



STATE OF MICHIGAN

DEPARTMENT OF TECHNOLOGY, MANAGEMENT & BUDGET

LANSING

RICK SNYDER
GOVERNOR

DAVID B. BEHEN
DIRECTOR

April 15, 2016

U.S. Corrections
C/O Dave Warden III
15720 Brixham Hill Ave., Ste. 300
Charlotte, NC 28277

Via U.S. mail, return receipt requested AND email at Dustin.Baldwin@U.S.corrections.org and Dave.Warden@U.S.corrections.org

Re: Contract #071B6600049 – Prisoner Transport Services

Dear Mr. Warden:

In the weeks since the contract for prisoner transport with your organization was executed, the Michigan Department of Corrections (MDOC) and the Office of the Attorney General (AG) have both had continuing issues with the service received. Some examples are described below.

Exhibit A, Section 1.1(E) of the contract states that prisoners may only be returned to the Charles E. Egeler Reception and Guidance Center between the hours of 8 a.m. and 2 p.m. Monday – Friday unless 24 hours' notice is given and the facility gives approval. On multiple occasions, however, prisoners were returned to this facility outside of these hours, without the required 24-hour notice or facility approval. MDOC officials have spoken with you regarding these issues, yet they have continued. Additionally, on Tuesday, April 12, 2016, your transport arrived at the facility with three prisoners to relinquish, without providing the 24 hours' notice to the facility as required in Exhibit A, Section 1.1(F).

Additionally, MDOC requested U.S. Corrections to make a pick-up by March 9, 2016. However, the holding facility had not heard from U.S. Corrections by then, contrary to Exhibit A, Section 1.1(A)(6). As such, MDOC contacted U.S. Corrections and was informed that errors on the part of U.S. Corrections staff resulted in no transport being scheduled for that prisoner. Contrary to Exhibit A, Section 1.1(A)(5), U.S. Corrections then requested MDOC to ask the judge to hold the prisoner for a longer period, even though the mandated period was outlined in the original transport order.

To date, 17 prisoners have been transported by U.S. Corrections for the AG. AG staff have requested on numerous occasions that they be notified before these drop-offs are made. This has never occurred, despite assurances from U.S. Corrections that this issue would be addressed, contrary to Exhibit A, Section 1.1(A)(8). Of these 17 transports, 9 were not picked up within 10 days of the request, contrary to Exhibit A, Section 1.1(A)(4). In addition, 4 separate correctional facilities have contacted AG staff with concerns prisoners were not being picked up within the required time. This is because U.S. Corrections had not provided 24-hour notice to the holding facility as required by Exhibit A, Section 1.1(A)(6).

Recently, and most importantly, on Monday, April 4, 2016, U.S. Corrections informed MDOC that two prisoners picked up for transport escaped U.S. Corrections' custody in Florida. The resulting multi-state manhunt managed to recover the prisoners in Mississippi and Tennessee two and four days later, respectively. This is a violation of several sections of the contract, including Section 1, which states in part:

Contractor must: (a) perform the Contract Activities in a timely, professional, safe, and workmanlike manner consistent with standards in the trade, profession, or industry; (b) meet or exceed the performance and operational standards, and specifications of the Contract; (c) provide all Contract Activities in good quality, with no material defects; (d) not interfere with the State's operations...Any breach under this paragraph is considered a material breach... [Section 1.]

As a result of the above issues, the State hereby terminates Contract No. 071B6600049, effective April 15, 2016, pursuant to Section 23, which states in part:

Termination for Cause. The State may terminate this Contract for cause, in whole or in part, if Contractor, as determined by the State: (a) endangers the value, integrity, or security of any location, data, or personnel; (b) becomes insolvent, petitions for bankruptcy court proceedings, or has an involuntary bankruptcy proceeding filed against it by any creditor; (c) engages in any conduct that may expose the State to liability; (d) breaches any of its material duties or obligations; or (e) fails to cure a breach within the time stated in a notice of breach. Any reference to specific breaches being material breaches within this Contract will not be construed to mean that other breaches are not material.

If the State terminates this Contract under this Section, the State will issue a termination notice specifying whether Contractor must: (a) cease performance immediately, or (b) continue to perform for a specified period. If it is later determined that Contractor was not in breach of the Contract, the termination will be deemed to have been a Termination for Convenience, effective as of the same date, and the rights and obligations of the parties will be limited to those provided in Section 24, Termination for Convenience. [Section 23.]

Effective April 15, 2016, U.S. Corrections, LLC must cease performance of the Contract Activities and complete any transports already en route within 10 days.

U.S. Corrections is hereby given 14 days to perform the following:

1. Certify destruction of "Confidential Information" and "State Data" in accordance with Section 32(e), Surrender of Confidential Information upon Termination; and
2. Provide an invoice for any outstanding Contract Activities.

Please provide the above items by email to Tom Falik at FalikT@michigan.gov by 5 p.m. on Wednesday, April 29, 2016.

Sincerely,

/s/ Tom Falik
Tom Falik
Services Division Director
DTMB-Procurement