



COUNTY OF HUMBOLDT

For the meeting of: August 21, 2018

Date: August 8, 2018

To: Board of Supervisors

From: William F. Honsal, Sheriff

Subject: Agreement with Keefe Commissary Network, L.L.C, and the County of Humboldt for the period of August 1, 2018 through July 31, 2023.

RECOMMENDATION(S):

That the Board of Supervisors

1. Approve the Commissary Services Agreement with Keefe Commissary Network, L.L.C, (Attachment 1) for the period of August 1, 2018 through July 31, 2023 to provide food and other related commissary items and services to the Humboldt County Correctional Facility (HCCF) inmates.
2. Authorize the Chairperson to execute three (3) originals of the agreement and any modifications, amendments or extensions for the duration of the agreement.

SOURCE OF FUNDING:

Not applicable

Prepared by Regina Fuller
Regina Fuller, Deputy Director AdminCAO Approval [Signature]

REVIEW:
Auditor _____ County Counsel NAD Human Resources KTB Other _____

TYPE OF ITEM:

☒ Consent
☐ Departmental
☐ Public Hearing
☐ Other _____

PREVIOUS ACTION/REFERRAL:

Board Order No. _____

Meeting of: _____

BOARD OF SUPERVISORS, COUNTY OF HUMBOLDT

Upon motion of Supervisor Bass
Seconded by Supervisor WilsonAyes Bass, Fennell, Sundberg, Bohn, Wilson
Nays _____
Abstain _____
Absent _____

And carried by those members present, the Board hereby approves the recommended action contained in this report.

Dated: 8/21/18By: [Signature]
Kathy Hayes, Clerk of the Board

DISCUSSION:

Keefe Commissary Network, L.L.C. (Keefe) has provided commissary services to the HCCF for over 10 years. Keefe was chosen as the sole source vendor for the following reasons:

- Keefe maintains a commissary warehouse in close proximity so orders placed are received in 1-2 days allowing for continuity of operations for the HCCF inmate population. This is a unique service to be provided in a rural area like Humboldt County.
- Keefe's knowledge and expertise with the operation of HCCF creates a unique business partnership that allows for successful implementation of new programs such as the vending machine option.
- Keefe currently manages the banking and commissary processes requiring intricate and expensive interfaces on the county network, the HCCF phone system, and the HCCF jail management system. It would be a significant disruption to HCCF operations and a labor intensive endeavor to switch commissary vendors.

The agreement (Attachment 1) provides for a 40 percent commission on adjusted gross sales and a \$20,000 signing bonus that would be received as revenue for the HCCF. This is a 5 percent increase in commission compared to the previous agreement. Commission revenue received from Keefe in FY 2017-18 for 13 months of commission totaled \$128,620.00. Projected revenue for FY 2018-19 for 12 months of commission is estimated at \$126,326.00.

Revenue from commissions is deposited to the Inmate Welfare Fund (IWF) to be used for the benefit, recreation, education, or welfare of HCCF inmates in accordance with current laws and guidelines regulating the expenditures of the IWF. The IWF balance as of July 31, 2018 is \$718,523.74.

FINANCIAL IMPACT:

There will be no impact on the General Fund.

The recommended action supports the Board's Strategic Framework by partnering to promote quality services and seeking outside funding sources to benefit Humboldt County needs.

OTHER AGENCY INVOLVEMENT:

None

ALTERNATIVES TO STAFF RECOMMENDATIONS:

The Board could choose not to approve the agreement. This alternative is not recommended as it jeopardizes the ability for the county to provide commissary services to inmates.

ATTACHMENTS:

Attachment 1 Commissary Services Agreement with Keefe Commissary Network, L.L.C.

Attachment 1

Commissary Services Agreement Keefe Commissary Network, L.L.C

KEEFE COMMISSARY NETWORK, LLC
COMMISSARY SERVICES AGREEMENT

This Agreement, entered into this 1st day of August, 2018, by and between the County of Humboldt, a political subdivision of the State of California, hereinafter referred to as "COUNTY," and Keefe Commissary Network, L.L.C, an affiliate of The Keefe Group, hereinafter referred to as "KEEFE," and collectively, the "Parties."

KEEFE is in the business of supplying food and other related commissary items and services to inmate commissary departments of correctional facilities throughout the United States, including the Humboldt County Correctional Facility ("HCCF"); and,

The Parties wish to enter into a Commissary Services Agreement to facilitate the ordering of commissary items by inmates and the operation of and payment for commissary (collectively, "Commissary Services").

Therefore, in consideration of the mutual promises and conditions herein contained, the Parties agree as follows:

1. **OPERATION OF COMMISSARY.**

a. **By COUNTY.** COUNTY agrees that during the term of this Agreement, it will, at its own expense: (a) provide COUNTY personnel to operate the KEEFE proprietary software; (b) manage and reconcile the funds in the Inmate Trust Accounts; and (c) deliver the completed commissary orders to the individual inmates.

b. **By KEEFE.** KEEFE agrees that it will download all inmate orders for commissary items in real-time or near real-time by utilizing Web Services. KEEFE will bag, box, and ship such commissary items to the COUNTY for distribution to the inmates, it being understood and agreed that said orders shall be delivered to the COUNTY for delivery to the Inmates on Thursdays. KEEFE shall invoice COUNTY for all such purchases in accordance with Section 7.0.

c. **New Construction.** Construction of a new building to add forty-two plus (42+) beds will commence in approximately one year, with an estimated completion date of 2020. KEEFE shall provide Commissary Services and tablets for the new building, consistent with the terms herein.

d. **Commissary Operations.** Commissary Operations provided by KEEFE shall include but not be limited to the following:

- 1) Correctional commissary management application to enforce all restrictions, provide all reports, track all inventory and generally support the required commissary operations.

2) Access to the inmate commissary for inmates on a schedule that ensures each inmate has an opportunity to make real-time or near real-time purchases.

3) An efficient system for providing refunds for damaged or otherwise unacceptable items and items that could not be delivered because the inmate was released or moved.

4) Procedures for the effective resolution of inmate grievances regarding commissary-related issues. This procedure must be compatible with, and use the same forms as specified in the Sheriff's Office policy on inmate grievances.

5) Automated, digitized commissary order forms listing all approved menu items and current prices. Order form shall also include spaces for inmate name, inmate ID number, housing unit, cell number and order date.

6) Orders filled at a minimum rate of 98% completeness and accuracy.

7) All orders will be bagged offsite and packed in transparent, perforated plastic bags for delivery.

8) Except pastries, bread or milk, all merchandise shall have at least 30 days of remaining shelf life when it is delivered to an inmate.

9) All food items for sale must have nutritional information on packages or labels.

10) Each Order containing two (2) printed copies of an invoice listing the merchandise in the package as well as any alterations to the inmate's order that have been made.

11) Procedures for issuing credits, returns, or undeliverable merchandise.

12) Indigent kits to eligible inmates – KEEFE shall provide three thousand nine hundred (3,900) free Indigent Kits per year to the COUNTY. KEEFE shall charge the COUNTY \$2.60 per kit for additional indigent kits beyond three thousand nine hundred (3,900). Each indigent kit shall contain:

- One clear tube of toothpaste (1.7 oz. minimum)
- One safety/security toothbrush
- One golf pencil
- One spork
- One bar of clear soap (4 oz. minimum)
- One shampoo (3 oz. minimum)
- One pocket size comb
- 4 sheets of lined paper (8 1/2" x 11")
- 2 pre-stamped envelopes

13) Adequate supplies for operation of all commissary-related equipment, or a process for delivering the supplies real-time. Additional supplies shall be available upon request from KEEFE's local warehouse.

2. **MENU and PRICING.** Commissary item selection and pricing will be agreed upon by COUNTY and KEEFE. Current menu is attached as Exhibit D. Commissary item menu selection and price adjustments shall be reviewed as needed, but no less than annually, by the COUNTY and KEEFE. All changes must be approved by COUNTY. KEEFE shall be responsible

for paying all applicable taxes. Returned or undelivered merchandise shall not count towards total commissionable sales, nor shall any items such as stamps that may not be marked up for re-sale.

Substitutions or removal of items from the approved commissary menu will be subject to the written approval of the COUNTY. All prices proposed shall be held for 1 year and reviewed no less than annually with the COUNTY. KEEFE can provide documentation that the product has been re-sized, re-formulated, discontinued or altered by the manufacturer, in which case price changes and/or alternate products may be considered. No brand, price, or product may be changed at any time without the prior written approval of the COUNTY.

3. **FRIENDS AND FAMILY INMATE ORDERING SITE.**

a. **Terms** - The following terms as used in this Section 3 shall have the definitions set forth below:

- 1) *Friends and Family Orders* – Orders placed by friends and family of Inmates on a customized website for delivery to inmates.
- 2) *Friends and Family Handling Charges* – Cost to KEEFE to handle and deliver Friends and Family Orders.
- 3) *Friends and Family Adjusted Gross Sales* – Amount calculated by subtracting Friends and Family Handling Charges and any non-commissionable items as outlined in this document from gross sales of any Friends and Family Orders.
- 4) *Securepak Shipping Fees* are \$5.95

b. **Website** - KEEFE will maintain a customized website specifically designed for Humboldt County, allowing friends and family of Inmates to order products to be delivered to Inmates by KEEFE and at KEEFE's sole expense. KEEFE and COUNTY will work together in good faith to agree on pricing and selection of these items no less than annually. This additional service will be provided by KEEFE at no cost to the COUNTY and will be an exclusive agreement whereby KEEFE will be the sole provider of this program.

c. **Service Fee** - No later than fifteen calendar (15) days following each month, the COUNTY will be paid a Service Fee on all Friends and Family Orders which COUNTY has delivered to Inmates during the immediately preceding month. Said Service Fee shall be equal to 40% of Family and Friends Adjusted Gross Sales for the applicable period.

4. **INMATE BANKING/ACCOUNTING.** KEEFE shall provide all software for a computerized inmate banking application to keep accurate and complete records of all commissary activity and balances of individual inmate accounts. This system must be approved by the COUNTY, be completely accessible to authorized COUNTY staff, and meet the following requirements:

a. This system shall keep track of all inmate accounts individually and cumulatively in a ledger that is entirely separate from the facility ledger and bookkeeping

records which are tracked in the COUNTY Jail Management System. The proposed system must, at KEEFE's expense, interface and integrate with the existing Jail Management System to import inmate information; and KEEFE shall develop any interfaces at KEEFE's expense.

b. This application shall be highly secure, shall, at no cost to COUNTY, interface with all other applications that the COUNTY uses or will use at any time in the future and access by multiple users with various permissions and access levels. System security shall satisfy all applicable laws and regulations.

c. All inmate information and all records gathered or stored on the proposed banking application or in the inmate banking system is the property of the COUNTY and may not be accessed, used, released or duplicated except as approved in writing by the COUNTY in advance of any such release, access, duplication, etc.

d. This system shall conform to general accounting principles: each transaction shall process a debit and credit to the appropriate general ledger accounts. All cancelled/voided transactions shall process as "real time" transactions on the date and time of the actual void or cancel, and appear as opposite reversing entries in the general ledger accounting system.

e. This system must be equipped with tiered access levels for security purposes and access to all reports must be available at all levels. Print, sort, and search or find options shall be available in all reports.

f. This system must work efficiently twenty-four (24) hours a day, seven (7) days a week. Off-site technical support must be available during all hours of operation. The system must have the option to release or close an account as cash, check or debit card. The system must conform to the jail check-printing format.

g. This system must be able to process commissary credits upon notification if inmates are released on the day a commissary order has been charged to the account and not yet delivered (including indigent/welfare bags).

5. **TECHNOLOGY.** KEEFE shall implement, at no cost to the County, Web Services, a cloud-based server, a separate network access, Wi-Fi routers, all wireless and wired infrastructure requirements, and any other required interfaces and integrations, to enhance and streamline commissary operations. KEEFE shall upgrade systems, services, and products as appropriate and with COUNTY approval, with improvements in Technology. KEEFE shall also implement the following:

a. **Tablets.** COUNTY will replace In-Pod Kiosks with Tablets provided by KEEFE's subcontractor Telmate. KEEFE will be the main point of contact for this project and shall work with the COUNTY to determine the appropriate number of Tablets, configuration and support, as this project

develops. Inmate demand for the Tablets will dictate the number of additional Tablets added through the life of the contract. Tablets shall be provided by KEEFE at no cost to the COUNTY. The Tablets shall have the capability to support commissary ordering, grievance filing and tracking, medical/dental appointment scheduling, inmate request filing, electronic forms specified by the COUNTY, and real-time account balance checks and transaction history reports for the banking system.

- b. 90-Day Pilot for Three (3) Vending Machines. After the conclusion of the Pilot, COUNTY shall have the option to keep the three (3) vending machines or add additional vending machines to the facility depending on the results of the pilot, at no cost to the County for the life of the Agreement. COUNTY agrees to purchase all items to be sold in the vending machines from KEEFE consistent with a menu of items and pricing that will be agreed to prior to the implementation of Inmate Vending. COUNTY, at its discretion, will mark up the Vending items to their needs. KEEFE will help guide, implement and suggest a course of action for COUNTY that is the most advantageous to COUNTY. Once vending machines are installed, COUNTY staff will purchase, fill, and manage the vending machines. KEEFE shall provide support and warranty the vending machines for the life of the contract at no cost to COUNTY.

6. HARDWARE/SOFTWARE.

- a. During the term of this Agreement, KEEFE shall supply COUNTY with the KEEFE Software, and the Tablets through Keefe Subcontractor Telmate. COUNTY agrees to return all Tablets and KEEFE Software to KEEFE in workable order upon contract termination.

- b. KEEFE hereby grants to COUNTY a non-exclusive, royalty-free license to use the KEEFE Software during the term of this Agreement. All software supplied by KEEFE is proprietary and shall at all times remain the property of KEEFE with title and all rights vested in and retained by KEEFE. COUNTY hereby agrees that it will NOT disclose, reproduce, transfer, alter, reverse-engineer, decompile or use the KEEFE Software and/or documentation for any purpose, other than those specifically allowed by the terms of this Agreement. All hardware installed by KEEFE shall remain the property of KEEFE unless otherwise expressly agreed to by the Parties in writing.

- c. KEEFE agrees that it shall be responsible for any and all necessary wiring, network switches, hardware, and interfaces necessary for installation of the the Inmate ordering kiosks, and other applicable equipment.

- d. KEEFE shall take all reasonable precautions to ensure that any hardware, software, and/or embedded chip devices used by KEEFE in the performance of services under this Agreement, other than those owned or provided by the COUNTY shall be free

from viruses. Nothing in this provision shall be construed to limit any rights or remedies otherwise available to the COUNTY under this Agreement.

7. **PAYMENT.** KEEFE will send an itemized invoice to the COUNTY on a monthly basis for Orders delivered in the prior month (each invoice being referred to hereafter as an "Invoice"). The Invoice shall itemize all Orders delivered in the prior month and shall be in a format approved by, and shall include backup documentation as specified by, [Short title of Department Head] and the Humboldt County Auditor-Controller. Payment of invoice shall be deducted from the Commission check paid by KEEFE to the COUNTY.

KEEFE shall submit a final undisputed invoice for payment no more than thirty (30) days following the expiration or termination date of this Agreement. Payment for work performed will be made within thirty (30) days after the receipt of approved invoices.

8. **COMMISSION.** COUNTY will be paid a commission for the services to be provided under this Agreement equal to forty percent (40%) of Adjusted Gross Sales of commissary items. "Adjusted Gross Sales" is defined as gross commissary sales minus the sales of non-commissioned commissary items as listed in **Exhibit C** of this Agreement. The Commission check paid to the COUNTY each month shall reflect a net amount of the Adjusted Gross Sales of commissary items less the invoiced amount due to KEEFE by the COUNTY. In the event that the inmate's trust account funds available to purchase commissary products are inhibited in any way by a change in policy or law, the commission paid to COUNTY shall be reduced accordingly by KEEFE after negotiation with COUNTY.

9. **SIGNING BONUS.** As consideration for entering into the Agreement, the parties agreed on a one time signing bonus; therefore, KEEFE shall remit Twenty Thousand Dollars (\$20,000.00) to the COUNTY, within fifteen (15) calendar days after effective Agreement date ("Prepayment"). In the event COUNTY terminates the Agreement prior to the expiration of the Base Term, COUNTY shall refund to KEEFE a prorated amount of the signing bonus; the prorated refund will be calculated by the following formula: $(\text{Prepayment}/\text{Base Term}) \times \text{Remaining Months in Base Term}$. By way of illustration, in the event that this Agreement is cancelled by the COUNTY with twelve (12) months remaining in the Base Term, COUNTY would be responsible for refunding to KEEFE the sum of Six Thousand Six Hundred Sixty-Six Dollars Sixty-Seven Cents (\$6,666.67) $[(\$20,000/36) \times 12]$.

10. **PACKAGE PROGRAM.** This Agreement includes KEEFE's Access Securepak® Inmate Package Program Service, a comprehensive custom package program designed to allow family members and friends to send packages to inmates. KEEFE shall process and deliver orders placed through its Access Securepak website and shall pay the COUNTY a commission for this service. The orders are packaged at Keefe's secured warehouse where boxes are sealed with a pre-printed, tamper-evident tape to ensure the security of the packages. Refer to Section 3 - FRIENDS AND FAMILY INMATE ORDERING SITE, of this Agreement.

11. **TRAINING.** KEEFE shall provide an initial onsite training and follow-up web training at no cost to the COUNTY to COUNTY-designated staff on the Commissary and

Accounting/Billing systems within a mutually agreed-upon specified timeframe. KEEFE shall also provide an annual onsite training on a mutually agreed-upon schedule.

12. **TERM.** This Agreement shall become effective as of the 1st day of August 2018, and shall continue in effect for a period of five (5) years (the "Base Term"), unless sooner terminated as provided herein. The Agreement will automatically renew for two successive one-year terms thereafter, unless either party to this Agreement gives notice in writing to the other party no less than ninety (90) days prior to the expiration of any term or extended term that the party so giving notice does not wish to extend this Agreement.

13. **TERMINATION.**

A. **Breach of Contract.** If either party shall refuse, fail or be unable to perform or observe any of the terms or conditions of this Agreement for any reason other than Force Majeure reasons defined herein, the party claiming such failure shall give the other party a written notice of such breach. If within thirty (30) days from such notice the failure has not been cured, or the failure is such that it may not be cured within thirty (30) days and the party in breach has not commenced the cure within thirty (30) days and continuously pursued the cure, then the injured party may cancel the Agreement. Within thirty (30) days after termination of this Agreement, COUNTY shall, at KEEFE's option, return all Equipment and KEEFE Software, and certify such removal and return in writing to KEEFE. All monies due the Parties at the time of termination shall be paid to the respective party within thirty (30) days after the effective date of the termination of services.

B. **Without Cause.** COUNTY may terminate this Agreement without cause upon thirty (30) days advance written notice to KEEFE. Such notice shall state the effective date of the termination.

C. **Insufficient Funding.** COUNTY's obligations under this Agreement are contingent upon the availability of local, state and/or federal funds. In the event such funding is reduced or eliminated, COUNTY shall, at its sole discretion, determine whether this Agreement shall be terminated. COUNTY shall provide KEEFE seven (7) days advance written notice of its intent to terminate this Agreement due to insufficient funding.

D. **Compensation Upon Termination.** In the event of any termination of this Agreement, KEEFE shall be entitled to compensation for uncompensated services rendered hereunder through and including the effective date of such termination. However, this provision shall not limit or reduce any damages owed to COUNTY due to a breach of this Agreement by CONTRACTOR.

14. **COUNTY'S RESPONSIBILITIES.** COUNTY shall promptly notify KEEFE of any changes in COUNTY's hardware systems, software or operating procedures that interact in any fashion with KEEFE's supplied hardware, software or its operating procedures. COUNTY shall not, during the term of this Agreement nor for one (1) year following its termination or expiration, knowingly solicit to hire, hire, or contract with any employee or former employee of KEEFE, Trinity Services Group, Inc. or any of their parents or subsidiaries, direct or indirect. In

the event that COUNTY breaches its covenant not to hire an employee or former employee, COUNTY agrees to pay KEEFE an amount equal to the annual salary of such employee.

15. **GOVERNING LAW.** Both parties to this Agreement irrevocably: (i) consent and submit exclusively to the jurisdiction of the courts of the State of California, County of Humboldt, (ii) and agree that this Agreement shall be governed by, interpreted and construed in accordance with, the laws of the State of California, without regard to any conflicts of law.

16. **ADVERTISING AND MEDIA RELEASE.** All informational material related to this Agreement shall receive approval from COUNTY prior to being used as advertising or released to the media (television, radio, newspapers and internet). KEEFE shall inform COUNTY of all requests for interviews by media related to this Agreement before such interviews take place; and COUNTY is entitled to have a representative present at such interviews. All notices required by this provision shall be given to the Humboldt County Sheriff or Designee.

17. **PERFORMANCE STANDARDS AND QUALITY ASSURANCE.** KEEFE shall comply with minimum acceptable performance standards and quality assurance levels detailed in the Service Level Agreement (**Exhibit A**).

18. **ENTIRE AGREEMENT.** This Agreement and its Exhibits constitute the entire Agreement between the Parties with respect to the provision of Commissary (and Payment, where applicable) Services, and there are no other or further written or oral understandings or agreements with respect thereto. No variation or modification of the Agreement and no waiver of any provision shall be valid unless in writing and signed by the duly authorized officers of both KEEFE and COUNTY. This Agreement supersedes all other agreements, negotiations, conversations and representations between the Parties for the provision of Commissary (and Payment, where applicable) Services.

19. **ASSIGNMENT.** Except in the case of a merger, reorganization, change in control, or sale of all or substantially all assets or equity, neither Party shall have the right to assign or otherwise transfer its rights and obligations under this Agreement except with the prior written consent of the other Party, which shall not be unreasonably withheld or delayed.

20. **INDEMNIFICATION.**

a. KEEFE shall hold harmless, defend and indemnify COUNTY and its agents, officers, officials, employees and volunteers from and against any and all claims, demands, losses, damages, liabilities, expenses and costs of any kind or nature, including, without limitation, attorney fees and other costs of litigation, arising out of, or in connection with, KEEFE's performance of, or failure to comply with, any of the obligations contained herein, except such loss or damage which was caused by the sole negligence or willful misconduct of COUNTY.

b. Copyright and Trade Secrets. KEEFE, at its own expense, will defend and indemnify COUNTY against claims that the KEEFE Software furnished under this Agreement infringes a United States trademark or a copyright protected under United

States law, provided COUNTY (i) gives KEEFE prompt written notice of such claims, (ii) grants KEEFE the sole and exclusive authority to defend or settle the claims, and (iii) provides all reasonable assistance to KEEFE in defending or settling the claims. This Section 40 state the entire liability of KEEFE and COUNTY's sole and exclusive remedies for trademark, copyright and any other alleged or actual intellectual property infringement.

21. **INSURANCE REQUIREMENTS.** This Agreement shall not be executed by COUNTY, and KEEFE is not entitled to any rights hereunder, unless certificates of insurance or other sufficient proof that the following provisions have been complied with, are filed with the Clerk of the Humboldt County Board of Supervisors.

a. **General Insurance Requirements.** Without limiting KEEFE's indemnification obligations provided for herein, KEEFE shall, and shall require that all subcontractors hereunder, take out and maintain, throughout the period of this Agreement and any extended term thereof, the following policies of insurance placed with insurers authorized to do business in California and with a current A.M. Bests rating of no less than A: VII or its equivalent against personal injury, death and property damage which may arise from, or in connection with, the activities of KEEFE, its agents, officers, directors, employees, licensees, invitees, assignees or subcontractors:

1) Comprehensive or Commercial General Liability Insurance at least as broad as Insurance Services Office Commercial General Liability Coverage (occurrence form CG 0001), in an amount of Two Million Dollars (\$2,000,000) per occurrence for any one incident, including, but not limited to, personal injury, death and property damage. If a general aggregate limit is used, such limit shall apply separately hereto or shall be twice the required occurrence limit.

2) Automobile/Motor Liability Insurance with a limit of liability of not less than One Million Dollars (\$1,000,000) combined single limit coverage. Such insurance shall include coverage of all owned, hired and non-owned vehicles. Said coverage shall be at least as broad as Insurance Service Office Form Code 1 (any auto).

3) Workers' Compensation Insurance, as required by the Labor Code of the State of California, with statutory limits, and Employers Liability Insurance with a limit of no less than One Million Dollars (\$1,000,000) per accident for bodily injury or disease. Said policy shall contain, or be endorsed to contain, a waiver of subrogation against COUNTY, its agents, officers, officials, employees and volunteers.

4) Professional Liability Insurance – Error and Omission Coverage including coverage in an amount no less than Two Million Dollars (\$2,000,000) for each occurrence (Four Million Dollars (\$4,000,000) general aggregate). Said insurance shall be maintained for three (3) years subsequent to the expiration or earlier termination of the Agreement

b. **Special Insurance Requirements.** Said policies shall, unless otherwise specified herein, be endorsed with the following provisions:

1) The Comprehensive or Commercial General Liability Policy shall provide that COUNTY, its agents, officers, officials, employees and volunteers, are covered as additional insured for liability arising out of the operations performed by or on behalf of KEEFE. The coverage shall contain no special limitations on the scope of protection afforded to COUNTY, its agents, officers, officials, employees and volunteers. Said policy shall also contain a provision stating that such coverage:

- a) Includes contractual liability.
- b) Does not contain exclusions as to loss or damage to property caused by explosion or resulting from collapse of buildings or structures or damage to property underground, commonly referred to "XCU Hazards."
- c) Is the primary insurance with regard to COUNTY.
- d) Does not contain a pro-rata, excess only and/or escape clause.
- e) Contains a cross liability, severability of interest or separation of insureds clause.

2) The above-referenced policies shall not be canceled, non-renewed or materially reduced in coverage without thirty (30) days prior written notice being provided to COUNTY in accordance with the notice provisions set forth herein. It is further understood that KEEFE shall not terminate such coverage until COUNTY receives adequate proof that equal or better insurance has been secured.

3) The inclusion of more than one insured shall not operate to impair the rights of one insured against another insured, and the coverage afforded shall apply as though separate policies had been issued to each insured, but the inclusion of more than one insured shall not operate to increase the limits of the insurer's liability.

4) For claims related to this Agreement, KEEFE's insurance is the primary coverage to COUNTY, and any insurance or self-insurance programs maintained thereby are excess to KEEFE's insurance and will not be used to contribute therewith.

5) Any failure to comply with the provisions of this Agreement, including breach of warranties, shall not affect coverage provided to COUNTY, its agents, officers, officials, employees and volunteers.

6) KEEFE shall furnish COUNTY with certificates and original endorsements effecting the required coverage prior to execution of this Agreement. The endorsements shall be on forms approved by the Humboldt County Risk Manager or County Counsel. Any deductible or self-insured retention over One Hundred Thousand Dollars (\$100,000) shall be disclosed to and approved by COUNTY. If KEEFE does not keep all required policies in full force and effect, COUNTY may, in addition to other remedies under this Agreement, take out the necessary insurance, and KEEFE agrees to pay the cost thereof. COUNTY is also hereby authorized with the discretion to deduct the cost of said insurance from the monies owed to KEEFE under this Agreement.

7) COUNTY is to be notified immediately if twenty-five percent (25%) or more of any required insurance aggregate limit is encumbered, and KEEFE shall be required to purchase additional coverage to meet the above aggregate limits.

c. Insurance Notices. Any and all insurance notices required to be given pursuant to the terms of this Agreement shall be sent to the addresses set forth below in accordance with the notice provisions described herein.

COUNTY: County of Humboldt
Attn: Risk Management
825 5th Street, Room 131
Eureka, California 95501

KEEFE: Keefe Commissary Network, LLC
ATTN: Risk Management
1260 Andes Blvd
St. Louis, MO 63132

22. REPORTS: KEEFE agrees to provide COUNTY with any and all reports required by the COUNTY, which may also be required by local, state or federal agencies for compliance with this Agreement. Reports shall be submitted no later than fifteen (15) days after the end of each calendar quarter using the format required by the COUNTY or the State of California as appropriate.

a. Account Management and Reporting Features. The KEEFE Reporting System shall have flexible, easy-to-use account management and reporting features that:

- 1) Allow searching for inmates by inmate ID or last name.
- 2) Allow restriction of commissary purchases based on an inmate's property items. For example, batteries may not be purchased unless an inmate has a radio in his property.
- 3) Allow export of reports to PDF, RTF, or Excel file formats.
- 4) Provide integrated reports within the banking system with no separate login or executable launch required.
- 5) Allow easy reprinting of receipts.
- 6) Allow on-screen viewing of inmate transaction receipts.
- 7) Allow user-definable password security settings including minimum password length and requirements for numbers, symbols, or letters in passwords.
- 8) Allow user-defined indigent tracking based on current balance, days since booking, and deposits over a period, and commissary bills over a period.
- 9) Allow transactions to be easily voided while maintaining a verifiable audit trail.
- 10) Include predefined reports as required by the COUNTY, which may include, but not limited to:

- Trial Balance
- Resident Balances
- Balance Sheet
- Check Postings
- Money Receipts
- Cash Disbursements
- Inmate Debit
- Fund Billing
- Fund Collections
- Fund Credits
- Indigents
- Releases
- Bank Deposits
- Debt Write-Offs
- Reconciliation
- Commissary Receipts
- Commissary Housing Totals
- Commissary Product Sales
- Check Register

11) Allow ad-hoc reports to be run for defined inmate groups based on factors including housing assignment, gender, age, debt, or current balance without programming a reporting tool.

12) Include user-customizable report footer information.

13) Allow reports to be generated based on user and transaction types.

b. Other Management Reports. Other management reports that COUNTY will require and work with KEEFE to develop.

23. **RECORD RETENTION AND INSPECTION:** Maintenance and Preservation of Records. KEEFE agrees to timely prepare accurate and complete financial and performance records relating to the services provided hereunder, and to maintain and preserve said records for at least three (3) years from the date of final payment under this Agreement, except that if any litigation, claim, negotiation, audit or other action is pending, the records shall be retained until completion and resolution of all issues arising therefrom. The books and records shall be original entry books with a general ledger itemizing all debits and credits for the work performed.

24. **INSPECTION OF RECORDS.** Pursuant to California Government Code Section 8546.7, all records, documents, conditions and activities of KEEFE, and its subcontractors, related to the services provided hereunder, shall be subject to the examination and audit of the California State Auditor and other duly authorized agents of the State of California for a period of three (3) years after final payment under this Agreement. KEEFE hereby agrees to make such records available during normal business hours to inspection, audit and reproduction by any duly authorized agents of the State of California or COUNTY. KEEFE further agrees to allow interviews of any of its employees who might reasonably have information related to such records by any duly authorized agents of the State of California or COUNTY. All examinations and audits

conducted under this section shall be strictly confined to those matters connected with the performance of this Agreement, including, but not limited to, the costs of administering this Agreement.

25. **AUDIT COST.** In the event of an audit exception or exceptions, the party responsible for not meeting the program requirements shall be responsible for the deficiency and for the cost of the audit. If the allowable expenditures cannot be determined because KEEFE's documentation is nonexistent or inadequate, according to generally accepted accounting practices, the questionable cost shall be disallowed by COUNTY.

26. **RELATIONSHIP OF PARTIES.** It is understood that this is an Agreement by and between two independent contractors and is not intended to, and shall not be construed to, create the relationship of agent, servant, employee, partnership, joint venture, or any other similar association. Both parties further agree that KEEFE shall not be entitled to any benefits to which COUNTY employees are entitled, including, but not limited to, overtime, retirement benefits, leave benefits or workers' compensation.

27. **CONSENT.** Where the consent of either party is required, it shall not be unreasonably withheld or delayed.

28. **CONFIDENTIALITY.** "Confidential Information" includes any non-public, confidential or proprietary information furnished by a Party (the "Disclosing Party") to the other Party (the "Receiving Party") including, but not limited to, information relating to the Disclosing Party's business, product designs, product plans, data, software and technology, financial information, marketing plans, business opportunities, pricing information, menus, discounts, inventions and know-how. Confidential Information does not include any information that (i) is or becomes generally available to the public other than as a result of a disclosure by the Receiving Party in violation of this Agreement, (ii) was in the Receiving Party's possession prior to the disclosure of the Confidential Information pursuant to this Agreement without an obligation of confidentiality, (iii) becomes available to the Receiving Party on a non-confidential basis from a third party, provided that the Receiving Party did not know, or have reason to believe, after reasonable investigation, that such source was subject to an obligation not to disclose such information, or (iv) is required to be disclosed by any applicable law or regulation or by order of any governing body or court of competent jurisdiction; provided, however, the Receiving Party must promptly notify the Disclosing Party of the demand for such disclosure so that the Disclosing Party may, in its sole discretion, seek a protective order or take such other appropriate steps to resist or narrow the scope of the disclosure sought by such request. If a protective order or other remedy is not obtained, the Receiving Party may make such disclosure without liability under this Agreement, provided that the Receiving Party furnish only that portion of the Confidential Information which is legally required to be disclosed.

29. **EXCLUSIVITY.** COUNTY hereby agrees that KEEFE has the exclusive right to provide the Commissary Services for COUNTY during the term of this Agreement.

30. **NUCLEAR FREE HUMBOLDT COUNTY ORDINANCE COMPLIANCE.**

KEEFE certifies by its signature below that it is not a Nuclear Weapons Contractor, in that KEEFE is not knowingly or intentionally engaged in the research, development, production or testing of nuclear warheads, nuclear weapons systems or nuclear weapons components as defined by the Nuclear Free Humboldt County Ordinance. KEEFE agrees to notify COUNTY immediately if it becomes a Nuclear Weapons Contractor as defined above. COUNTY may immediately terminate this Agreement if it determines that the foregoing certification is false or if KEEFE becomes a Nuclear Weapons Contractor.

31. **NOTICES.** Any and all notices required to be given pursuant to the terms of this Agreement shall be in writing and either served personally or sent by certified mail, return receipt requested, to the respective addresses set forth below. Notice shall be effective upon actual receipt or refusal as shown on the receipt obtained pursuant to the foregoing.

COUNTY: Humboldt County Sheriff's Office
Attn: _____
826 4th Street
Eureka, CA 95501

KEEFE: Keefe Commissary Network
10880 Linpage Place
St. Louis, MO
Attention John Puricelli

32. **COMPLIANCE WITH LAWS.** KEEFE agrees to comply with all applicable local, state and federal laws and regulations, including, but not limited to, the Americans with Disabilities Act. KEEFE further agrees to comply with all applicable local, state and federal licensure and certification requirements.

33. **NON-LIABILITY OF COUNTY OFFICIALS AND EMPLOYEES.** No official or employee of COUNTY shall be personally liable for any default or liability under this Agreement.

34. **AMENDMENT.** No addition to, or alteration of, the terms of this Agreement shall be valid unless made in writing and signed by the parties hereto.

35. **STANDARD OF PRACTICE.** KEEFE warrants that KEEFE has the degree of learning and skill ordinarily possessed by reputable professionals practicing in similar localities in the same profession and under similar circumstances. KEEFE's duty is to exercise such care, skill and diligence as professionals engaged in the same profession ordinarily exercise under like circumstances.

36. **TITLE TO INFORMATION AND DOCUMENTS.** It is understood that any and all documents, information, and reports concerning the subject matter of this Agreement prepared and/or submitted by KEEFE shall become the property of COUNTY. However, KEEFE

may retain copies of such documents and information for its records. In the event of termination of this Agreement, for any reason whatsoever, KEEFE shall promptly turn over all information, writings and documents to COUNTY without exception or reservation.

37. **EQUAL EMPLOYMENT OPPORTUNITY CERTIFICATION.** The Parties warrant and represent that they shall comply with all federal, state and local laws as required, including but not limited to, Executive Order 11246, as amended, Section 503 of the Rehabilitation Act of 1973, as amended, and the Vietnam Era Veterans' Readjustment Act of 1974, as amended. The Parties hereby incorporate the requirements of 41 C.F.R. 60-1.4(a)(7), 60-250.5 and 60-741.5, if applicable.

38. **INTERPRETATION.** This Agreement, as well as its individual provisions, shall be deemed to have been prepared equally by both of the parties hereto, and shall not be construed or interpreted more favorably for one party on the basis that the other party prepared it.

39. **INDEPENDENT CONSTRUCTION.** The titles of the sections, subsections, and paragraphs set forth in this Agreement are inserted for convenience of reference only, and shall be disregarded in construing or interpreting any of the provisions of this Agreement.

40. **LIMITATION OF LIABILITY. EXCEPT FOR CLAIMS OR ACTIONS REQUIRED TO BE INDEMNIFIED PURSUANT TO SECTION 20, INDEMNIFICATION, LIABILITY ARISING BASED ON A BREACH OF SECTION 32 (COMPLIANCE WITH LAWS), OR ANY CLAIM OR ACTION RELATED TO TRADEMARK/COPYRIGHT INFRINGEMENT AS DISCUSSED BELOW, NEITHER PARTY SHALL BE LIABLE, WHETHER IN CONTRACT, TORT (INCLUDING NEGLIGENCE) OR OTHERWISE, FOR ANY PUNITIVE, SPECIAL, INDIRECT, INCIDENTAL, CONSEQUENTIAL, LIQUIDATED OR EXEMPLARY DAMAGES (INCLUDING LOST PROFIT OR BUSINESS INTERRUPTION EVEN IF NOTIFIED IN ADVANCE OF SUCH POSSIBILITY) ARISING OUT OF OR PERTAINING TO THE SUBJECT MATTER OF THIS AGREEMENT OR OUT OF ANY OF THE PRODUCTS OR SERVICES PROVIDED UNDER THIS AGREEMENT.**

41. **FORCE MAJEURE.** Neither party hereto shall be liable or responsible for delays or failures in performance resulting from events beyond the reasonable control of such party and without fault or negligence of such party. Such events shall include, but not be limited to, acts of God, strikes, lockouts, riots, acts of war, epidemics, acts of government, fire, power failures, nuclear accidents, earthquakes, unusually severe weather, acts of terrorism or other disasters, whether or not similar to the foregoing.

42. **MISCELLANEOUS.** This Agreement may be executed in two or more counterparts, and each such counterpart and any copies thereof shall be deemed an original. The headings in this Agreement are intended solely for convenience and shall not affect the rights of the Parties under the Agreement. In the event any provision(s) of this Agreement is in conflict with any law, statutory provision or otherwise, such term(s) shall be deemed stricken from this Agreement, but any such invalidity or unenforceability shall not invalidate any of the other terms of this Agreement, and the Agreement shall continue in full force and effect. This Agreement will

apply to, be binding on, and inure to the benefit of the successors and permitted assigns of the Parties.

43. **AUTHORITY.** The undersigned representative of each Party warrants that he/she has the full authority to execute this Agreement and bind the Party on whose behalf he/she is executing the Agreement.

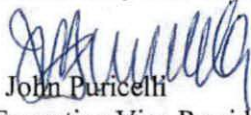
IN WITNESS WHEREOF, the Parties have executed this Agreement as of the year and date written below.

County of Humboldt

By:
Name:
Title: Humboldt County Sheriff
Date:
Address for Notice:

By:
Name: Ryan Sundberg
Title: Chair Board of Supervisors
Date: _____

Keefe Commissary Network, LLC

By: 
Name: John Puricelli
Title: Executive Vice President
Date: 7/20/18
Address for Notice:
10880 Lin Page Place
St. Louis, MO 63132

With a copy to:
General Counsel, TKS Holdings, Inc.
1260 Andes Boulevard
St. Louis, MO 63132

Insurance and Indemnification Requirements

Approved:

By: _____
Name: _____
Title: Risk Analyst
Date: _____

Exhibit A
SERVICE LEVEL AGREEMENT

1. Service Performance

- 1.1 Delivery of quality, accurate commissary to inmates of the County's facilities in a timely manner.
- 1.2 High-quality, well-supported software, services and support for the inmate banking accounts and the many transactions, interfaces and processes between these accounts and the various third-party applications and service providers that the County uses or may use at any time in the future.
- 1.3 Real-time reports as requested by County.
- 1.4 Adequate variety, quantity and quality of products including low-salt, sugar-free, heart-healthy, kosher, halal and other merchandise appropriate to the dietary, nutritional, cultural and hygiene needs of all types of inmates that the County's facilities house or may house at any time.
- 1.5 Commissary services and merchandise to inmates for sale at agreed-upon fair and reasonable prices.
- 1.6 Well-maintained equipment and hardware in optimum working condition
- 1.7 New technologies and services that will enhance the operations of the County's facilities.
- 1.8 Accurate commission revenue generation and timely payment of commissions to support the necessary expenditures of the Inmate Welfare Fund.
- 1.9 The Keefe shall comply with Title 15 requirements for Commissary services.
- 1.10 Keefe shall provide a Redundant System and Replacement Plan to include but not limited to equipment, hardware, and software.

2. Liquidated Damages

- 2.1 Late Management Reports and Late Invoices. There will be a Late Fee of \$ 50.00 per day for reports and invoices received late, unless prior approval for late delivery by Keefe has been granted by the County.
- 2.2 System Problems, Non-Delivery, and Other Deficiencies (Software, Hardware, Equipment). If the software or any applicable Keefe hardware or equipment is unavailable during any period of time that it experiences a system problem, non-delivery, or other service-affecting Problem or Deficiency. Failure to provide this service within the agreed-upon timeframes will incur liquidated damages until fully functional. Upon County's or County-authorized Agent's request, Keefe will issue credits for each problem, or deficiency. Keefe shall pay the County the total amount of credit due by check within thirty (30) days from the month Deficiencies occurred under the Agreement.
- 2.3 Keefe shall have a Maintenance/Trouble Ticket process. Notification of all problems and deficiencies shall be handled through the Keefe's designated onsite staff and/or Customer Service Department, which shall be accessible online, via a

toll-free telephone number, and email. Keefe shall provide twenty-four (24) hours a day, seven (7) days a week on-call Customer Service and support staff to support the County and the Keefe's on-site staff in resolving problems and deficiencies.

- 2.4 Staff Reimbursement. Keefe shall reimburse the County at the hourly rate of \$75.00 per hour if County staff performs maintenance.
- 2.5 Severity Levels. The County will assign one of the following "Severity Levels" (Table 1 – Severity Levels and Credits). Keefe must respond to and resolve these in accordance with the following timeframes, following the determination and/or notification of the Problem, Outage, or other Deficiency listed in Table 1 - Severity Levels and Credits (next page).

(Intentionally Left Blank)

Table 1 – Severity Levels and Credits			
Severity Level	Severity Level Description	Duration of Service Outage	Credits
Priority Level One	CRITICAL (Includes but not limited to): Commissary system is down and non-operational, interfaces under Keefe's control are not operational, Keefe servers are non-functional, Keefe software is non-operational, and 50% or more of the Keefe hardware or equipment (if applicable) is non-operational. Response time and completion of repairs and Deficiency resolution to County's satisfaction is made within 12 hours of initial notification of County or County's Agent by Keefe, or from County's or County Agent's initial service request to Keefe.	≤ 12 hours	No Credit
		Between 12 hours and 24 hours	\$50 per hour that component of Commissary Services is deficient
		Between 24 hours and 36 hours	\$100 per hour that component of Commissary Services is deficient
		> 36 hours	\$250 per calendar day that component of Commissary Services is deficient
Priority Level Two	SEVERE (Includes but not limited to): Commissary system is intermittently down, <50% of Keefe hardware or equipment (if applicable) is non-operational, and non-delivery of menu items ordered attributable to the acts or omission of Keefe. Response time, completion of repairs, and Deficiency resolution to County's satisfaction is made within <u>36</u> hours of initial notification of County or County's Agent by Keefe, or from County's or County Agent's initial service request to Keefe.	≤ 36 hours	No Credit
		> 36 hours	\$250 per day that component of Commissary Services is deficient
Priority Level Three	MINOR (Includes but not limited to): Inaccurate reports, accounting reconciliation gaps related to Keefe software malfunction(s), inaccurate commissions calculation, menu item and pricing inconsistencies. Response time, completion of repairs, and Deficiency resolution to County's satisfaction is made within <u>15</u> business days of initial notification of County or County's Agent by Keefe, or from County's or County Agent's initial service request to Keefe.	≤ 15 business days	No Credit
		> 15 business days	\$100.00 per business day that component of Commissary Services is deficient

2.6 Chronic Trouble

Keefe shall ensure that all Chronic Troubles as specified in Table 2 – Chronic Trouble Tickets are addressed and managed in a timely manner based on severity level. A Chronic Trouble (Chronic) defined as any problem or deficiency of a specified root cause, which has experienced 3 separate incidents reported or trouble tickets opened against it by the County or County-authorized Agent, or Keefe, for the same/similar problem and root cause over a rolling 30-day period. A Chronic's rolling 30-day counter is considered "reset" upon a period of 30 days free of the same trouble or problem with the same root cause. The County and Keefe shall mutually agree to either have credits issued (Table 2), or cancel the contract.

Table 2 – Chronic Trouble Credits		
Severity Level	Consecutive Months' Occurrence	Credits
Priority Level One	3	50% of Monthly Revenue Commissions
	6	One Month's Revenue Commissions
	>6	Option to open contract for discussion, up to and including cancellation of contract without penalty
Priority Level Two	3	25% of Monthly Commissions
	6	50% of Monthly Commissions
	12	One Month's Revenue Commissions
	>12	Option to open contract for discussion, up to and including cancellation of contract without penalty
Priority Level Three	3	25% of Monthly Commissions
	6	50% of Monthly Commissions
	≥12	One Month's Revenue Commissions

Exhibit B
Noncommissioned Items

Stamped envelopes

Postage stamps

Indigent Kits

Admission Kits

Phone time or sales

Tablet time or revenue

On-site, special commissary item sales sold by COUNTY

Refunded items

Exhibit C
Payment Services

1. **Services.** KEEFE will provide cash handling services and payment processing services for payments made through online websites and/or mobile sites, walk-in retailers, call centers, or applications operated by KEEFE or such other methods ("Transactions") for crediting account balances held by COUNTY on behalf of the recipients of funds (the "Services"). KEEFE provides the Services in its capacity as a licensed money services business. KEEFE represents and warrants to COUNTY that KEEFE is duly licensed to provide the Services and will do so in compliance with applicable laws and regulations.
2. **Authorization.** COUNTY authorizes KEEFE to act on its behalf in handling cash and to submit Transactions initiated by individuals through the Services to the credit card networks or otherwise for authorization, processing and settlement to COUNTY for the benefit of designated recipients.
3. **Responsibilities of KEEFE.**
 - a. KEEFE will receive payments from the public, directed to recipients by way of the Services.
 - b. KEEFE will transfer payment files to COUNTY on a daily basis. KEEFE will deliver payments to COUNTY by the second business day following (but not including) the day of the transaction by means of an electronic funds transfer ("EFT") to COUNTY's designated bank account; provided, however, KEEFE, in its sole discretion, reserves the right to delay its acceptance of any transaction that KEEFE determines to be suspicious and warrants further investigation. COUNTY acknowledges and agrees that KEEFE may reject, terminate or cancel any proposed transaction should KEEFE determine the transaction is being made for an improper or illegal purpose.
 - c. KEEFE will provide COUNTY with daily payment information by way of the KEEFE COUNTY interface.
 - d. KEEFE will be responsible for responding to and resolving inquiries and complaints from senders of funds arising out of KEEFE's failure to timely transmit any payment to COUNTY.
 - e. KEEFE will provide sufficient promotional material to be posted by COUNTY.
 - f. KEEFE, upon receipt of written notice from COUNTY, shall place limitations on transactions. The limitations will be implemented by KEEFE as soon as is reasonably practicable.
4. **Responsibilities of COUNTY.**
 - a. COUNTY will provide KEEFE with the required bank account information for transmission of an EFT. COUNTY agrees to notify KEEFE, in writing, giving fourteen (14) days' notice, of any changes to the bank account information.
 - b. COUNTY will, upon receipt of written documentation of overpayment, promptly, but in no event more than ten (10) business days, refund any overpayment made by KEEFE, for any reason. This is to include, but not be limited to, duplicate payments, payments refunded to customers by KEEFE and any incorrect payments. At KEEFE's sole option and in lieu of the foregoing, KEEFE may offset any such overpayments from future payment amounts transmitted by KEEFE to COUNTY and notify COUNTY of any such offset.

- c. COUNTY will promptly report receipt of each payment to the designated account or recipient in accordance with the COUNTY's policy.
 - d. COUNTY agrees that it shall, to the full extent allowed by law, assume all liability, responsibility and risk of loss associated with its breach of any of the terms or conditions within this Exhibit D and/or its negligence in the performance of its duties hereunder.
 - e. COUNTY agrees that KEEFE may determine, in its sole discretion, to suspend, terminate or place restrictions on one or more individual's ability to use the Services.
5. **Rates.** The Services shall be provided at no cost to COUNTY. KEEFE shall charge persons initiating a Transaction a service fee in accordance with its rate schedule which the COUNTY acknowledges may be amended by KEEFE in its sole discretion from time to time.
6. **Exclusivity.** KEEFE has the exclusive right to provide the Services for the COUNTY and the exclusive right to collect and receive money handling fees associated with the Services which fees will belong to KEEFE.
7. **Refunds/Chargebacks.**
- a. The Parties acknowledge that once KEEFE accepts a transaction submitted to the applicable payment network or otherwise for processing, KEEFE cannot cancel or change the transaction. Except to the extent required by applicable law, payments processed by KEEFE are non-refundable to the individual by KEEFE. Individuals may have additional refund or chargeback rights under their cardholder agreement with the card issuer or applicable law.
 - b. In the case of chargebacks or returned funds, KEEFE will be responsible for pursuing the chargeback through the card association's dispute resolution processes, if appropriate in KEEFE's sole discretion. Upon written request from KEEFE, COUNTY agrees to provide requested information needed to pursue the chargeback.
 - c. If an individual requests a refund, KEEFE will not be responsible for making those funds available if they have been already settled to a designated account by KEEFE or are beyond KEEFE's control.
 - d. If COUNTY and sender of funds issue inconsistent instructions or requests to KEEFE, COUNTY's instructions will control and COUNTY will reimburse, defend, indemnify and hold KEEFE harmless from any and all losses, costs and expenses (including reasonable attorneys' fees) as a result of complying with COUNTY's instructions.
8. **Damages Cap; No Other Warranty.** OTHER THAN KEEFE'S OBLIGATION FOR ANY FUNDS RECEIVED FROM INDIVIDUALS, IN NO EVENT SHALL KEEFE'S AGGREGATE LIABILITY IN TOTAL FOR ALL CLAIMS ARISING FROM OR RELATING TO THE SERVICES PROVIDED FOR IN THIS EXHIBIT D, EXCEED THE AMOUNT PAID TO KEEFE PURSUANT TO THE MASTER CONTRACT IN THE PRECEDING TWELVE (12) MONTHS. THE FOREGOING LIMITATION APPLIES REGARDLESS OF THE NATURE OF THE CLAIM OR THE FORM OF THE ACTION EMPLOYED, WHETHER IN CONTRACT, WARRANTY, TORT (INCLUDING NEGLIGENCE) OR OTHERWISE. THE SERVICES ARE PROVIDED "AS IS." EXCEPT AS EXPRESSLY STATED IN THIS EXHIBIT D, NEITHER PARTY MAKES, AND EACH

PARTY EXPRESSLY DISCLAIMS, ANY REPRESENTATIONS OR WARRANTIES FOR THE SERVICES, EXPRESS OR IMPLIED, INCLUDING ANY IMPLIED WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT OF THIRD PARTY RIGHTS, OR IMPLIED WARRANTIES ARISING FROM THE COURSE OF DEALING OR COURSE OF PERFORMANCE.

9. Except as otherwise stated herein in this Exhibit D, the terms of the Agreement apply to the provision of Payment Services.

Exhibit D – Humboldt County Menu



Page 1 of 2

Item	Description	Price	Item	Description	Price	Item	Description	Price
Snacks			Cookies & Pastry			Chips & Crunchy Snacks		
2615	BC Summer Sausage Regular 1.625 oz	\$1.40	2757	NV Granola Bar Sweet/Salty Almond 1.2	\$1.40	2737	Fritos Corn Chips Chili Cheese 2 oz w	\$1.20
2665	Velveeta Spicy Mac & Cheese 3 oz	\$1.85	2758	Granola Bar Crunchy Peanut Butter	\$0.90	3110	Keebler Crackers Club 5.25 oz	\$2.35
2666	Velveeta Rice Cheesey 2 oz	\$1.40	2759	Granola Bar Crunchy Oat & Honey	\$0.90	3115	Cheez-It Crackers 1.5 oz	\$0.85
2667	Velveeta Rice Spicy Cheese 2 oz	\$1.40	3010	MS Soft Cookies Choc Chip 2.75 oz	\$1.25	3219	Austin Crackers Cheese On Cheese	\$0.70
2670	Velveeta Beans & Rice Spicy Cheesy 4 oz	\$2.35	3015	MS Cookies Oatmeal Raisin 2.75 oz	\$1.25	3222	Austin Crackers Toasted PB	\$0.70
2789	Tapatio Hot Sauce 5 oz	\$2.20	3020	Oreo Cookies 2.4 oz	\$1.30	3223	Austin Crackers PB On Cheese	\$0.70
3581	BC Summer Sausage Hot & Spicy 1.625 oz	\$1.50	3031	MS Cookies Orange Pineapple Cremes t	\$1.75	6079	Whole Shabang Potato Chips 1.5 oz	\$1.10
6026	Maruchan Ramen Chili 3 oz	\$1.17	3035	MS Cookies Choc Chip 6 oz	\$1.75	6100	Moon Lodge Potato Chips 1.5 oz	\$1.10
6046	Maruchan Ramen Chicken 3 oz	\$1.17	3040	MS Cookies Iced Oatmeal 6 oz	\$1.75	6102	Moon Lodge Potato Chips Jalapeno 1.5	\$1.10
6047	Sevilla Refried Beans Spicy 8 oz	\$3.20	3193	Kelloggs Pop Tarts Strawberry 2Pk	\$1.55	6103	CATortilla Chips Scorchin Habanero 1.5	\$1.10
6050	Keefe Rice Inst White 8 oz	\$2.10	3200	Moon Pie Banana Dbl Decker 2.75 oz	\$1.20	6105	Moon Lodge Potato Chips BBQ 1.5 oz	\$1.10
6052	Maruchan Ramen Hot & Spicy Veg 3 oz	\$1.17	3218	Mrs Freshley's Brownie Fudge 3.25 oz	\$1.60	6116	Cactus Annies Cheese Puffs 2 oz	\$1.20
6059	Maruchan Ramen Shrimp 3 oz	\$1.17	3230	MS Peanut Butter Wafer 2Pk	\$0.80	6125	ML Potato Chips Hot BBQ 1.5 oz	\$1.10
6195	BC Premium Chicken Breast Diced 4.5 oz	\$3.85	3231	MS Snack Cake Oatmeal & Creme 16 oz	\$0.80	6127	Cactus Annies Pork Rinds Hot & Spicy 2	\$1.75
6412	Squeezum Jelly Grape 1 oz	\$0.55	3236	MS Cake Swiss Roll 12 oz	\$0.80	6153	ML Potato Chips Buffalo Blue Cheese 1.	\$1.10
6600	CA Tortillas Flour 8 oz 6 ct 8"	\$2.15	3245	MS Donut Sticks	\$0.80	6154	Doritos Chips Nacho Cheese 1.75 oz	\$1.20
Beverages			3270	MS Cupcakes Choc Creme 4 oz	\$1.60	6159	Cheetos Crunchy Flamin Hot 1.75 oz	\$1.20
2011	Keefe Freeze Dried Coffee Decaf 3 oz	\$5.25	6400	Quaker Granola Bar Choc Chip 6.72 oz	\$1.40	6234	Corn Nuts Corn Nuts Ranch 1.4 oz	\$1.45
2070	Keefe Hot Cocoa ss .8 oz	\$0.65	6540	Golden Valley Strawberry Bar Low Fat 1	\$0.70	6606	ML Peanuts Roasted & Salted 1.75 oz	\$1.00
2087	Keefe Creamers ss 10 Pk	\$1.10	Candy			6607	ML Peanuts Hot Hot Hot 1.75 oz	\$1.00
2210	Keefe Drink Mix Fruit Punch ss .5 oz	\$0.55	4001	Mars M&M Peanut 1.74 oz	\$1.40	6680	El Sabroso Cheese Curls Blazin Hot 4 oz	\$2.50
2220	Keefe Drink Mix Lemonade ss .5 oz	\$0.55	4010	Mars Snickers 1.86 oz	\$1.40	Reading Glasses		
2303	Keefe Drink Mix Orange Breakfast 6 oz	\$2.00	4013	Mars Milky Way 1.84 oz	\$1.40	5273	Reading Glasses Polycarb Lense 1.25	\$5.30
2330	Kool Aid Drink Mix Tropical Punch 6 oz	\$2.25	4019	Atkinson Candy Chick-O-Stick .7 oz	\$0.70	5274	Reading Glasses Polycarb Lense 1.50	\$5.30
2340	Gatorade Mix Lemon Lime 1Qt 2.12 oz	\$2.00	4032	3 Musketeers 1.92 oz	\$1.40	5275	Reading Glasses Polycarb Lense 1.75	\$5.30
Kits			4035	Reeses Peanut Butter Cups 1.5 oz	\$1.40	5276	Reading Glasses Polycarb Lense 2.0	\$5.30
9618	Humboldt Kit Indigent Kit	\$2.40	4065	Big Hunk 2 oz	\$2.00	5277	Reading Glasses Polycarb Lense 2.25	\$5.30
9691	Humboldt Pre Addressed Env Kit	\$0.75	4100	Sathers Butterscotch Discs 4.25 oz	\$1.70	5278	Reading Glasses Polycarb Lense 2.5	\$5.30
			4110	Sathers Lemon Drops 4.25 oz	\$1.70	5279	Reading Glasses Polycarb Lense 2.75	\$5.30
			4135	Jolly Rancher Candy Assorted 3.7 oz	\$2.25	5280	Reading Glasses Polycarb Lense 3.0	\$5.30
			4145	Sathers Star Bites 3.75 oz	\$1.70	5281	Reading Glasses Polycarb Lense 3.25	\$5.30
			4146	Atomic Fireball 3 oz	\$1.70	5282	Reading Glasses Polycarb Lense 1.0	\$5.30
			4150	Sathers Sour Fruit Balls 4.25 oz	\$1.70			
			4156	Sathers Vanilla Caramels 3 oz	\$1.70			
			4387	Rocky Road 1.82 oz	\$1.40			



Item	Description	Price	Item	Description	Price	Item	Description	Price
Hygiene			Stationery & Games			Footwear		
1	Crawford Shampoo Balsam & Protein 4 oz	\$1.65	1015	Unisource Env No Clasp 9.5 x 12.5	\$0.45	1454	Crawford Flip Flop V Strap Large	\$1.65
2	Crawford Conditioner Balsam & Protein 4 oz	\$1.65	1060	Tops Paper Ruled Pad 8.5 x 11 50 Sheet	\$1.40	8742	Orange Deck Shoe Slip On sz 6 M/8 W	\$9.55
14	Suave Shampoo & Conditioner 12.6 oz	\$5.25	1070	Tops Paper Sketch Pad 8.5 x 11 50 Sheet	\$1.35	8743	Orange Deck Shoe Slip On sz 7 M/9W	\$9.55
48	Softex Conditioner Coconut Oil 5 oz	\$2.75	1075	New World Imports Pencil Golf Type	\$0.20	8744	Orange Deck Shoe Slip On sz 8 M/10 W	\$9.55
55	Pro Glo Pomade Gel 4 oz	\$2.70	1077	Quill Pencil #2 w/ Eraser	\$0.30	8749	Orange Deck Shoe Slip On sz 9 M/11 W	\$9.55
205	Freshscent Baby Oil 4 oz	\$1.80	1080	Rose Art Colored Pencils 24 ct 3.5"	\$2.65	8766	Orange Deck Shoe Slip On sz 10 M/12 W	\$9.55
210	Crawford Lotion Skin Care 4 oz	\$1.50	1085	Sanford Eraser Beveled	\$0.55	8771	Orange Deck Shoe Slip On sz 11/sz 13 W	\$9.55
212	Infuzed Lotion Dly Bdy Coconut Lime 15 oz	\$2.95	1086	Webster Dictionary Pocket	\$4.20	8774	Orange Deck Shoe Slip On sz 12 M/14 W	\$9.55
215	Crawford Lotion Cocoa Butter 4 oz	\$1.50	1101	Gallant Birthday Card Juvenile	\$2.10	8782	Orange Deck Shoe Slip On sz 13 M/15 W	\$9.55
250	Hydrocortisone Cream Max Strength 1% 1 oz	\$2.95	1121	Gallant Seasonal Greeting Card	\$2.10	8786	Orange Deck Canvas Slip On sz 14 M/16	\$9.55
251	Athlete Ft Cream 1% Tolnaftate .5 oz	\$2.30	1123	Gallant Birthday Card Spanish Paper	\$2.10			
273	Chapet Lip Balm Regular Flavor .16 oz	\$2.10	1295	Sudoku Book Sudoku	\$3.70			
320	Magic Shave Shave Cream Regular 6 oz	\$5.55	1305	Aviator Playing Cards Pinochle	\$2.40			
357	Elementz Shampoo Daily 15 oz	\$3.45	1308	Gen Book Word Find	\$4.20			
358	Elementz Conditioner Almond/Shea 15 oz	\$3.45	800	New World Imports Comb 5"	\$0.25			
398	Dial Soap Antibacterial Bar 4 oz	\$1.80	821	Gen Brush Palm	\$0.65			
439	Next 1 Soap Deodorant Hypoallergenic 3 oz	\$1.25	825	Cardinal Afro Plk Nylon	\$0.35			
490	American Comb Soap Dish Hinged	\$0.85	855	J & D Pony Oh Terry Cloth	\$0.25			
520	Colgate Toothpaste Anticavity 2.5 oz	\$2.75	1256	Granger Ear Plugs No Cord	\$0.60			
530	Cool Wave Toothpaste Gel Mint 4 oz	\$2.30	1400	Becker Cereal Bowl w/ Lid 24	\$1.15			
544	Loops Floss Loops Mint 30 pk	\$2.55	1415	Churchill Tumbler w/ Lid 22 oz	\$1.15			
557	New World Toothbrush Antishank 1 ea	\$0.35	614	Acetaminophen Non Aspirin Regular 32	\$0.55			
590	Freshmint Denture Tablet 40 ct	\$3.30	642	Rolids Antacid Regular Strength	\$1.35			
710	Playtex Tampon Unscent Gentle 20 ct	\$6.90	671	Goodsense Cough Drops Cherry 30 ct	\$1.85			
712	Preference Maxi Pad Regular 24 ct	\$3.70						
713	Preference Pantisheilds 22 ct	\$1.90						
720	Antifungal Powder Med Tolnaftate 1% 3 oz	\$2.65						
784	Staydent Denture Adhesive Cream 2.4 oz	\$5.15						

KEEFE COMMISSARY NETWORK, LLC
COMMISSARY SERVICES AGREEMENT

This Agreement, entered into this 1st day of August, 2018, by and between the County of Humboldt, a political subdivision of the State of California, hereinafter referred to as "COUNTY," and Keefe Commissary Network, L.L.C, an affiliate of The Keefe Group, hereinafter referred to as "KEEFE," and collectively, the "Parties."

KEEFE is in the business of supplying food and other related commissary items and services to inmate commissary departments of correctional facilities throughout the United States, including the Humboldt County Correctional Facility ("HCCF"); and,

The Parties wish to enter into a Commissary Services Agreement to facilitate the ordering of commissary items by inmates and the operation of and payment for commissary (collectively, "Commissary Services").

Therefore, in consideration of the mutual promises and conditions herein contained, the Parties agree as follows:

1. **OPERATION OF COMMISSARY.**

a. **By COUNTY.** COUNTY agrees that during the term of this Agreement, it will, at its own expense: (a) provide COUNTY personnel to operate the KEEFE proprietary software; (b) manage and reconcile the funds in the Inmate Trust Accounts; and (c) deliver the completed commissary orders to the individual inmates.

b. **By KEEFE.** KEEFE agrees that it will download all inmate orders for commissary items in real-time or near real-time by utilizing Web Services. KEEFE will bag, box, and ship such commissary items to the COUNTY for distribution to the inmates, it being understood and agreed that said orders shall be delivered to the COUNTY for delivery to the Inmates on Thursdays. KEEFE shall invoice COUNTY for all such purchases in accordance with Section 7.0.

c. **New Construction.** Construction of a new building to add forty-two plus (42+) beds will commence in approximately one year, with an estimated completion date of 2020. KEEFE shall provide Commissary Services and tablets for the new building, consistent with the terms herein.

d. **Commissary Operations.** Commissary Operations provided by KEEFE shall include but not be limited to the following:

- 1) Correctional commissary management application to enforce all restrictions, provide all reports, track all inventory and generally support the required commissary operations.

2) Access to the inmate commissary for inmates on a schedule that ensures each inmate has an opportunity to make real-time or near real-time purchases.

3) An efficient system for providing refunds for damaged or otherwise unacceptable items and items that could not be delivered because the inmate was released or moved.

4) Procedures for the effective resolution of inmate grievances regarding commissary-related issues. This procedure must be compatible with, and use the same forms as specified in the Sheriff's Office policy on inmate grievances.

5) Automated, digitized commissary order forms listing all approved menu items and current prices. Order form shall also include spaces for inmate name, inmate ID number, housing unit, cell number and order date.

6) Orders filled at a minimum rate of 98% completeness and accuracy.

7) All orders will be bagged offsite and packed in transparent, perforated plastic bags for delivery.

8) Except pastries, bread or milk, all merchandise shall have at least 30 days of remaining shelf life when it is delivered to an inmate.

9) All food items for sale must have nutritional information on packages or labels.

10) Each Order containing two (2) printed copies of an invoice listing the merchandise in the package as well as any alterations to the inmate's order that have been made.

11) Procedures for issuing credits, returns, or undeliverable merchandise.

12) Indigent kits to eligible inmates – KEEFE shall provide three thousand nine hundred (3,900) free Indigent Kits per year to the COUNTY. KEEFE shall charge the COUNTY \$2.60 per kit for additional indigent kits beyond three thousand nine hundred (3,900). Each indigent kit shall contain:

- One clear tube of toothpaste (1.7 oz. minimum)
- One safety/security toothbrush
- One golf pencil
- One spork
- One bar of clear soap (4 oz. minimum)
- One shampoo (3 oz. minimum)
- One pocket size comb
- 4 sheets of lined paper (8 ½" x 11")
- 2 pre-stamped envelopes

13) Adequate supplies for operation of all commissary-related equipment, or a process for delivering the supplies real-time. Additional supplies shall be available upon request from KEEFE's local warehouse.

2. **MENU and PRICING.** Commissary item selection and pricing will be agreed upon by COUNTY and KEEFE. Current menu is attached as Exhibit D. Commissary item menu selection and price adjustments shall be reviewed as needed, but no less than annually, by the COUNTY and KEEFE. All changes must be approved by COUNTY. KEEFE shall be responsible

for paying all applicable taxes. Returned or undelivered merchandise shall not count towards total commissionable sales, nor shall any items such as stamps that may not be marked up for re-sale.

Substitutions or removal of items from the approved commissary menu will be subject to the written approval of the COUNTY. All prices proposed shall be held for 1 year and reviewed no less than annually with the COUNTY. KEEFE can provide documentation that the product has been re-sized, re-formulated, discontinued or altered by the manufacturer, in which case price changes and/or alternate products may be considered. No brand, price, or product may be changed at any time without the prior written approval of the COUNTY.

3. **FRIENDS AND FAMILY INMATE ORDERING SITE.**

a. **Terms** - The following terms as used in this Section 3 shall have the definitions set forth below:

1) *Friends and Family Orders* – Orders placed by friends and family of Inmates on a customized website for delivery to inmates.

2) *Friends and Family Handling Charges* – Cost to KEEFE to handle and deliver Friends and Family Orders.

3) *Friends and Family Adjusted Gross Sales* – Amount calculated by subtracting Friends and Family Handling Charges and any non-commissionable items as outlined in this document from gross sales of any Friends and Family Orders.

4) *Securepak Shipping Fees* are \$5.95

b. **Website** - KEEFE will maintain a customized website specifically designed for Humboldt County, allowing friends and family of Inmates to order products to be delivered to Inmates by KEEFE and at KEEFE's sole expense. KEEFE and COUNTY will work together in good faith to agree on pricing and selection of these items no less than annually. This additional service will be provided by KEEFE at no cost to the COUNTY and will be an exclusive agreement whereby KEEFE will be the sole provider of this program.

c. **Service Fee** - No later than fifteen calendar (15) days following each month, the COUNTY will be paid a Service Fee on all Friends and Family Orders which COUNTY has delivered to Inmates during the immediately preceding month. Said Service Fee shall be equal to 40% of Family and Friends Adjusted Gross Sales for the applicable period.

4. **INMATE BANKING/ACCOUNTING.** KEEFE shall provide all software for a computerized inmate banking application to keep accurate and complete records of all commissary activity and balances of individual inmate accounts. This system must be approved by the COUNTY, be completely accessible to authorized COUNTY staff, and meet the following requirements:

a. This system shall keep track of all inmate accounts individually and cumulatively in a ledger that is entirely separate from the facility ledger and bookkeeping

records which are tracked in the COUNTY Jail Management System. The proposed system must, at KEEFE's expense, interface and integrate with the existing Jail Management System to import inmate information; and KEEFE shall develop any interfaces at KEEFE's expense.

b. This application shall be highly secure, shall, at no cost to COUNTY, interface with all other applications that the COUNTY uses or will use at any time in the future and access by multiple users with various permissions and access levels. System security shall satisfy all applicable laws and regulations.

c. All inmate information and all records gathered or stored on the proposed banking application or in the inmate banking system is the property of the COUNTY and may not be accessed, used, released or duplicated except as approved in writing by the COUNTY in advance of any such release, access, duplication, etc.

d. This system shall conform to general accounting principles: each transaction shall process a debit and credit to the appropriate general ledger accounts. All cancelled/voided transactions shall process as "real time" transactions on the date and time of the actual void or cancel, and appear as opposite reversing entries in the general ledger accounting system.

e. This system must be equipped with tiered access levels for security purposes and access to all reports must be available at all levels. Print, sort, and search or find options shall be available in all reports.

f. This system must work efficiently twenty-four (24) hours a day, seven (7) days a week. Off-site technical support must be available during all hours of operation. The system must have the option to release or close an account as cash, check or debit card. The system must conform to the jail check-printing format.

g. This system must be able to process commissary credits upon notification if inmates are released on the day a commissary order has been charged to the account and not yet delivered (including indigent/welfare bags).

5. **TECHNOLOGY.** KEEFE shall implement, at no cost to the County, Web Services, a cloud-based server, a separate network access, Wi-Fi routers, all wireless and wired infrastructure requirements, and any other required interfaces and integrations, to enhance and streamline commissary operations. KEEFE shall upgrade systems, services, and products as appropriate and with COUNTY approval, with improvements in Technology. KEEFE shall also implement the following:

- a. **Tablets.** COUNTY will replace In-Pod Kiosks with Tablets provided by KEEFE's subcontractor Telmate. KEEFE will be the main point of contact for this project and shall work with the COUNTY to determine the appropriate number of Tablets, configuration and support, as this project

develops. Inmate demand for the Tablets will dictate the number of additional Tablets added through the life of the contract. Tablets shall be provided by KEEFE at no cost to the COUNTY. The Tablets shall have the capability to support commissary ordering, grievance filing and tracking, medical/dental appointment scheduling, inmate request filing, electronic forms specified by the COUNTY, and real-time account balance checks and transaction history reports for the banking system.

- b. 90-Day Pilot for Three (3) Vending Machines. After the conclusion of the Pilot, COUNTY shall have the option to keep the three (3) vending machines or add additional vending machines to the facility depending on the results of the pilot, at no cost to the County for the life of the Agreement. COUNTY agrees to purchase all items to be sold in the vending machines from KEEFE consistent with a menu of items and pricing that will be agreed to prior to the implementation of Inmate Vending. COUNTY, at its discretion, will mark up the Vending items to their needs. KEEFE will help guide, implement and suggest a course of action for COUNTY that is the most advantageous to COUNTY. Once vending machines are installed, COUNTY staff will purchase, fill, and manage the vending machines. KEEFE shall provide support and warranty the vending machines for the life of the contract at no cost to COUNTY.

6. **HARDWARE/SOFTWARE.**

a. During the term of this Agreement, KEEFE shall supply COUNTY with the KEEFE Software, and the Tablets through Keefe Subcontractor Telmate. COUNTY agrees to return all Tablets and KEEFE Software to KEEFE in workable order upon contract termination.

b. KEEFE hereby grants to COUNTY a non-exclusive, royalty-free license to use the KEEFE Software during the term of this Agreement. All software supplied by KEEFE is proprietary and shall at all times remain the property of KEEFE with title and all rights vested in and retained by KEEFE. COUNTY hereby agrees that it will NOT disclose, reproduce, transfer, alter, reverse-engineer, decompile or use the KEEFE Software and/or documentation for any purpose, other than those specifically allowed by the terms of this Agreement. All hardware installed by KEEFE shall remain the property of KEEFE unless otherwise expressly agreed to by the Parties in writing.

c. KEEFE agrees that it shall be responsible for any and all necessary wiring, network switches, hardware, and interfaces necessary for installation of the the Inmate ordering kiosks, and other applicable equipment.

d. KEEFE shall take all reasonable precautions to ensure that any hardware, software, and/or embedded chip devices used by KEEFE in the performance of services under this Agreement, other than those owned or provided by the COUNTY shall be free

from viruses. Nothing in this provision shall be construed to limit any rights or remedies otherwise available to the COUNTY under this Agreement.

7. **PAYMENT.** KEEFE will send an itemized invoice to the COUNTY on a monthly basis for Orders delivered in the prior month (each invoice being referred to hereafter as an "Invoice"). The Invoice shall itemize all Orders delivered in the prior month and shall be in a format approved by, and shall include backup documentation as specified by, [Short title of Department Head] and the Humboldt County Auditor-Controller. Payment of invoice shall be deducted from the Commission check paid by KEEFE to the COUNTY.

KEEFE shall submit a final undisputed invoice for payment no more than thirty (30) days following the expiration or termination date of this Agreement. Payment for work performed will be made within thirty (30) days after the receipt of approved invoices.

8. **COMMISSION.** COUNTY will be paid a commission for the services to be provided under this Agreement equal to forty percent (40%) of Adjusted Gross Sales of commissary items. "Adjusted Gross Sales" is defined as gross commissary sales minus the sales of non-commissioned commissary items as listed in **Exhibit C** of this Agreement. The Commission check paid to the COUNTY each month shall reflect a net amount of the Adjusted Gross Sales of commissary items less the invoiced amount due to KEEFE by the COUNTY. In the event that the inmate's trust account funds available to purchase commissary products are inhibited in any way by a change in policy or law, the commission paid to COUNTY shall be reduced accordingly by KEEFE after negotiation with COUNTY.

9. **SIGNING BONUS.** As consideration for entering into the Agreement, the parties agreed on a one time signing bonus; therefore, KEEFE shall remit Twenty Thousand Dollars (\$20,000.00) to the COUNTY, within fifteen (15) calendar days after effective Agreement date ("Prepayment"). In the event COUNTY terminates the Agreement prior to the expiration of the Base Term, COUNTY shall refund to KEEFE a prorated amount of the signing bonus; the prorated refund will be calculated by the following formula: $(\text{Prepayment}/\text{Base Term}) \times \text{Remaining Months in Base Term}$. By way of illustration, in the event that this Agreement is cancelled by the COUNTY with twelve (12) months remaining in the Base Term, COUNTY would be responsible for refunding to KEEFE the sum of Six Thousand Six Hundred Sixty-Six Dollars Sixty-Seven Cents (\$6,666.67) $[(\$20,000/36) \times 12]$.

10. **PACKAGE PROGRAM.** This Agreement includes KEEFE's Access Securepak® Inmate Package Program Service, a comprehensive custom package program designed to allow family members and friends to send packages to inmates. KEEFE shall process and deliver orders placed through its Access Securepak website and shall pay the COUNTY a commission for this service. The orders are packaged at Keefe's secured warehouse where boxes are sealed with a pre-printed, tamper-evident tape to ensure the security of the packages. Refer to Section 3 - FRIENDS AND FAMILY INMATE ORDERING SITE, of this Agreement.

11. **TRAINING.** KEEFE shall provide an initial onsite training and follow-up web training at no cost to the COUNTY to COUNTY-designated staff on the Commissary and

Accounting/Billing systems within a mutually agreed-upon specified timeframe. KEEFE shall also provide an annual onsite training on a mutually agreed-upon schedule.

12. **TERM.** This Agreement shall become effective as of the 1st day of August 2018, and shall continue in effect for a period of five (5) years (the "Base Term"), unless sooner terminated as provided herein. The Agreement will automatically renew for two successive one-year terms thereafter, unless either party to this Agreement gives notice in writing to the other party no less than ninety (90) days prior to the expiration of any term or extended term that the party so giving notice does not wish to extend this Agreement.

13. **TERMINATION.**

A. **Breach of Contract.** If either party shall refuse, fail or be unable to perform or observe any of the terms or conditions of this Agreement for any reason other than Force Majeure reasons defined herein, the party claiming such failure shall give the other party a written notice of such breach. If within thirty (30) days from such notice the failure has not been cured, or the failure is such that it may not be cured within thirty (30) days and the party in breach has not commenced the cure within thirty (30) days and continuously pursued the cure, then the injured party may cancel the Agreement. Within thirty (30) days after termination of this Agreement, COUNTY shall, at KEEFE's option, return all Equipment and KEEFE Software, and certify such removal and return in writing to KEEFE. All monies due the Parties at the time of termination shall be paid to the respective party within thirty (30) days after the effective date of the termination of services.

B. **Without Cause.** COUNTY may terminate this Agreement without cause upon thirty (30) days advance written notice to KEEFE. Such notice shall state the effective date of the termination.

C. **Insufficient Funding.** COUNTY's obligations under this Agreement are contingent upon the availability of local, state and/or federal funds. In the event such funding is reduced or eliminated, COUNTY shall, at its sole discretion, determine whether this Agreement shall be terminated. COUNTY shall provide KEEFE seven (7) days advance written notice of its intent to terminate this Agreement due to insufficient funding.

D. **Compensation Upon Termination.** In the event of any termination of this Agreement, KEEFE shall be entitled to compensation for uncompensated services rendered hereunder through and including the effective date of such termination. However, this provision shall not limit or reduce any damages owed to COUNTY due to a breach of this Agreement by CONTRACTOR.

14. **COUNTY'S RESPONSIBILITIES.** COUNTY shall promptly notify KEEFE of any changes in COUNTY's hardware systems, software or operating procedures that interact in any fashion with KEEFE's supplied hardware, software or its operating procedures. COUNTY shall not, during the term of this Agreement nor for one (1) year following its termination or expiration, knowingly solicit to hire, hire, or contract with any employee or former employee of KEEFE, Trinity Services Group, Inc. or any of their parents or subsidiaries, direct or indirect. In

the event that COUNTY breaches its covenant not to hire an employee or former employee, COUNTY agrees to pay KEEFE an amount equal to the annual salary of such employee.

15. **GOVERNING LAW.** Both parties to this Agreement irrevocably: (i) consent and submit exclusively to the jurisdiction of the courts of the State of California, County of Humboldt, (ii) and agree that this Agreement shall be governed by, interpreted and construed in accordance with, the laws of the State of California, without regard to any conflicts of law.

16. **ADVERTISING AND MEDIA RELEASE.** All informational material related to this Agreement shall receive approval from COUNTY prior to being used as advertising or released to the media (television, radio, newspapers and internet). KEEFE shall inform COUNTY of all requests for interviews by media related to this Agreement before such interviews take place; and COUNTY is entitled to have a representative present at such interviews. All notices required by this provision shall be given to the Humboldt County Sheriff or Designee.

17. **PERFORMANCE STANDARDS AND QUALITY ASSURANCE.** KEEFE shall comply with minimum acceptable performance standards and quality assurance levels detailed in the Service Level Agreement (**Exhibit A**).

18. **ENTIRE AGREEMENT.** This Agreement and its Exhibits constitute the entire Agreement between the Parties with respect to the provision of Commissary (and Payment, where applicable) Services, and there are no other or further written or oral understandings or agreements with respect thereto. No variation or modification of the Agreement and no waiver of any provision shall be valid unless in writing and signed by the duly authorized officers of both KEEFE and COUNTY. This Agreement supersedes all other agreements, negotiations, conversations and representations between the Parties for the provision of Commissary (and Payment, where applicable) Services.

19. **ASSIGNMENT.** Except in the case of a merger, reorganization, change in control, or sale of all or substantially all assets or equity, neither Party shall have the right to assign or otherwise transfer its rights and obligations under this Agreement except with the prior written consent of the other Party, which shall not be unreasonably withheld or delayed.

20. **INDEMNIFICATION.**

a. KEEFE shall hold harmless, defend and indemnify COUNTY and its agents, officers, officials, employees and volunteers from and against any and all claims, demands, losses, damages, liabilities, expenses and costs of any kind or nature, including, without limitation, attorney fees and other costs of litigation, arising out of, or in connection with, KEEFE's performance of, or failure to comply with, any of the obligations contained herein, except such loss or damage which was caused by the sole negligence or willful misconduct of COUNTY.

b. Copyright and Trade Secrets. KEEFE, at its own expense, will defend and indemnify COUNTY against claims that the KEEFE Software furnished under this Agreement infringes a United States trademark or a copyright protected under United

States law, provided COUNTY (i) gives KEEFE prompt written notice of such claims, (ii) grants KEEFE the sole and exclusive authority to defend or settle the claims, and (iii) provides all reasonable assistance to KEEFE in defending or settling the claims. This Section 40 state the entire liability of KEEFE and COUNTY's sole and exclusive remedies for trademark, copyright and any other alleged or actual intellectual property infringement.

21. **INSURANCE REQUIREMENTS.** This Agreement shall not be executed by COUNTY, and KEEFE is not entitled to any rights hereunder, unless certificates of insurance or other sufficient proof that the following provisions have been complied with, are filed with the Clerk of the Humboldt County Board of Supervisors.

a. **General Insurance Requirements.** Without limiting KEEFE's indemnification obligations provided for herein, KEEFE shall, and shall require that all subcontractors hereunder, take out and maintain, throughout the period of this Agreement and any extended term thereof, the following policies of insurance placed with insurers authorized to do business in California and with a current A.M. Bests rating of no less than A: VII or its equivalent against personal injury, death and property damage which may arise from, or in connection with, the activities of KEEFE, its agents, officers, directors, employees, licensees, invitees, assignees or subcontractors:

1) Comprehensive or Commercial General Liability Insurance at least as broad as Insurance Services Office Commercial General Liability Coverage (occurrence form CG 0001), in an amount of Two Million Dollars (\$2,000,000) per occurrence for any one incident, including, but not limited to, personal injury, death and property damage. If a general aggregate limit is used, such limit shall apply separately hereto or shall be twice the required occurrence limit.

2) Automobile/Motor Liability Insurance with a limit of liability of not less than One Million Dollars (\$1,000,000) combined single limit coverage. Such insurance shall include coverage of all owned, hired and non-owned vehicles. Said coverage shall be at least as broad as Insurance Service Office Form Code 1 (any auto).

3) Workers' Compensation Insurance, as required by the Labor Code of the State of California, with statutory limits, and Employers Liability Insurance with a limit of no less than One Million Dollars (\$1,000,000) per accident for bodily injury or disease. Said policy shall contain, or be endorsed to contain, a waiver of subrogation against COUNTY, its agents, officers, officials, employees and volunteers.

4) Professional Liability Insurance – Error and Omission Coverage including coverage in an amount no less than Two Million Dollars (\$2,000,000) for each occurrence (Four Million Dollars (\$4,000,000) general aggregate). Said insurance shall be maintained for three (3) years subsequent to the expiration or earlier termination of the Agreement

b. **Special Insurance Requirements.** Said policies shall, unless otherwise specified herein, be endorsed with the following provisions:

1) The Comprehensive or Commercial General Liability Policy shall provide that COUNTY, its agents, officers, officials, employees and volunteers, are covered as additional insured for liability arising out of the operations performed by or on behalf of KEEFE. The coverage shall contain no special limitations on the scope of protection afforded to COUNTY, its agents, officers, officials, employees and volunteers. Said policy shall also contain a provision stating that such coverage:

- a) Includes contractual liability.
- b) Does not contain exclusions as to loss or damage to property caused by explosion or resulting from collapse of buildings or structures or damage to property underground, commonly referred to "XCU Hazards."
- c) Is the primary insurance with regard to COUNTY.
- d) Does not contain a pro-rata, excess only and/or escape clause.
- e) Contains a cross liability, severability of interest or separation of insureds clause.

2) The above-referenced policies shall not be canceled, non-renewed or materially reduced in coverage without thirty (30) days prior written notice being provided to COUNTY in accordance with the notice provisions set forth herein. It is further understood that KEEFE shall not terminate such coverage until COUNTY receives adequate proof that equal or better insurance has been secured.

3) The inclusion of more than one insured shall not operate to impair the rights of one insured against another insured, and the coverage afforded shall apply as though separate policies had been issued to each insured, but the inclusion of more than one insured shall not operate to increase the limits of the insurer's liability.

4) For claims related to this Agreement, KEEFE's insurance is the primary coverage to COUNTY, and any insurance or self-insurance programs maintained thereby are excess to KEEFE's insurance and will not be used to contribute therewith.

5) Any failure to comply with the provisions of this Agreement, including breach of warranties, shall not affect coverage provided to COUNTY, its agents, officers, officials, employees and volunteers.

6) KEEFE shall furnish COUNTY with certificates and original endorsements effecting the required coverage prior to execution of this Agreement. The endorsements shall be on forms approved by the Humboldt County Risk Manager or County Counsel. Any deductible or self-insured retention over One Hundred Thousand Dollars (\$100,000) shall be disclosed to and approved by COUNTY. If KEEFE does not keep all required policies in full force and effect, COUNTY may, in addition to other remedies under this Agreement, take out the necessary insurance, and KEEFE agrees to pay the cost thereof. COUNTY is also hereby authorized with the discretion to deduct the cost of said insurance from the monies owed to KEEFE under this Agreement.

7) COUNTY is to be notified immediately if twenty-five percent (25%) or more of any required insurance aggregate limit is encumbered, and KEEFE shall be required to purchase additional coverage to meet the above aggregate limits.

c. Insurance Notices. Any and all insurance notices required to be given pursuant to the terms of this Agreement shall be sent to the addresses set forth below in accordance with the notice provisions described herein.

COUNTY: County of Humboldt
Attn: Risk Management
825 5th Street, Room 131
Eureka, California 95501

KEEFE: Keefe Commissary Network, LLC
ATTN: Risk Management
1260 Andes Blvd
St. Louis, MO 63132

22. **REPORTS:** KEEFE agrees to provide COUNTY with any and all reports required by the COUNTY, which may also be required by local, state or federal agencies for compliance with this Agreement. Reports shall be submitted no later than fifteen (15) days after the end of each calendar quarter using the format required by the COUNTY or the State of California as appropriate.

a. Account Management and Reporting Features. The KEEFE Reporting System shall have flexible, easy-to-use account management and reporting features that:

- 1) Allow searching for inmates by inmate ID or last name.
- 2) Allow restriction of commissary purchases based on an inmate's property items. For example, batteries may not be purchased unless an inmate has a radio in his property.
- 3) Allow export of reports to PDF, RTF, or Excel file formats.
- 4) Provide integrated reports within the banking system with no separate login or executable launch required.
- 5) Allow easy reprinting of receipts.
- 6) Allow on-screen viewing of inmate transaction receipts.
- 7) Allow user-definable password security settings including minimum password length and requirements for numbers, symbols, or letters in passwords.
- 8) Allow user-defined indigent tracking based on current balance, days since booking, and deposits over a period, and commissary bills over a period.
- 9) Allow transactions to be easily voided while maintaining a verifiable audit trail.
- 10) Include predefined reports as required by the COUNTY, which may include, but not limited to:

- Trial Balance
 - Resident Balances
 - Balance Sheet
 - Check Postings
 - Money Receipts
 - Cash Disbursements
 - Inmate Debit
 - Fund Billing
 - Fund Collections
 - Fund Credits
 - Indigents
 - Releases
 - Bank Deposits
 - Debt Write-Offs
 - Reconciliation
 - Commissary Receipts
 - Commissary Housing Totals
 - Commissary Product Sales
 - Check Register
- 11) Allow ad-hoc reports to be run for defined inmate groups based on factors including housing assignment, gender, age, debt, or current balance without programming a reporting tool.
 - 12) Include user-customizable report footer information.
 - 13) Allow reports to be generated based on user and transaction types.

b. Other Management Reports. Other management reports that COUNTY will require and work with KEEFE to develop.

23. **RECORD RETENTION AND INSPECTION:** Maintenance and Preservation of Records. KEEFE agrees to timely prepare accurate and complete financial and performance records relating to the services provided hereunder, and to maintain and preserve said records for at least three (3) years from the date of final payment under this Agreement, except that if any litigation, claim, negotiation, audit or other action is pending, the records shall be retained until completion and resolution of all issues arising therefrom. The books and records shall be original entry books with a general ledger itemizing all debits and credits for the work performed.

24. **INSPECTION OF RECORDS.** Pursuant to California Government Code Section 8546.7, all records, documents, conditions and activities of KEEFE, and its subcontractors, related to the services provided hereunder, shall be subject to the examination and audit of the California State Auditor and other duly authorized agents of the State of California for a period of three (3) years after final payment under this Agreement. KEEFE hereby agrees to make such records available during normal business hours to inspection, audit and reproduction by any duly authorized agents of the State of California or COUNTY. KEEFE further agrees to allow interviews of any of its employees who might reasonably have information related to such records by any duly authorized agents of the State of California or COUNTY. All examinations and audits

conducted under this section shall be strictly confined to those matters connected with the performance of this Agreement, including, but not limited to, the costs of administering this Agreement.

25. **AUDIT COST.** In the event of an audit exception or exceptions, the party responsible for not meeting the program requirements shall be responsible for the deficiency and for the cost of the audit. If the allowable expenditures cannot be determined because KEEFE's documentation is nonexistent or inadequate, according to generally accepted accounting practices, the questionable cost shall be disallowed by COUNTY.

26. **RELATIONSHIP OF PARTIES.** It is understood that this is an Agreement by and between two independent contractors and is not intended to, and shall not be construed to, create the relationship of agent, servant, employee, partnership, joint venture, or any other similar association. Both parties further agree that KEEFE shall not be entitled to any benefits to which COUNTY employees are entitled, including, but not limited to, overtime, retirement benefits, leave benefits or workers' compensation

27. **CONSENT.** Where the consent of either party is required, it shall not be unreasonably withheld or delayed.

28. **CONFIDENTIALITY.** "Confidential Information" includes any non-public, confidential or proprietary information furnished by a Party (the "Disclosing Party") to the other Party (the "Receiving Party") including, but not limited to, information relating to the Disclosing Party's business, product designs, product plans, data, software and technology, financial information, marketing plans, business opportunities, pricing information, menus, discounts, inventions and know-how. Confidential Information does not include any information that (i) is or becomes generally available to the public other than as a result of a disclosure by the Receiving Party in violation of this Agreement, (ii) was in the Receiving Party's possession prior to the disclosure of the Confidential Information pursuant to this Agreement without an obligation of confidentiality, (iii) becomes available to the Receiving Party on a non-confidential basis from a third party, provided that the Receiving Party did not know, or have reason to believe, after reasonable investigation, that such source was subject to an obligation not to disclose such information, or (iv) is required to be disclosed by any applicable law or regulation or by order of any governing body or court of competent jurisdiction; provided, however, the Receiving Party must promptly notify the Disclosing Party of the demand for such disclosure so that the Disclosing Party may, in its sole discretion, seek a protective order or take such other appropriate steps to resist or narrow the scope of the disclosure sought by such request. If a protective order or other remedy is not obtained, the Receiving Party may make such disclosure without liability under this Agreement, provided that the Receiving Party furnish only that portion of the Confidential Information which is legally required to be disclosed.

29. **EXCLUSIVITY.** COUNTY hereby agrees that KEEFE has the exclusive right to provide the Commissary Services for COUNTY during the term of this Agreement.

30. **NUCLEAR FREE HUMBOLDT COUNTY ORDINANCE COMPLIANCE.** KEEFE certifies by its signature below that it is not a Nuclear Weapons Contractor, in that KEEFE is not knowingly or intentionally engaged in the research, development, production or testing of nuclear warheads, nuclear weapons systems or nuclear weapons components as defined by the Nuclear Free Humboldt County Ordinance. KEEFE agrees to notify COUNTY immediately if it becomes a Nuclear Weapons Contractor as defined above. COUNTY may immediately terminate this Agreement if it determines that the foregoing certification is false or if KEEFE becomes a Nuclear Weapons Contractor.

31. **NOTICES.** Any and all notices required to be given pursuant to the terms of this Agreement shall be in writing and either served personally or sent by certified mail, return receipt requested, to the respective addresses set forth below. Notice shall be effective upon actual receipt or refusal as shown on the receipt obtained pursuant to the foregoing.

COUNTY: Humboldt County Sheriff's Office
Attn: Business Office
826 4th Street
Eureka, CA 95501

KEEFE: Keefe Commissary Network
10880 Linpage Place
St. Louis, MO
Attention John Puricelli

32. **COMPLIANCE WITH LAWS.** KEEFE agrees to comply with all applicable local, state and federal laws and regulations, including, but not limited to, the Americans with Disabilities Act. KEEFE further agrees to comply with all applicable local, state and federal licensure and certification requirements.

33. **NON-LIABILITY OF COUNTY OFFICIALS AND EMPLOYEES.** No official or employee of COUNTY shall be personally liable for any default or liability under this Agreement.

34. **AMENDMENT.** No addition to, or alteration of, the terms of this Agreement shall be valid unless made in writing and signed by the parties hereto.

35. **STANDARD OF PRACTICE.** KEEFE warrants that KEEFE has the degree of learning and skill ordinarily possessed by reputable professionals practicing in similar localities in the same profession and under similar circumstances. KEEFE's duty is to exercise such care, skill and diligence as professionals engaged in the same profession ordinarily exercise under like circumstances.

36. **TITLE TO INFORMATION AND DOCUMENTS.** It is understood that any and all documents, information, and reports concerning the subject matter of this Agreement prepared and/or submitted by KEEFE shall become the property of COUNTY. However, KEEFE

may retain copies of such documents and information for its records. In the event of termination of this Agreement, for any reason whatsoever, KEEFE shall promptly turn over all information, writings and documents to COUNTY without exception or reservation.

37. **EQUAL EMPLOYMENT OPPORTUNITY CERTIFICATION.** The Parties warrant and represent that they shall comply with all federal, state and local laws as required, including but not limited to, Executive Order 11246, as amended, Section 503 of the Rehabilitation Act of 1973, as amended, and the Vietnam Era Veterans' Readjustment Act of 1974, as amended. The Parties hereby incorporate the requirements of 41 C.F.R. 60-1.4(a)(7), 60-250.5 and 60-741.5, if applicable.

38. **INTERPRETATION.** This Agreement, as well as its individual provisions, shall be deemed to have been prepared equally by both of the parties hereto, and shall not be construed or interpreted more favorably for one party on the basis that the other party prepared it.

39. **INDEPENDENT CONSTRUCTION.** The titles of the sections, subsections, and paragraphs set forth in this Agreement are inserted for convenience of reference only, and shall be disregarded in construing or interpreting any of the provisions of this Agreement.

40. **LIMITATION OF LIABILITY.** EXCEPT FOR CLAIMS OR ACTIONS REQUIRED TO BE INDEMNIFIED PURSUANT TO SECTION 20, INDEMNIFICATION, LIABILITY ARISING BASED ON A BREACH OF SECTION 32 (COMPLIANCE WITH LAWS), OR ANY CLAIM OR ACTION RELATED TO TRADEMARK/COPYRIGHT INFRINGEMENT AS DISCUSSED BELOW, NEITHER PARTY SHALL BE LIABLE, WHETHER IN CONTRACT, TORT (INCLUDING NEGLIGENCE) OR OTHERWISE, FOR ANY PUNITIVE, SPECIAL, INDIRECT, INCIDENTAL, CONSEQUENTIAL, LIQUIDATED OR EXEMPLARY DAMAGES (INCLUDING LOST PROFIT OR BUSINESS INTERRUPTION EVEN IF NOTIFIED IN ADVANCE OF SUCH POSSIBILITY) ARISING OUT OF OR PERTAINING TO THE SUBJECT MATTER OF THIS AGREEMENT OR OUT OF ANY OF THE PRODUCTS OR SERVICES PROVIDED UNDER THIS AGREEMENT.

41. **FORCE MAJEURE.** Neither party hereto shall be liable or responsible for delays or failures in performance resulting from events beyond the reasonable control of such party and without fault or negligence of such party. Such events shall include, but not be limited to, acts of God, strikes, lockouts, riots, acts of war, epidemics, acts of government, fire, power failures, nuclear accidents, earthquakes, unusually severe weather, acts of terrorism or other disasters, whether or not similar to the foregoing.

42. **MISCELLANEOUS.** This Agreement may be executed in two or more counterparts, and each such counterpart and any copies thereof shall be deemed an original. The headings in this Agreement are intended solely for convenience and shall not affect the rights of the Parties under the Agreement. In the event any provision(s) of this Agreement is in conflict with any law, statutory provision or otherwise, such term(s) shall be deemed stricken from this Agreement, but any such invalidity or unenforceability shall not invalidate any of the other terms of this Agreement, and the Agreement shall continue in full force and effect. This Agreement will

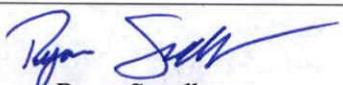
apply to, be binding on, and inure to the benefit of the successors and permitted assigns of the Parties.

43. **AUTHORITY.** The undersigned representative of each Party warrants that he/she has the full authority to execute this Agreement and bind the Party on whose behalf he/she is executing the Agreement.


IN WITNESS WHEREOF, the Parties have executed this Agreement as of the year and date written below.

County of Humboldt

By:
Name:
Title: Humboldt County Sheriff
Date:
Address for Notice:

By: 
Name: Ryan Sundberg
Title: Chair Board of Supervisors
Date: 8/21/18

Keefe Commissary Network, LLC

By: 
Name: John Puricelli
Title: Executive Vice President
Date: 7/20/18
Address for Notice:
10880 Lin Page Place
St. Louis, MO 63132

With a copy to:
General Counsel, TKS Holdings, Inc.
1260 Andes Boulevard
St. Louis, MO 63132

Insurance and Indemnification Requirements


Approved:
By: 
Name: Kelly Burns
Title: Risk Analyst Management
Date: 8/14/18

Exhibit A

SERVICE LEVEL AGREEMENT

1. Service Performance

- 1.1 Delivery of quality, accurate commissary to inmates of the County's facilities in a timely manner.
- 1.2 High-quality, well-supported software, services and support for the inmate banking accounts and the many transactions, interfaces and processes between these accounts and the various third-party applications and service providers that the County uses or may use at any time in the future.
- 1.3 Real-time reports as requested by County.
- 1.4 Adequate variety, quantity and quality of products including low-salt, sugar-free, heart-healthy, kosher, halal and other merchandise appropriate to the dietary, nutritional, cultural and hygiene needs of all types of inmates that the County's facilities house or may house at any time.
- 1.5 Commissary services and merchandise to inmates for sale at agreed-upon fair and reasonable prices.
- 1.6 Well-maintained equipment and hardware in optimum working condition
- 1.7 New technologies and services that will enhance the operations of the County's facilities.
- 1.8 Accurate commission revenue generation and timely payment of commissions to support the necessary expenditures of the Inmate Welfare Fund.
- 1.9 The Keefe shall comply with Title 15 requirements for Commissary services.
- 1.10 Keefe shall provide a Redundant System and Replacement Plan to include but not limited to equipment, hardware, and software.

2. Liquidated Damages

- 2.1 Late Management Reports and Late Invoices. There will be a Late Fee of \$ 50.00 per day for reports and invoices received late, unless prior approval for late delivery by Keefe has been granted by the County.
- 2.2 System Problems, Non-Delivery, and Other Deficiencies (Software, Hardware, Equipment). If the software or any applicable Keefe hardware or equipment is unavailable during any period of time that it experiences a system problem, non-delivery, or other service-affecting Problem or Deficiency. Failure to provide this service within the agreed-upon timeframes will incur liquidated damages until fully functional. Upon County's or County-authorized Agent's request, Keefe will issue credits for each problem, or deficiency. Keefe shall pay the County the total amount of credit due by check within thirty (30) days from the month Deficiencies occurred under the Agreement.
- 2.3 Keefe shall have a Maintenance/Trouble Ticket process. Notification of all problems and deficiencies shall be handled through the Keefe's designated onsite staff and/or Customer Service Department, which shall be accessible online, via a

toll-free telephone number, and email. Keefe shall provide twenty-four (24) hours a day, seven (7) days a week on-call Customer Service and support staff to support the County and the Keefe's on-site staff in resolving problems and deficiencies.

- 2.4 Staff Reimbursement. Keefe shall reimburse the County at the hourly rate of \$75.00 per hour if County staff performs maintenance.
- 2.5 Severity Levels. The County will assign one of the following "Severity Levels" (Table 1 – Severity Levels and Credits). Keefe must respond to and resolve these in accordance with the following timeframes, following the determination and/or notification of the Problem, Outage, or other Deficiency listed in Table 1 - Severity Levels and Credits (next page).

(Intentionally Left Blank)

Table 1 – Severity Levels and Credits			
Severity Level	Severity Level Description	Duration of Service Outage	Credits
Priority Level One	CRITICAL (Includes but not limited to): Commissary system is down and non-operational, interfaces under Keefe's control are not operational, Keefe servers are non-functional, Keefe software is non-operational, and 50% or more of the Keefe hardware or equipment (if applicable) is non-operational. Response time and completion of repairs and Deficiency resolution to County's satisfaction is made within 12 hours of initial notification of County or County's Agent by Keefe, or from County's or County Agent's initial service request to Keefe.	≤ 12 hours	No Credit
		Between 12 hours and 24 hours	\$50 per hour that component of Commissary Services is deficient
		Between 24 hours and 36 hours	\$100 per hour that component of Commissary Services is deficient
		> 36 hours	\$250 per calendar day that component of Commissary Services is deficient
Priority Level Two	SEVERE (Includes but not limited to): Commissary system is intermittently down, <50% of Keefe hardware or equipment (if applicable) is non-operational, and non-delivery of menu items ordered attributable to the acts or omission of Keefe. Response time, completion of repairs, and Deficiency resolution to County's satisfaction is made within <u>36</u> hours of initial notification of County or County's Agent by Keefe, or from County's or County Agent's initial service request to Keefe.	≤ 36 hours	No Credit
		> 36 hours	\$250 per day that component of Commissary Services is deficient
Priority Level Three	MINOR (Includes but not limited to): Inaccurate reports, accounting reconciliation gaps related to Keefe software malfunction(s), inaccurate commissions calculation, menu item and pricing inconsistencies. Response time, completion of repairs, and Deficiency resolution to County's satisfaction is made within <u>15</u> business days of initial notification of County or County's Agent by Keefe, or from County's or County Agent's initial service request to Keefe.	≤15 business days	No Credit
		>15 business days	\$100.00 per business day that component of Commissary Services is deficient

2.6 Chronic Trouble

Keefe shall ensure that all Chronic Troubles as specified in Table 2 – Chronic Trouble Tickets are addressed and managed in a timely manner based on severity level. A Chronic Trouble (Chronic) defined as any problem or deficiency of a specified root cause, which has experienced 3 separate incidents reported or trouble tickets opened against it by the County or County-authorized Agent, or Keefe, for the same/similar problem and root cause over a rolling 30-day period. A Chronic's rolling 30-day counter is considered "reset" upon a period of 30 days free of the same trouble or problem with the same root cause. The County and Keefe shall mutually agree to either have credits issued (Table 2), or cancel the contract.

Table 2 – Chronic Trouble Credits		
Severity Level	Consecutive Months' Occurrence	Credits
Priority Level One	3	50% of Monthly Revenue Commissions
	6	One Month's Revenue Commissions
	>6	Option to open contract for discussion, up to and including cancellation of contract without penalty
Priority Level Two	3	25% of Monthly Commissions
	6	50% of Monthly Commissions
	12	One Month's Revenue Commissions
	>12	Option to open contract for discussion, up to and including cancellation of contract without penalty
Priority Level Three	3	25% of Monthly Commissions
	6	50% of Monthly Commissions
	≥12	One Month's Revenue Commissions

Exhibit B
Noncommissioned Items

Stamped envelopes

Postage stamps

Indigent Kits

Admission Kits

Phone time or sales

Tablet time or revenue

On-site, special commissary item sales sold by COUNTY

Refunded items

Exhibit C
Payment Services

1. **Services.** KEEFE will provide cash handling services and payment processing services for payments made through online websites and/or mobile sites, walk-in retailers, call centers, or applications operated by KEEFE or such other methods ("**Transactions**") for crediting account balances held by COUNTY on behalf of the recipients of funds (the "**Services**"). KEEFE provides the Services in its capacity as a licensed money services business. KEEFE represents and warrants to COUNTY that KEEFE is duly licensed to provide the Services and will do so in compliance with applicable laws and regulations.
2. **Authorization.** COUNTY authorizes KEEFE to act on its behalf in handling cash and to submit Transactions initiated by individuals through the Services to the credit card networks or otherwise for authorization, processing and settlement to COUNTY for the benefit of designated recipients.
3. **Responsibilities of KEEFE.**
 - a. KEEFE will receive payments from the public, directed to recipients by way of the Services.
 - b. KEEFE will transfer payment files to COUNTY on a daily basis. KEEFE will deliver payments to COUNTY by the second business day following (but not including) the day of the transaction by means of an electronic funds transfer ("EFT") to COUNTY's designated bank account; provided, however, KEEFE, in its sole discretion, reserves the right to delay its acceptance of any transaction that KEEFE determines to be suspicious and warrants further investigation. COUNTY acknowledges and agrees that KEEFE may reject, terminate or cancel any proposed transaction should KEEFE determine the transaction is being made for an improper or illegal purpose.
 - c. KEEFE will provide COUNTY with daily payment information by way of the KEEFE COUNTY interface.
 - d. KEEFE will be responsible for responding to and resolving inquiries and complaints from senders of funds arising out of KEEFE's failure to timely transmit any payment to COUNTY.
 - e. KEEFE will provide sufficient promotional material to be posted by COUNTY.
 - f. KEEFE, upon receipt of written notice from COUNTY, shall place limitations on transactions. The limitations will be implemented by KEEFE as soon as is reasonably practicable.
4. **Responsibilities of COUNTY.**
 - a. COUNTY will provide KEEFE with the required bank account information for transmission of an EFT. COUNTY agrees to notify KEEFE, in writing, giving fourteen (14) days' notice, of any changes to the bank account information.
 - b. COUNTY will, upon receipt of written documentation of overpayment, promptly, but in no event more than ten (10) business days, refund any overpayment made by KEEFE, for any reason. This is to include, but not be limited to, duplicate payments, payments refunded to customers by KEEFE and any incorrect payments. At KEEFE's sole option and in lieu of the foregoing, KEEFE may offset any such overpayments from future payment amounts transmitted by KEEFE to COUNTY and notify COUNTY of any such offset.

- c. COUNTY will promptly report receipt of each payment to the designated account or recipient in accordance with the COUNTY's policy.
 - d. COUNTY agrees that it shall, to the full extent allowed by law, assume all liability, responsibility and risk of loss associated with its breach of any of the terms or conditions within this Exhibit D and/or its negligence in the performance of its duties hereunder.
 - e. COUNTY agrees that KEEFE may determine, in its sole discretion, to suspend, terminate or place restrictions on one or more individual's ability to use the Services.
5. **Rates.** The Services shall be provided at no cost to COUNTY. KEEFE shall charge persons initiating a Transaction a service fee in accordance with its rate schedule which the COUNTY acknowledges may be amended by KEEFE in its sole discretion from time to time.
6. **Exclusivity.** KEEFE has the exclusive right to provide the Services for the COUNTY and the exclusive right to collect and receive money handling fees associated with the Services which fees will belong to KEEFE.
7. **Refunds/Chargebacks.**
- a. The Parties acknowledge that once KEEFE accepts a transaction submitted to the applicable payment network or otherwise for processing, KEEFE cannot cancel or change the transaction. Except to the extent required by applicable law, payments processed by KEEFE are non-refundable to the individual by KEEFE. Individuals may have additional refund or chargeback rights under their cardholder agreement with the card issuer or applicable law.
 - b. In the case of chargebacks or returned funds, KEEFE will be responsible for pursuing the chargeback through the card association's dispute resolution processes, if appropriate in KEEFE's sole discretion. Upon written request from KEEFE, COUNTY agrees to provide requested information needed to pursue the chargeback.
 - c. If an individual requests a refund, KEEFE will not be responsible for making those funds available if they have been already settled to a designated account by KEEFE or are beyond KEEFE's control.
 - d. If COUNTY and sender of funds issue inconsistent instructions or requests to KEEFE, COUNTY's instructions will control and COUNTY will reimburse, defend, indemnify and hold KEEFE harmless from any and all losses, costs and expenses (including reasonable attorneys' fees) as a result of complying with COUNTY's instructions.
8. **Damages Cap; No Other Warranty.** OTHER THAN KEEFE'S OBLIGATION FOR ANY FUNDS RECEIVED FROM INDIVIDUALS, IN NO EVENT SHALL KEEFE'S AGGREGATE LIABILITY IN TOTAL FOR ALL CLAIMS ARISING FROM OR RELATING TO THE SERVICES PROVIDED FOR IN THIS EXHIBIT D, EXCEED THE AMOUNT PAID TO KEEFE PURSUANT TO THE MASTER CONTRACT IN THE PRECEDING TWELVE (12) MONTHS. THE FOREGOING LIMITATION APPLIES REGARDLESS OF THE NATURE OF THE CLAIM OR THE FORM OF THE ACTION EMPLOYED, WHETHER IN CONTRACT, WARRANTY, TORT (INCLUDING NEGLIGENCE) OR OTHERWISE. THE SERVICES ARE PROVIDED "AS IS." EXCEPT AS EXPRESSLY STATED IN THIS EXHIBIT D, NEITHER PARTY MAKES, AND EACH

PARTY EXPRESSLY DISCLAIMS, ANY REPRESENTATIONS OR WARRANTIES FOR THE SERVICES, EXPRESS OR IMPLIED, INCLUDING ANY IMPLIED WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT OF THIRD PARTY RIGHTS, OR IMPLIED WARRANTIES ARISING FROM THE COURSE OF DEALING OR COURSE OF PERFORMANCE.

9. Except as otherwise stated herein in this Exhibit D, the terms of the Agreement apply to the provision of Payment Services.

Exhibit D – Humboldt County Menu



Page 1 of 2

Item	Description	Price	Item	Description	Price	Item	Description	Price
Snacks			Cookies & Pastry			Chips & Crunchy Snacks		
2615	BC Summer Sausage Regular 1.625 oz	\$1.40	2757	NV Granola Bar Sweet/Salty Almond 1.2	\$1.40	2737	Fritos Corn Chips Chili Cheese 2 oz w	\$1.20
2665	Velveeta Spicy Mac & Cheese 3 oz	\$1.85	2758	Granola Bar Crunchy Peanut Butter	\$0.90	3110	Keebler Crackers Club 5.25 oz	\$2.35
2666	Velveeta Rice Cheesey 2 oz	\$1.40	2759	Granola Bar Crunchy Oat & Honey	\$0.90	3115	Cheeze-It Crackers 1.5 oz	\$0.85
2667	Velveeta Rice Spicy Cheese 2 oz	\$1.40	3010	MS Soft Cookies Choc Chip 2.75 oz	\$1.25	3219	Austin Crackers Cheese On Cheese	\$0.70
2670	Velveeta Beans & Rice Spicy Cheesy 4 oz	\$2.35	3015	MS Cookies Oatmeal Raisin 2.75 oz	\$1.25	3222	Austin Crackers Toasted PB	\$0.70
2789	Tapatio Hot Sauce 5 oz	\$2.20	3020	Oreo Cookies 2.4 oz	\$1.30	3223	Austin Crackers PB On Cheese	\$0.70
3581	BC Summer Sausage Hot & Spicy 1.625 oz	\$1.50	3031	MS Cookies Orange Pineapple Cremes 6	\$1.75	6079	Whole Shabang Potato Chips 1.5 oz	\$1.10
6026	Maruchan Ramen Chili 3 oz	\$1.17	3035	MS Cookies Choc Chip 6 oz	\$1.75	6100	Moon Lodge Potato Chips 1.5 oz	\$1.10
6046	Maruchan Ramen Chicken 3 oz	\$1.17	3040	MS Cookies Iced Oatmeal 6 oz	\$1.75	6102	Moon Lodge Potato Chips Jalapeno 1.5	\$1.10
6047	Sevilla Refried Beans Spicy 8 oz	\$3.20	3193	Kelloggs Pop Tarts Strawberry 2Pk	\$1.55	6103	CATortilla Chips Scorchin Habanero 1.5	\$1.10
6050	Keefe Rice Inst White 8 oz	\$2.10	3200	Moon Pie Banana Dbl Decker 2.75 oz	\$1.20	6105	Moon Lodge Potato Chips BBQ 1.5 oz	\$1.10
6052	Maruchan Ramen Hot & Spicy Veg 3 oz	\$1.17	3218	Mrs Freshley's Brownie Fudge 3.25 oz	\$1.60	6116	Cactus Annies Cheese Puffs 2 oz	\$1.20
6059	Maruchan Ramen Shrimp 3 oz	\$1.17	3230	MS Peanut Butter Wafer 2Pk	\$0.80	6125	ML Potato Chips Hot BBQ 1.5 oz	\$1.10
6195	BC Premium Chicken Breast Diced 4.5 oz	\$3.85	3231	MS Snack Cake Oatmeal & Creme 16 oz	\$0.80	6127	Cactus Annies Pork Rinds Hot & Spicy 2	\$1.75
6412	Squeezum Jelly Grape 1 oz	\$0.55	3236	MS Cake Swiss Roll 12 oz	\$0.80	6153	ML Potato Chips Buffalo Blue Cheese 1.	\$1.10
6600	CA Tortillas Flour 8 oz 6 ct 8"	\$2.15	3245	MS Donut Sticks	\$0.80	6154	Doritos Chips Nacho Cheese 1.75 oz	\$1.20
Beverages			3270	MS Cupcakes Choc Creme 4 oz	\$1.60	6159	Cheetos Crunchy Flamin Hot 1.75 oz	\$1.20
2011	Keefe Freeze Dried Coffee Decaf 3 oz	\$5.25	6400	Quaker Granola Bar Choc Chip 6.72 oz	\$1.40	6234	Corn Nuts Corn Nuts Ranch 1.4 oz	\$1.45
2070	Keefe Hot Cocoa ss .8 oz	\$0.65	6540	Golden Valley Strawberry Bar Low Fat 1	\$0.70	6606	ML Peanuts Roasted & Salted 1.75 oz	\$1.00
2087	Keefe Creamer ss 10 Pk	\$1.10	Candy			6607	ML Peanuts Hot Hot Hot 1.75 oz	\$1.00
2210	Keefe Drink Mix Fruit Punch ss .5 oz	\$0.55	4001	Mars M&M Peanut 1.74 oz	\$1.40	6680	El Sabroso Cheese Curls Blazin Hot 4 oz	\$2.50
2220	Keefe Drink Mix Lemonade ss .5 oz	\$0.55	4010	Mars Snickers 1.86 oz	\$1.40	Reading Glasses		
2303	Keefe Drink Mix Orange Breakfast 6 oz	\$2.00	4013	Mars Milky Way 1.84 oz	\$1.40	5273	Reading Glasses Polycarb Lense 1.25	\$5.30
2330	Kool Aid Drink Mix Tropical Punch 6 oz	\$2.25	4019	Atkinson Candy Chick-O-Stick .7 oz	\$0.70	5274	Reading Glasses Polycarb Lense 1.50	\$5.30
2340	Gatorade Mix Lemon Lime 1Qt 2.12 oz	\$2.00	4032	3 Musketeers 1.92 oz	\$1.40	5275	Reading Glasses Polycarb Lense 1.75	\$5.30
Kits			4035	Reeses Peanut Butter Cups 1.5 oz	\$1.40	5276	Reading Glasses Polycarb Lense 2.0	\$5.30
9618	Humboldt Kit Indigent Kit	\$2.40	4065	Big HunK 2 oz	\$2.00	5277	Reading Glasses Polycarb Lense 2.25	\$5.30
9691	Humboldt Pre Addressed Env Kit	\$0.75	4100	Sathers Butterscotch Discs 4.25 oz	\$1.70	5278	Reading Glasses Polycarb Lense 2.5	\$5.30
			4110	Sathers Lemon Drops 4.25 oz	\$1.70	5279	Reading Glasses Polycarb Lense 2.75	\$5.30
			4135	Jolly Rancher Candy Assorted 3.7 oz	\$2.25	5280	Reading Glasses Polycarb Lense 3.0	\$5.30
			4145	Sathers Star Brites 3.75 oz	\$1.70	5281	Reading Glasses Polycarb Lense 3.25	\$5.30
			4146	Atomic Fireball 3 oz	\$1.70	5282	Reading Glasses Polycarb Lense 1.0	\$5.30
			4150	Sathers Sour Fruit Balls 4.25 oz	\$1.70			
			4156	Sathers Vanilla Caramels 3 oz	\$1.70			
			4387	Rocky Road 1.82 oz	\$1.40			



Item	Description	Price
Hygiene		
1	Crawford Shampoo Balsam & Protein 4 oz	\$1.65
2	Crawford Conditioner Balsam & Protein 4 oz	\$1.65
14	Suave Shampoo & Conditioner 12.6 oz	\$5.25
48	Softie Conditioner Coconut Oil 5 oz	\$2.75
55	Pro Glo Pomade Gel 4 oz	\$2.70
205	Freshscent Baby Oil 4 oz	\$1.80
210	Crawford Lotion Skin Care 4 oz	\$1.50
212	Infused Lotion Dly Bdy Coconut Lime 15 oz	\$2.95
215	Crawford Lotion Cocoa Butter 4 oz	\$1.50
250	Hydrocortisone Cream Max Strength 1% 1 oz	\$2.95
251	Athlete Ft Cream 1% Tolnaftate .5 oz	\$2.30
273	Chapet Lip Balm Regular Flavor .16 oz	\$2.10
320	Magic Shave Shave Cream Regular 6 oz	\$5.55
357	Elementz Shampoo Daily 15 oz	\$3.45
358	Elementz Conditioner Almond/Shea 15 oz	\$3.45
398	Dial Soap Antibacterial Bar 4 oz	\$1.80
439	Next 1 Soap Deodorant Hypoallergenic 3 oz	\$1.25
490	American Comb Soap Dish Hinged	\$0.85
520	Colgate Toothpaste Anticavity 2.5 oz	\$2.75
530	Cool Wave Toothpaste Gel Mint 4 oz	\$2.30
544	Loops Floss Loops Mint 30 pk	\$2.55
557	New World Toothbrush Antishank 1 ea	\$0.35
590	Freshmint Denture Tablet 40 ct	\$3.30
710	Playtex Tampon Unscent Gentle 20 ct	\$6.90
712	Preference Maxi Pad Regular 24 ct	\$3.70
713	Preference Pantishields 22 ct	\$1.90
720	Antifungal Powder Med Tolnaftate 1% 3 oz	\$2.65
784	Staydent Denture Adhesive Cream 2.4 oz	\$5.15

Item	Description	Price
Stationery & Games		
1015	Unisource Env No Clasp 9.5 x 12.5	\$0.45
1060	Tops Paper Ruled Pad 8.5 x 11 50 Sheet	\$1.40
1070	Tops Paper Sketch Pad 8.5 x 11 50 Sheet	\$1.35
1075	New World Imports Pencil Golf Type	\$0.20
1077	Quill Pencil #2 w/ Eraser	\$0.30
1080	Rose Art Colored Pencils 24 ct 3.5"	\$2.65
1085	Sanford Eraser Beveled	\$0.55
1086	Webster Dictionary Pocket	\$4.20
1101	Gallant Birthday Card Juvenile	\$2.10
1121	Gallant Seasonal Greeting Card	\$2.10
1123	Gallant Birthday Card Spanish Paper	\$2.10
1295	Sudoku Book Sudoku	\$3.70
1305	Aviator Playing Cards Pinochle	\$2.40
1308	Gen Book Word Find	\$4.20
800	New World Imports Comb 5"	\$0.25
821	Gen Brush Palm	\$0.65
825	Cardinal Afro Pik Nylon	\$0.35
855	J & D Pony Oh Terry Cloth	\$0.25
1256	Grainger Ear Plugs No Cord	\$0.60
1400	Becker Cereal Bowl w/ Lid 24	\$1.15
1415	Churchill Tumbler w/ Lid 22 oz	\$1.15
614	Acetaminophen Non Aspirin Regular 32	\$0.55
642	Roloids Antacid Regular Strength	\$1.35
671	Goodsense Cough Drops Cherry 30 ct	\$1.85

Item	Description	Price
Footwear		
1454	Crawford Flip Flop V Strap Large	\$1.65
8742	Orange Deck Shoe Slip On sz 6 M/8 W	\$9.55
8743	Orange Deck Shoe Slip On sz 7 M/9 W	\$9.55
8744	Orange Deck Shoe Slip On sz 8 M/10 W	\$9.55
8749	Orange Deck Shoe Slip On sz 9 M/11 W	\$9.55
8766	Orange Deck Shoe Slip On sz 10 M/12 W	\$9.55
8771	Orange Deck Shoe Slip On sz 11/sz 13 W	\$9.55
8774	Orange Deck Shoe Slip On sz 12 M/14 W	\$9.55
8782	Orange Deck Shoe Slip On sz 13 M/15 W	\$9.55
8786	Orange Deck Canvas Slip On sz 14 M/16	\$9.55