

YELLOWSTONE COUNTY

Purchase of Service Contract Jail Alternatives

1. PARTIES

This CONTRACT, is entered into this 16th day of September, 2025, between **Yellowstone County**, hereinafter referred to as "**County**", and **Alternatives, Inc.**, located at 2120 3rd Avenue North, Billings, Montana, 59101, hereinafter referred to as "**Contractor**"; whose nine (9) digit Federal ID number is 81-0382745. This contract is effective as of July 1, 2025.

2. RECITALS

WHEREAS, the Contractor is a non-profit corporation organized under Montana Law for the purpose of providing comprehensive community services to adult and youth defendants and offenders, hereinafter referred to as "**Clients**,"

WHEREAS, the Contractor has a Board of Directors empowered to employ persons to care for said clients within the County; and

WHEREAS, the purpose of this Contract is to set forth the terms of the Contract and the parties' respective rights, duties, and obligations.

In consideration of the mutual covenants and considerations herein stated and set forth, the parties agree as follows:

3. PURPOSE

The Contractor will provide jail alternative services to both residential and non-residential clients referred by Justice Courts, District Courts, the County Attorney's Office, and Youth Courts in Yellowstone County.

The purpose of the Contractor offering these services shall be to:

- 1) Provide a range of sentencing options as alternatives to incarceration within the Yellowstone County Jail.
- 2) Decrease the likelihood that an individual would be required to serve time in jail for reason of indigency.
- 3) Permit the client to assume responsibility for the consequences of his or her actions.
- 4) Promote public safety through client accountability.

4. SCOPE OF SERVICES

The Contractor offers and the County agrees to purchase the following services as needed, but the County retains the right to purchase similar services from other vendors at its discretion:

- 1) Community Service Placements
- 2) House Arrest
- 3) Detention Placements
- 4) Work Release
- 5) Partner or Family Member Assault / Anger Management Classes
- 6) Alcohol & Drug Treatment
- 7) Urinalysis Testing
- 8) Chemical Dependency Evaluations
- 9) Driver Offender Course
- 10) Tobacco Cessation Education
- 11) Secure Continuous Remote Alcohol Monitoring (SCRAM)
- 12) Remote Breath Alcohol Monitoring
- 13) Global Positioning System (GPS) Monitoring
- 14) Drug Patch Testing
- 15) Facial Recognition Mobile Check-Ins

Each of these services will be operated according to a written procedural manual produced by the Contractor. These procedures are attached to this agreement as **Attachment A**. The County may request changes in operating procedures or the addition of needed program services.

Except for services requiring residential bed space (Detention, Work Release), the Contractor places no limit on the number of clients that may be referred for services. Detention clients are limited to a maximum daily average population of four. Work Release placements will be accepted subject to bed availability. The Contractor agrees that once a Work Release client is accepted in placement that the client will be permitted to complete his or her entire sentence within the facility unless the client fails to comply with the rules and regulations of Alternatives, Inc. or if medical issues require release. The Contractor shall notify the referring Court of the circumstances warranting release prior to acting.

5. BOARD MEMBERSHIP / ADVISORY COMMITTEE

The Yellowstone County Board of County Commissioners shall appoint one individual to sit on the Board.

6. RECORDS / REPORTING

The Contractor shall maintain documentation of services delivered. Records will include the clients' progress in meeting program requirements, the number and type of services delivered.

Records, work papers, supporting documents, statistical records, and all other records documenting the services provided by the Contractor must be retained for a period of two (2) years from the completion date of this Agreement.

The Contractor agrees to provide the County with statistical documentation concerning service levels on an as requested basis. On an annual basis the Contractor will make a verbal presentation to the County on the operation of the Alternatives program.

7. COMPENSATION

The County will provide the Contractor the sum of \$120,000 (one hundred twenty thousand dollars) per annum as compensation for the operation of the Jail Alternatives program during the term of this Agreement. The Contractor may charge clients supervision fees, and in the event that the client is unable to pay these fees, the County may, at its discretion, pay the fees on the client's behalf.

The Contractor shall submit an invoice to the County on the first day of July (2025 and 2026), October (2025 & 2026), January (2026 & 2027), and April (2026 & 2027) for one quarter (1/4) of the amount of yearly compensation. The County will have fifteen days to review and question charges and pay undisputed claims. Disputed claims will be redirected to the Yellowstone County Clerk and Recorder, and the Chief Executive Officer of Alternatives, Inc. for resolution within a 30-day period.

8. MEDICAL SERVICES

The cost of all medical and dental treatment shall be the responsibility of the client. In the event of an emergency, the Contractor may arrange for necessary medical services, but shall notify the County Sheriff's Office immediately and furnish full information regarding the nature of the illness, the type of treatment to be provided, and the estimated costs thereof.

9. INDEPENDENT CONTRACTOR STATUS, INSURANCE, AND INDEMNIFICATION

- A. The Contractor is an independent contractor providing services to the County. Neither the Contractor, nor any of its employees, are employees of the County under this agreement, nor will they be considered employees of the County under subsequent amendment to this agreement, unless otherwise expressed in writing.
- B. The Contractor is required to supply the County with proof of Worker's Compensation Insurance or Independent Contractor's Exemption covering the Contractor while performing work for the County. Clients assigned to the Community Service Program are to be covered under this policy.
- C. Contractor shall maintain at its sole cost and expense, commercial general liability insurance naming Yellowstone County as additional insured against liability for damages for bodily injury, including death, and property damages in a minimum amount of Seven Hundred Fifty Thousand Dollars (\$750,000.00) for each claim and One Million Five Hundred Thousand Dollars (\$1,500,000.00) in the aggregate arising from incidents which occur as the result of Contractor's negligence while performing any work of service and for which Yellowstone County's sole basis of liability is vicarious liability for the acts or omissions of the Contractor and/or subcontractors. Contractor shall maintain at its cost and expense, insurance against claims for injuries

to persons or damages to property, including contractual liability which may arise from or in connection with work or service by Contractor, agents, employees, representatives, assigns, and sub-contractors. This insurance shall cover claims as may be caused by any negligent act or omission. The policy of insurance shall be an occurrence policy with a Best Rating of A- or better and must be in force throughout the effective period of the contract. In addition, Contractor will furnish to Yellowstone County a certificate of insurance and copy of the policy endorsement, indicating that Yellowstone County is named as an additional insured prior to implementing the contract.

- D. The Contractor will provide a security bond in the amount of \$100,000 and fidelity bonding of all staff with authority to handle monies.
- E. County shall indemnify and hold harmless Contractor, its officers, directors, agents and employees from and against any and all claims, demands or causes of action (including all costs and reasonable attorney's fees incurred in defending any claim, demand or cause of action) arising out of or resulting from any negligent or wrongful acts, errors, omissions, incompetence, malfeasance or misfeasance by the County and its officers, agents and employees in the provision of services pursuant to this Agreement. Contractor shall indemnify and hold harmless County, its respective officers, agents and employees from and against any and all claims, demands or causes of action (including all costs and reasonable attorney's fees incurred in defending any claim, demand or cause of action) arising out of or resulting from any negligent or wrongful acts, errors, omissions, incompetence, malfeasance or misfeasance by Contractor and its officers, directors, agents and employees in the provision of services pursuant to this Agreement. This provision shall survive the termination of this Agreement for events related to the performance of this contract.

10. GRIEVANCES

The Contractor shall maintain a system through which clients may present grievances concerning the operation of the program. This procedure does not apply to applicants who have not been accepted for services.

11. NON-DISCRIMINATION

Pursuant to Sections 49-2-303 and 49-3-207, Montana Code Annotated and the Federal Civil Rights acts, no part of this contract shall be performed in a manner which illegally discriminates against any person on the basis of race, color, religion, creed, political ideas, sex, age, marital status, physical or mental handicap.

12. ASSIGNMENT, TRANSFER, AND SUBCONTRACTING

The Contractor agrees not to assign or transfer any work contemplated under this contract without prior written consent from the County. The Contractor further agrees not to enter into subcontracts for any of the work contemplated under this contract without prior written approval.

13. MODIFICATION AND TERMINATION

- A. This Purchase of Service Contract may be modified at any time by mutual written agreement between both the County and the Contractor.
- B. Either party may terminate this Agreement without cause by providing the other party with at least thirty (30) days' prior written notice. In the event of such termination, the parties shall cooperate in good faith to wind down their respective obligations. Any prepaid funds attributable to services or benefits not yet provided as of the effective date of termination shall be prorated and refunded to the paying party within thirty (30) days. Conversely, any funds owed for services or benefits rendered through the effective date of termination shall be calculated on a pro rata basis and paid within thirty (30) days.

14. CHOICE OF LAW AND VENUE

This contract is governed by the laws of Montana. The parties agree that any mediation, arbitration, or litigation concerning this contract must be brought in the Thirteenth Judicial District, in and for the County of Yellowstone, State of Montana.

15. TERM OF AGREEMENT

This contract shall take effect and services will be provided starting on July 1, 2025, and shall terminate on June 30, 2027.

16. LIMITS OF CONTRACT

This instrument contains the entire contract between the parties, and no statements, or promises of inducements made by either party which are not contained in the written contract shall be valid or binding. The contract may not be enlarged, modified, or altered, except as provided by written agreement of the parties.

17. NOTICES

Notices shall be given as follows:

David O. Armstrong, CEO
c/o Alternatives, Inc.
2120 3rd Avenue North
Billings, MT 59101

Yellowstone County Commissioner
Mark Morse, Chairman
P.O. Box 35000
Billings, MT 59107

IN WITNESS THEREOF: The County and the Contractor have executed this contract on this _____ day of _____, 2025.

FOR: ALTERNATIVES, INC.

**FOR: BOARD OF COUNTY COMMISSIONERS
YELLOWSTONE COUNTY**



DAVID O. ARMSTRONG, CEO

MARK MORSE, CHAIRMAN

MICHAEL J. WATERS

CHRIS WHITE

ATTEST:

JEFF MARTIN, CLERK & RECORDER