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**CONTRACT FOR PROFESSIONAL SERVICES**

**THIS AGREEMENT** is made this 30<sup>th</sup> day of September, 2019, in the Territory of the Virgin Islands, by and between the Government of the Virgin Islands, Department of Property and Procurement, on behalf of the Bureau of Corrections (hereinafter referred to as "Government") and SapphireHealth, LLC (hereinafter referred to as "Contractor").

**WITNESSETH:**

**WHEREAS**, the Government is in need of the services of a Contractor in providing computer software for the development and maintenance of medical software (hereinafter, "Medical Software") and electronic healthcare records for the prison population at the Golden Grove Adult Correctional Facility on St. Croix and the Criminal Justice Complex on St. Thomas, U.S. Virgin Islands, which duties and responsibilities are more particularly described in Addendum I (Scope of Work) attached hereto; and

**WHEREAS**, the Contractor was selected in accordance with 31 V.I.C. § 239(a)(4);

**WHEREAS**, the Contractor represents that it is willing and capable of providing such services;

**NOW, THEREFORE**, in consideration of the mutual covenants herein contained, and intending to be legally bound by this written instrument, the parties hereto do covenant and agree as follows:

**1. SERVICES**

The Contractor will provide the services described in Addendum I (Scope of Services) attached hereto and made a part of this contract.

**2. TERM**

This Contract shall commence upon the execution of this Contract by the Commissioner of Property and Procurement of the Virgin Islands ("Commissioner") and shall terminate thirty-six (36) months thereafter. Contractor shall commence the work described in Addendum I within thirty (30) days of the execution of this Contract by the Commissioner. The Government in its sole discretion, shall have the option to renew the Licensing and Hosting Services only for a period of one (1) additional year subject to terms stated herein, by providing the Contractor with sixty (60) days written notice of the Government's election to renew.

**3. COMPENSATION**

The Government, in consideration of the satisfactory performance of the services described in Addendum I (Scope of Work), agrees to pay Contractor the sum of Sixty-Two Thousand Six

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Hundred and Forty-Nine and 00/100 Dollars (\$62,649.00) in accordance with the provisions set forth in Addendum II (Compensation) attached hereto and made a part of this contract.

**4. TRAVEL EXPENSES**

Inclusive of the compensation for services as specified in Paragraph 3 (Compensation) above, the Government agrees to pay documented transportation, subsistence, lodging and other travel expenses, while in travel status, for trips which have been authorized in writing, in advance, by the Government. These costs shall be advanced or reimbursed on the same basis as is applicable to non-contract employees of the Government, or as agreed to by an addendum to this Contract, however, said costs and expenses shall not exceed 3,000.00 per trainer per one-week trip.

**5. RECORDS**

The Contractor when applicable, will present documented precise records of time and/or money expended under this Contract.

**6. PROFESSIONAL STANDARDS**

The Contractor agrees to maintain the professional standards applicable to its profession and to consultants doing business in the United States Virgin Islands.

**7. DOCUMENTS, PRINTOUTS, ETC.**

All custom-created documents, books, records, instructional materials, programs, printouts and memoranda of every description derived therefrom and pertaining to this Contract shall become the property of the Government and shall be turned over to it at the termination of this Contract. The above described materials shall not be used by Contractor or by any other person or entity except upon the written permission of the Government. Such materials shall NOT include Contractor's generic or standard forms.

**8. LIABILITY OF OTHERS**

Nothing in this Contract shall be construed to impose any liability upon the Government to persons, firms, associations, or corporations engaged by Contractor as servants, agents, or independent contractors, or in any other capacity whatsoever, or make Government liable to any such persons, firms, associations, or corporations for the acts, omissions, liabilities, obligations and taxes of Contractor of whatsoever nature, including but not limited to unemployment insurance, gross receipt, excise, and social security taxes for Contractor, its servants, agents or independent contractors.

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**9. ASSIGNMENT**

The Contractor's use of its parent company Diamond Drugs, Inc., as a provider of pharmacy services as outlined in Addendum I (Scope of Services) is approved through the Government's execution of this Contract. The Contractor shall not further subcontract or assign any part of the services under this Contract without the prior written consent of the Government.

**10. INDEMNIFICATION**

Contractor agrees to indemnify, defend and hold harmless Government from and against any and all loss, damage, liability, claims, demands, detriments, costs, charges and expenses (including attorney's fees) and causes of action of whatsoever character which Government may incur, sustain or be subjected to, arising out of or in any way connected to the services to be performed by Contractor under this Contract and arising from any cause, except the sole negligence of Government. Such indemnification shall be not exceed the limits of Contractor's current insurance policies.

**11. INDEPENDENT CONTRACTOR**

The Contractor shall perform this Contract as an independent contractor and nothing herein contained shall be construed to be inconsistent with this relationship or status.

**12. GOVERNING LAW**

This Contract shall be governed by the laws of the United States Virgin Islands and jurisdiction shall remain in the United States Virgin Islands.

**13. WAIVERS AND AMENDMENTS**

No waiver, modification or amendment of any term, condition, or provision of this Contract shall be valid or of any force or effect unless made in writing, signed by the parties hereto or their duly authorized representatives, and specifying with particularity the nature and extent of such waiver, modification or amendment. Any such waiver, modification or amendment in any instance or instances shall in no event be construed to be a general waiver, modification or amendment of any of the terms, conditions or provisions of this Contract, but the same shall be strictly limited and restricted to the extent and occasion specified in such signed writing or writings.

**14. ENTIRE AGREEMENT**

This agreement constitutes the entire agreement of the parties relating to the subject matter addressed in this Agreement. This agreement supersedes all prior communications, contracts, or agreements between the parties with respect to the subject matter addressed in this agreement, whether written or oral.

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**15. RIGHT TO WITHHOLD**

If work under this Contract is not performed in accordance with the terms hereof, Government will have the right to withhold out of any payment due to Contractor, such sums as Government may deem ample to protect it against loss or to assure payment of claims arising therefrom, and, at its option, Government may apply such sums in such manner as Government may deem proper to secure itself or to satisfy such claims. Government will immediately notify the Contractor in writing in the event that it elects to exercise its right to withhold.

No such withholding or application shall be made by Government if and while Contractor gives satisfactory assurance to Government that such claims will be paid by Contractor or its insurance carrier, if applicable in the event that such contest is not successful.

**16. CONDITION PRECEDENT**

This Contract shall be subject to the availability and appropriation of funds and to the approval of the Commissioner of the Department of Property and Procurement.

**17. TERMINATION**

Either party will have the right to terminate this Contract with or without cause on sixty (60) days written notice to the other party specifying the date of termination.

**18. PARTIAL TERMINATION**

The performance of work under this Contract may be terminated by the Government, in part, whenever the Government shall deem such termination advisable by providing sixty (60) days written notice to the Contractor. This partial termination shall be effected by delivering to the Contractor a Notice of Partial Termination specifying the extent to which the term and/or duties under this Contract are terminated and the date upon which such termination becomes effective. The Contractor shall be entitled to receive payment for services provided to the date of termination, including payment for the period of the sixty (60) day notice.

**19. NON-DISCRIMINATION**

No person shall be excluded from participating in, be denied the proceeds of or be subject to discrimination in the performance of this Contract on account of race, creed, color, sex, religion, disability or national origin.

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## 20. CONFLICT OF INTEREST

- (a) Contractor covenants that it has no interest and will not acquire any interest direct or indirect, which would conflict in any manner or degree with the performance of services required to be performed under this Contract.
- (b) Contractor further covenants that it is:
  - (1) not a territorial officer or employee (i.e., the Governor, Lieutenant Governor, member of the Legislature, or any other elected territorial official; or an officer or employee of the legislative, executive or judicial branch of the Government or any agency, board, commission or independent instrumentality of the Government, whether compensated on a salary, fee or contractual basis); or
  - (2) a territorial officer or employee and, as such, has:
    - (i) familiarized itself with the provisions of Title 3, Chapter 37 of the Virgin Islands Code, pertaining to conflicts of interest, including the penalties provision set forth in section 1108 thereof;
    - (ii) not made, negotiated or influenced this Contract, in its official capacity; and
    - (iii) no financial interest in the Contract as that term is defined in section 1101(1) of said Code chapter.

## 21. EFFECTIVE DATE

The effective date of this Contract shall be the day of execution of the Contract by the Commissioner of the Department of Property and Procurement.

## 22. NOTICE

Any notice required to be given by the Terms of this Contract shall be deemed to have been given when the same is sent by certified mail, postage prepaid or personally delivered, addressed to the parties as follows:

**GOVERNMENT**  
 Anthony D. Thomas  
 Commissioner  
 Department of Property and Procurement  
 8201 Sub Base, Suite 4  
 St. Thomas Virgin

Wynn Timermark  
 Director  
 Bureau of Corrections  
 RR1 Box 9909  
 Kingshill, VI 00851

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**CONTRACTOR**  
Mark Zilner  
Secretary/Manager  
SapphireHealth, LLC  
645 Kolter Drive  
Indiana, PA 15701

**23. LICENSURE**

The Contractor covenants that it has:

- (a) obtained all of the applicable licenses or permits, permanent, temporary or otherwise as required by Title 27 of the Virgin Islands Code; and
- (b) familiarized itself with the applicable provisions of Title 27 of the Virgin Islands Code pertaining to professions and occupations.

**24. OTHER PROVISIONS**

Addenda I-IV attached hereto are a part of this Contract and are incorporated herein by reference.

**25. DEBARMENT CERTIFICATION**

By execution of this contract, the contractor certifies that it is eligible to receive contract awards using federally appropriated funds and that it has not been suspended or debarred from entering into contracts with any federal agency. The Contractor shall include this provision in each of its subcontracts hereunder and shall furnish its subcontractors with the current "LIST OF PARTIES EXCLUDED FROM FEDERAL PROCUREMENT OR NON-PROCUREMENT". In the event the Contractor or any subcontractor misrepresents its eligibility to receive contract awards using federal funds, the Contractor or subcontractor agrees that it shall not be entitled to payment for any work performed under this contract or any subcontract and that the Contractor or subcontractor shall promptly reimburse the Government of the Virgin Islands for any progress payments heretofore made.

**26. FALSE CLAIMS**

Contractor warrants that it shall not, with respect to this Contract, make or present any claim upon or against the Government of the Virgin Islands, or any officer department, board, commission, or other agency thereof, knowing such claims to be false, fictitious or fraudulent. Contractor acknowledges that making such a false, fictitious or fraudulent claim is an offence under Virgin Islands law.

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## 27. NOTICE OF FEDERAL FUNDING

Contractor acknowledges that this Contract is funded, in whole or in part, by federal funds. Contractor warrants that it shall not, with respect to this Contract, make or present any claim knowing such claim to be false, fictitious, or fraudulent. Contractor acknowledges that making such a false, fictitious, or fraudulent claim is a federal offence.

## 28. INSURANCE

Contractor shall maintain the following insurance coverages during the term of this Contract

- (a) **COMMERCIAL GENERAL LIABILITY:** Commercial general liability insurance, in a form acceptable to the Government, on a "per occurrence" basis with a minimum limit of not less than one million dollars (\$1,000,000.00) for any one person per occurrence for death or personal injury and one million dollars (\$1,000,000.00) for any one occurrence for property damage.
- (b) **PROFESSIONAL LIABILITY:** Professional liability insurance, in a form acceptable to the Government, which covers the services being performed under this Contract, with policy limits of not less than one million dollars (\$1,000,000.00) per claim. The Government shall be listed thereon as a certificate holder.
- (c) **WORKERS' COMPENSATION:** Contractor shall supply current coverage under the Government Insurance Fund or other form of coverage.

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IN WITNESS WHEREOF, the parties have hereunto set their hands on the day and year first above written.

WITNESSES: GOVERNMENT OF THE VIRGIN ISLANDS

[Signature] W. Testamark 9/27/2019  
Winnie Testamark  
Director

[Signature] Bureau of Prisons

Hayden A. Francis [Signature] 9/30/18  
Anthony D. Thomas, Commissioner  
Department of Property and Procurement

[Signature]

CONTRACTOR

[Signature] [Signature] 9/27/19  
Mark Zilnet, Secretary/Manager  
SapphireHealth, LLC  
[Signature]

APPROVED AS TO LEGAL SUFFICIENCY

DEPARTMENT OF JUSTICE BY: [Signature] Date 9/30/19  
Ian S.A. Clement, Esq.  
Assistant Attorney General

PURCHASE ORDER NO. 22535

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