

# SUMMERILL

WASHINGTON, DC

THE SUMMERILL GROUP, LLC  
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**Joseph Summerill**

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May 7, 2014

Chief Rodney Ballard  
Division of Community Corrections  
600 Old Frankfort Circle  
Lexington, Kentucky 40510

Dear Chief Ballard:

Thank you for speaking with me recently regarding my interest in negotiating a new per diem rate for housing U.S. Marshals Service (USMS) prisoners in the Fayette County Detention Center. The following proposal, if accepted, will serve as the contract between The Summerill Group, LLC and Lexington-Fayette Division of Community Correctional Center (DCC) for this project.

## **BACKGROUND.**

In June 2009, I was hired by then DCC Director Ron Bishop to negotiate a new per diem rate with USMS for housing federal prisoners at the Detention Center under IGA 32-00-0109. I have attached a copy of my agreement with DCC for your review. At that time, DCC had been housing USMS prisoners at a per diem rate of \$60.00 established in June 2006. Between June and October 2009, my team worked closely with DCC officials to prepare a proposal to USMS. In November 2009, we submitted a proposal identifying DCC's per day per capita rate as \$74.27. We also requested a new hospital guard service rate of \$34.32. In March 2010, after negotiations between myself, Director Bishop and USMS grants officer Renita Barbee, Director Bishop and USMS agreed on a new per diem rate of \$70.00 and a new guard rate of \$30.00. Under the terms of that new agreement, DCC was allowed to seek a new per diem rate in April 2013.

## **SUMMERILL GROUP ADVISORY TEAM.**

For this project, The Summerill Group, LLC advisory team will be made up of the following individuals:



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**Joe Summerill is the Managing Principal of The Summerill Group, LLC.** Joe specializes in working with the Department of Justice's Federal Bureau of Prisons, United States Marshals Service and the Department of Homeland Security's Immigration and Customs Enforcement. Before entering private practice, Mr. Summerill was the chief contracts attorney for the U.S. Department of Justice, Federal Bureau of Prisons, advising the agency on various commercial issues, including the negotiation, award, and administration of contracts and intergovernmental service agreements for prison services and construction.

**Michele Sharpe is the Senior Grants Officer for The Summerill Group, LLC.** Michele specializes in the preparation and submission of Intergovernmental Service Agreement proposals to the US Marshals Service and Immigration & Customs Enforcement. Ms. Sharpe understands the rules and regulations, including A-87 Cost Principals, necessary to build federal per diem rates with allowable and allocable jail and law enforcement operating cost. Ms. Sharpe has developed internal algorithms which can assist local government is calculating per diem rates. Finally, Ms. Sharpe is well versed in wage and benefit rates both under collective bargaining agreements and the Department of Labor Wage Determination.

For additional information, please visit: <http://www.josephsummerill.com>.

## SUMMARY OF OUR PROPOSAL.

- The Summerill Group, LLC shall work with DCC officials to collect all allowable and allocable economic data regarding the costs associated with the current and future operation of the Lexington-Fayette Division of Community Correctional Center.
- Mr. Summerill's team will then build DCC's new federal per diem rate, utilizing various methodologies -- for example, it may be necessary to utilize a two step allocation process depending on how DCC and the County's cost centers are designated.
- Mr. Summerill will then present to DCC Chief Ballard a draft proposal option. We will also research neighboring County federal per diem rates and make a strategic recommendation regarding the submittal of DCC's proposal to USMS.
- Upon Chief Ballard's approval, Mr. Summerill's team will then submit the proposal (for new per diem rate and transportation / guard service rate) to USMS and start working with USMS officials to ensure that DCC's proposal is reviewed and negotiated.



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- After the proposal is submitted to USMS, we will work with the DOJ Office of the Federal Detention Trustee (OFDT) to answer their questions regarding the format of the data submitted. Upon OFDT's approval, the proposal will be forwarded to USMS for negotiation.
- The USMS grants officer will then need at least 30 days to review the data submitted through the eIGA website. During that time, we will work with the local USMS district office to answer any of their questions regarding the proposal. The USMS grants officer will want a memorandum of support from the local office.
- During negotiations, the USMS grants officer will use different price analysis techniques to assess the fairness and reasonableness of DCCs proposed per diem rate. For example, the grants officer will calculate an "adjusted core rate" by applying certain facility characteristics to an "econometric model." This rate is then compared against the cost data submitted in our proposal. We will work with the grants officer as she goes through this analysis. USMS will require Chief Ballard to participate in the negotiations. However, we will work closely with the Chief throughout the process.

## **TIME FRAME FOR DCC PROJECT.**

If authorized to proceed, SUMMERILL shall submit of a new per diem rate and transportation / guard service rate proposal to USMS within 30 days. If submitted by June 1, 2014, the Parties anticipate negotiations with USMS will begin in July 2014. The Parties anticipate the execution of a new IGA by USMS before September 30, 2014.

## **GOALS FOR THIS PROJECT.**

Based on an initial analysis of RCC's jail operating budget, we are projecting a new per diem rate of approximately \$80 - \$82 based on an average daily population of 1,200. Our analysis examined salary and benefits, the medical contract, the food service contract, and central services costs. When building a per diem rate, we can only use "allowable and allocable" costs as determined by OMB Circular A-87. Not all jail costs can be included in the data submitted to USMS. From our work with USMS, we have developed a good understanding of how USMS interprets A-87 and what costs they will consider / not consider.

## **COMPENSATION FOR CALCULATING & NEGOTIATING NEW PER DIEM.**

In consideration for the services described above, the Parties agree that The Summerill Group, LLC shall be paid a firm fixed fee of TWENTY FIVE THOUSAND DOLLARS (\$25,000.00). This fee is not a contingency fee. However, this fee will not be paid to The Summerill Group LLC until after the DCC executes its new agreement with USMS. The Parties agree that The



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Summerill Group LLC's invoice for this project shall be paid within 15 days of the execution of the new IGA between DCC and USMS.

The Summerill Group, LLC will submit one invoice to DCC, and that invoice shall not reflect an hourly breakdown of the work performed by Mr. Summerill, but instead state: "For Services Rendered to the Lexington-Fayette Division of Community Correctional Center In Connection With the Formation and Execution of an Intergovernmental Agreement Between the Division of Community Corrections and the U.S. Marshals Service - \$25,000.00."

## CONCLUSION.

Thank you again for your consideration of hiring The Summerill Group LLC for this project. Upon your approval, we will move forward. In the meantime, please do not hesitate to contact me at 202-413-8884 with any questions.

Sincerely,



JOSEPH SUMMERILL  
202-413-8884

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Accepted and agreed to this \_\_\_\_ day of \_\_\_\_\_, 2014 for Lexington-Fayette Division of Community Corrections.

By: \_\_\_\_\_

Title: \_\_\_\_\_