocking of the vending machines will be completed by an employee of Provider that is pre-approved and authorized by the County.

Provider shall give prior notice to Facility of all deliveries, scheduled fill visits as well as any service visits via a telephone call to the Facilities Booking Desk at 563-326-8250.

Provider shall supply all products that are to be vended out of the machines that are pre-approved by the County and will set the prices at an amount agreed upon by the County.

Provider shall supply “brown bag” canteen items pre-approved by the County such as hygiene products, soap, deodorant etc that are not able to be vended out of the snack machine and will be distributed by County staff. Provider shall invoice these items separately.

Provider may provide care packages given to inmates when they are booked in at a price agreed upon by both parties based on item requirements.

Additional modules, such as additional vending machines and kiosks, may be added in the future with an adjustment in the commissions paid to the County, upon mutual written consent of both parties.

Provider agrees to train all Jail staff in vending services, software and account reporting as needed at no cost to the County.

Provider agrees to assist the County with customized inmate account reports needed by the County for tracking, bookkeeping and auditing purposes and training on the same.

Provider agrees to provide two (2) printers for the issuance of checks from inmate accounts for inmates released from custody.

#### 4. **Compensation and Terms of Payment**

##### A. Compensation

Provider shall conform to the schedule of initial prices as agreed upon by both parties. Prices shall be subject to change by Provider after approval of the County and the new prices shall be reduced to writing in a new schedule. Prices may change for economic reasons such as inflation.

##### B. Terms of Payment

Smart Card: The "smart card" is issued to each inmate and is personalized to each inmate utilizing a "pin number" assigned to the inmate account and the card. The inmate can transfer funds from their inmate account and the card via a touch screen kiosk and utilize the card for the vending machines. Provider shall invoice the County four (4) times a month for all funds transferred to the "smart card" less the value of funds on cards from released inmates. Provider shall supply smart cards at no cost to the County. If a card is lost or damaged the inmate will be charged a \$5.00 replacement fee.

The invoices shall also include a seventeen (17) percent discount that will be retained by the County as a commission. Commissions shall be based on gross sales and shall be net of all applicable sales tax and postage. No commissions shall be paid on staff machines due to reduced pricing on products sold.

The County's authorized agent shall have the authority to review the invoices, and no payment shall be made without the approval of the authorized agent. Payments shall be made within thirty (30) days after receipt of invoices for services performed and acceptance of such services by the authorized agent of the County.

5. **Condition of Payment**

All services provided by Provider pursuant to this agreement shall be performed to the satisfaction of the County, and in accordance with all applicable federal, state and local laws, ordinances, rules and regulations. Payment shall be withheld for work found by the County to be unsatisfactory, or performed in violation of federal, state and local laws, ordinances, rules or regulations. If Provider and the County agree, any controversy or claim arising out of or relating to this agreement shall be settled between the parties by arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association. Each party shall pay its own costs resulting from the utilization of the arbitration process. The fees and costs charged by the American Arbitration Association shall be borne equally by the parties.

6. **Authorized Agents**

The County shall appoint an authorized agent for the purpose of administration of this agreement. The County is notified the authorized agents for Provider are as follows:

Matt Rouillard – General & Operational Information

Phone: 651-785-7048

Ben Halberg – IT Information

Phone: 715-386-5700

7. **County and State Audit**

The books, records, documents, and accounting procedures and practices of Provider relative to this agreement shall be subject to examination by the County and the State Auditor. Complete and accurate records of the work performed pursuant to this agreement shall be kept by Provider for a minimum of six (6) years following termination of this agreement for such auditing purposes. The retention period shall be automatically extended during the course of any administrative or judicial action involving Scott County regarding matters to which the records are relevant. The retention period shall be automatically extended until the administrative or judicial action is finally completed or until the authorized agent of the County notifies Provider in writing that the records need no longer be kept.

8. **Indemnity**

Provider agrees to defend, indemnify, and hold the County, its employees and officials harmless from any claims, demands, actions or causes of action, including reasonable attorney's fees and expenses resulting directly or indirectly from any negligent act or omission on the part of Provider, or its subcontractors, partners or independent contractors or any of their agents or employees, in the performance of or with relation to any of the work or services to be performed or furnished by Provider or the subcontractors, partners or independent contractors or any of their agents or employees under the agreement.

Provider shall be responsible for the professional quality, technical accuracy, and the coordination of all services furnished by Provider under this agreement. Provider shall, without additional compensation, correct or revise any errors or deficiencies in Provider's final reports and services.

9. **Insurance**

Provider shall not commence work under this agreement until it has obtained at its own cost and expense all insurance required herein. All insurance coverage is subject to approval of the County and shall be maintained by Provider throughout the duration of this agreement.

A. **Workers' Compensation**

- a. State: Iowa - Statutory
- b. Employer's Liability with minimum limits of:
  - Bodily Injury by Accident: \$100,000 each Accident
  - Bodily Injury by Disease: \$100,000 each Employee
  - Bodily Injury by Disease: \$500,000 policy limit
- c. Benefits required by union labor contracts: As applicable

B. **Commercial General Liability**

Including Premises, Operations, Products, Completed Operations, Advertising and Personal Injury Liability, with the following minimum limits of liability:

- \$1,000,000 Aggregate
- \$1,000,000 Products & Completed Operations Aggregate
- \$1,000,000 Personal Injury & Advertising Injury
- \$1,000,000 Occurrence
- \$ 100,000 Fire Damage Limit
- \$ 20,000 Medical Expense

Policy should be written on an occurrence basis and include explosion, collapse and underground.



C. **Commercial Auto Liability**

Minimum limits of liability shall be:

If split limits: \$1,000,000 each person/\$1,000,000 each occurrence  
\$1,000,000 each occurrence for Property Damage

If combined single limit: \$1,000,000 per occurrence

D. **Proof of Insurance**

Insurance certificates evidencing that the above insurance is in force with companies acceptable to County and in the amounts required shall be submitted to County for examination and approval prior to the execution of the agreement, after which they shall be filed with County. The insurance certificate shall name the County as an additional insured and specifically provide that a certificate shall not be modified, canceled or non-renewed except upon thirty (30) days prior written notice to County. Neither County's failure to require or insist upon certificates or other evidence of insurance showing a variance from the specified coverage changes Provider's responsibility to comply with the insurance specifications.

10. **Subcontracts**

Provider shall not subcontract any portion of the work to be performed under this agreement nor assign this agreement without the prior written approval of the authorized agent of the County. Provider shall ensure and require that any subcontractor agrees to and complies with all of the terms of this agreement. Any subcontractor of Provider used to perform any portion of this agreement shall report to and bill Provider directly. Provider shall be solely responsible for the breach, performance or nonperformance of any subcontractor.

11. **Force Majeure**

The County and Provider agree that Provider shall not be liable for any delay or inability to perform this agreement, directly or indirectly caused by or resulting from strikes, labor troubles, accidents, fire, flood, breakdowns, war, riot, civil commotion, lack of material, delays of transportation, acts of God or other cause beyond reasonable control of Provider and the County.

12. **Data Practices**

Provider, its agents, employees and any subcontractors of Provider in providing all services hereunder, agree to abide by the provisions of the Iowa Government Data Practices Act, Minn. Stat. Chap. 13, as amended, and Iowa Rules promulgated pursuant to Chap. 13. Provider understands that it must comply with these provisions as if it were a government entity. Provider agrees to indemnify and hold the County, its officers, department heads and employees harmless from any claims resulting from Provider's unlawful disclosure or use of data protected under state and federal laws.

13. **Access to Premises**

The County shall arrange access as necessary to work sites for Provider for the purpose of performing the work described in this agreement.

14. **Termination**

The agreement may be terminated by either party, with cause, upon thirty (30) days written notice to one of the authorized agents of the Provider or the Authorized Agent of the County.

15. **Independent Contractor**

It is agreed that nothing contained in this agreement is intended or should be construed as creating the relationship of a partnership, a joint venture, or an association with the County and Provider. Provider is an independent contractor and neither it, its employees, agents, subcontractors nor representatives shall be considered employees, agents or representatives of the County. Except as other-wise provided herein, Provider shall maintain, in all respects, its present control over the means and personnel by which this agreement is performed. From any amounts due Provider, there shall be no deduction for federal income tax or FICA payments nor for any state income tax, nor for any other purposes which are associated with an employer/employee relationship unless otherwise required by law. Payment of federal income tax, FICA payments, state income tax, unemployment compensation taxes, and other payroll deductions and taxes are the sole responsibility of Provider.

16. **Notices**

Any notices to be given under this agreement shall be given by enclosing the same in a sealed envelope, postage prepaid, and depositing the same in the United States Postal Service, addressed to one of the authorized agents of Provider at its address stated herein, and to the authorized agent of the County at the address stated herein.

17. **Controlling Law**

The laws of the State of Iowa shall govern all questions and interpretations concerning the validity and construction of this agreement and the legal relations between the herein parties and performance under it. The appropriate venue and jurisdiction for any litigation hereunder will be those courts located with the County of Scott, State of Iowa. Litigation, however, in the federal courts involving the herein parties will be in the appropriate federal court within the State of Iowa. If any provision of this agreement is held invalid, illegal or unenforceable, the remaining provisions will not be affected.

18. **Successors and Assigns**

The County and Provider, respectively, bind themselves, their partners, successors, assigns, and legal representatives to the other party to this agreement and to the partners, successors, assigns, and legal representatives of such other party with respect to all covenants of this agreement. Neither the County nor Provider shall assign, sublet, or transfer any interest in this agreement without the prior written consent of the other.

19. **Equal Employment and Americans with Disabilities**

In connection with the work under this agreement, Provider agrees to comply with the applicable provisions of state and federal equal employment opportunity and nondiscrimination statutes and regulations. In addition, upon entering into this agreement, Provider certifies that it has been made fully aware of Scott County's Equal Employment Opportunity and Americans with Disabilities Act Policy.

20. **Changes**

The parties agree that no change or modification to this agreement, or any attachments hereto, shall have any force or effect unless the change is reduced to writing, dated, and made part of this agreement. The execution of the change shall be authorized and signed in the same manner as for this agreement.

21. **Severability**

In the event any provision of this agreement shall be held invalid and unenforceable, the remaining provisions shall be valid and binding upon the parties unless such invalidity or non-enforceability would cause the agreement to fail its purpose. One or more waivers by either party of any provision, term, condition or covenant shall not be construed by the other party as a waiver of a subsequent breach of the same by the other party.

IN WITNESS WHEREOF, the parties have caused this agreement to be duly executed intending to be bound thereby.

**COUNTY OF SCOTT**

**TURNKEY CORRECTIONS**

by \_\_\_\_\_  
Scott County Sheriff

by \_\_\_\_\_  
Todd Westby, CEO

Date \_\_\_\_\_, 2010

Date \_\_\_\_\_, 2010

Approved as to form and execution:

\_\_\_\_\_

Date \_\_\_\_\_, 2010

Scott County Attorney

EXHIBIT A
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<u>Qty.</u>	<u>Description</u>
1	TEAM software system with support and upgrades
2	Booking money in
8	Touch screen Kiosks
8	Snack Vending machines with smart card readers
6	Pop machines with smart card readers
6	Microwave ovens
1	Lobby-visitor kiosk

THE COUNTY AUDITOR'S SIGNATURE CERTIFIES  
THAT THIS RESOLUTION HAS BEEN FORMALLY  
APPROVED BY THE BOARD OF SUPERVISORS ON

DATE

SCOTT COUNTY AUDITOR

## RESOLUTION

### SCOTT COUNTY BOARD OF SUPERVISORS

September 16, 2010

#### APPROVAL OF CONTRACT WITH TURNKEY CORRECTIONS CORPORATION FOR INMATE VENDING AND COMMISSARY

BE IT RESOLVED BY the Scott County Board of Supervisors as follows:

Section 1. That the contract Turnkey Corrections Corporation for Inmate vending and commissary are hereby approved.

Section 2. That the Scott County Sheriff is hereby authorized to sign said agreements.

Section 3. This resolution shall take effect immediately.