

SERVICE CONTRACT

This Agreement is made this _____ day of _____, 2007, by and between the City of Ann Arbor, a municipal corporation, with offices located at 100 N. Fifth Ave. Ann Arbor, Michigan 48104 (the "City") and Dawn Farm, Inc., located at 502 West Huron Street, Ann Arbor, Michigan 48103 (the "Contractor").

In consideration of the promises below, the parties mutually agree as follows:

ARTICLE I - SCOPE OF SERVICES

The Contractor will provide alcohol assessments, testing, and in-patient and out-patient substance abuse counseling and rehabilitative services to 15th Judicial District Court defendants referred to the Contractor by the Court from the Court's Sobriety Court docket. These services are funded through grants from the Supreme Court of Michigan State Court Administrative Office (SCAO) Drug Court Grant Program for Grant Years 2005, 2006 and any subsequent Grant Years thereafter for which the Court shall receive such grants from SCAO.

ARTICLE II - COMPENSATION

Upon completion of the above services and submission of invoices the City will pay the Contractor an amount not to exceed Forty-Five Thousand Dollars (\$45,000) for services rendered for Grant Year 2007/2008. These funds will be disbursed as mutually agreed upon by the County and the Contractor.

The parties agree that the City will compensate the Contractor only to the extent that SCAO Drug Court Grant Program funds are actually awarded to and received by the City.

ARTICLE III - REPORTING OF CONTRACTOR

Section 1 - All reports, estimates, memoranda and documents submitted by the Contractor must be dated and bear the Contractor's name and be in compliance with the grant guidelines.

Section 2 - All reports made in connection with these services are subject to review and final approval by the Chief Judge of the 15th Judicial District Court or his/her designee, and by the City Administrator or his/her designee.

Section 3 - The Chief Judge of the 15th Judicial District Court or his/her designee, and the City Administrator or his/her designee may review and inspect the Contractor's activities during the term of this contract.

Section 4 - When applicable, the Contractor will submit a final, written report to the Chief Judge of the 15th Judicial District Court or his/her designee, and to the City Administrator or his/her designee.

Section 5 - After reasonable notice to the Contractor, the City or 15th Judicial District Court may review any of the Contractor's internal records, reports, or insurance policies pertaining to this contract. The Contractor shall grant access to SCAO, the 15th Judicial District Court, the City or to any of their duly authorized representatives to any books, documents, papers and records of the Contractor which are directly pertinent to this contract for the purpose of making audit, examination, excerpts, and transcriptions. Additionally, the Contractor shall retain all required records for three (3) years after final payments and all other pending matters are closed.

ARTICLE IV - TERM

This contract begins on October 1, 2007 and ends on September 30, 2008, and may be extended by agreement of the parties.

ARTICLE V - PERSONNEL

Section 1 - The Contractor will provide the required services and will not subcontract or assign the services without the written approval of the Chief Judge of the 15th Judicial District Court or his/her designee.

Section 2 - The Contractor will not hire any City employee for any of the required services without the written approval of the Chief Judge of the 15th Judicial District Court or his/her designee.

Section 3 - The parties agree that the Contractor is neither an employee nor an agent of the 15th Judicial District Court or of the City for any purpose.

ARTICLE VI – JOINT INDEMNITY

The Contractor shall indemnify and hold the 15th Judicial District Court and the City harmless from and against all actions, liabilities, demands, cost and expenses, including court costs, expenses and attorney fees, which may arise due to the Contractor's negligent acts or omissions under this Agreement.

The 15th Judicial District Court and the City shall indemnify and hold the Contractor harmless from and against all actions, liabilities, demands, cost and expenses, including court costs, expenses and attorney fees, which may arise due to negligent acts or omissions of the 15th Judicial District Court or City under this Agreement.

This Article VI is not intended, and shall not be construed, to waive or limit any immunity defense which either the 15th Judicial District Court, City or the Contractor may have.

ARTICLE VII - INSURANCE REQUIREMENTS

The Contractor will maintain at its own expense during the term of this Contract, the following insurance and or equivalent in self-insurance:

1. Workers' Compensation Insurance with Michigan statutory limits and Employers Liability Insurance with a minimum limit of \$100,000 each accident for any employee.
2. Comprehensive/Commercial General Liability Insurance with a combined single limit of \$1,000,000 each occurrence for bodily injury and property damage. The City shall be added as "additional insured" on general liability policy with respect to the services provided under this contract.
3. Automobile Liability Insurance covering all owned, hired and non-owned vehicles with Personal Protection Insurance and Property Protection Insurance to comply with the provisions of the Michigan No Fault Insurance Law, including residual liability insurance with a minimum combined single limit of \$1,000,000 each accident for bodily injury and property damage.

Insurance companies, named insureds and policy forms shall be subject to the approval of the City Administrator. Such approval shall not be unreasonably withheld. Insurance policies shall not contain endorsements or policy conditions which reduce coverage provided to the City. Contractor shall furnish the City Administrator or his/her designee with satisfactory certificates of insurance or a certified copy of the policy, if requested by the City Administrator.

No payments will be made to the Contractor until the current certificates of insurance have been received and approved by the City Administrator or his/her designee. If the insurance as evidenced by the certificates furnished by the Contractor expires or is canceled during the term of the contract, services and related payments will be suspended. Contractor shall furnish the City Administrator or his/her designee with certification of insurance evidencing such coverage and endorsements at least ten (10) working days prior to commencement of services under this contract. Certificates shall be addressed to the City Administrator c/o Court Administrator, 15th Judicial District Court, 101 E. Huron St., Room 107, Ann Arbor, MI 48107 and shall provide for thirty (30) day written notice to the Certificate holder of cancellation of coverage.

ARTICLE VIII - COMPLIANCE WITH LAWS AND REGULATIONS

The Contractor will comply with all federal, state and local regulations, including but not limited to all applicable OSHA/MIOSHA requirements and the Americans with Disabilities Act.

ARTICLE IX - INTEREST OF CONTRACTOR AND COUNTY

The Contractor promises that it has no interest which would conflict with the performance of services required by this contract. The Contractor also promises that, in the performance of this contract, no officer, agent, employee of the 15th Judicial District Court or of the City, or member of its governing bodies, may participate in any decision relating to this contract which affects his/her personal interest or the interest of any corporation, partnership or association in which he/she is directly or indirectly interested or has any personal or pecuniary interest. However, this paragraph does not apply if there has been compliance with the

provisions of Section 3 of Act No. 317 of the Public Acts of 1968 and/or Section 30 of Act No. 156 of Public Acts of 1851, as amended by Act No. 51 of the Public Acts of 1978, whichever is applicable.

ARTICLE X –EQUAL EMPLOYMENT OPPORTUNITY

The Contractor will not discriminate against any employee or applicant for employment because of race, creed, color, sex, sexual orientation, national origin, physical handicap, age, height, weight, marital status, veteran status, religion and political belief (except as it relates to a bona fide occupational qualification reasonably necessary to the normal operation of the business).

The Contractor will take affirmative action to eliminate discrimination based on sex, race, or a handicap in the hiring of applicant and the treatment of employees. Affirmative action will include, but not be limited to: Employment; upgrading, demotion or transfer; recruitment advertisement; layoff or termination; rates of pay or other forms of compensation; selection for training, including apprenticeship.

The Contractor agrees to post notices containing this policy against discrimination in conspicuous places available to applicants for employment and employees. All solicitations or advertisements for employees, placed by or on the behalf of the Contractor, will state that all qualified applicants will receive consideration for employment without regard to race, creed, color, sex, sexual orientation, national origin, physical handicap, age, height, weight, marital status, veteran status, religion and political belief.

ARTICLE XI - EQUAL ACCESS

The Contractor shall provide the services set forth in Article I without discrimination on the basis of race, color, religion, national origin, sex, sexual orientation, marital status, physical or mental handicap, or age.

ARTICLE XII - OWNERSHIP OF DOCUMENTS AND PUBLICATION

All documents developed as a result of this contract will be freely available to the public. None may be copyrighted by the Contractor. During the performance of the services, the Contractor will be responsible for any loss of or damage to the documents while they are in its possession and must restore the loss or damage at its expense. Any use of the information and results of this contract by the Contractor must reference the project sponsorship by the 15th Judicial District Court and the City. Any publication of the information or results must be co-authored by the 15th Judicial District Court or by the City.

ARTICLE XIII - ASSIGNS AND SUCCESSORS

This contract is binding on the City and the Contractor, their successors and assigns. Neither the City nor the Contractor will assign or transfer its interest in this contract without the written consent of the other.

ARTICLE XIV - TERMINATION OF CONTRACT

Section 1 - Termination without cause. Either party may terminate the contract by giving thirty (30) days written notice to the other party.

ARTICLE XV - PAYROLL TAXES

The Contractor is responsible for all applicable state and federal social security benefits and unemployment taxes for employees of the Contractor, and agrees to indemnify and protect the City against such liability.

ARTICLE XVI - CHANGES IN SCOPE OR SCHEDULE OF SERVICES

Changes mutually agreed upon by the City and the Contractor will be incorporated into this contract by written amendments signed by both parties.

ARTICLE XVII - CHOICE OF LAW AND FORUM

This contract is to be interpreted by the laws of Michigan. The parties agree that the proper forum for litigation arising out of this contract is in Washtenaw County, Michigan.

ARTICLE XVIII - EXTENT OF CONTRACT

This contract represents the entire agreement between the parties and supersedes all prior representations, negotiations or agreements whether written or oral.

DAWN FARMS, INC.:

CITY OF ANN ARBOR:

By: _____
Jim Balmer (Date)
Director

By: _____
John Hieftje (Date)
Mayor

By: _____
Jacqueline Beaudry (Date)
City Clerk

APPROVED AS TO FORM & CONTENT:

By: _____
Stephen K. Postema (Date)
City Attorney

APPROVED AS TO SUBSTANCE:

By: _____
Roger W. Fraser (Date)
City Administrator