The background of the entire page is a photograph of an American flag waving on a flagpole against a clear blue sky. In the lower right portion of the image, a banner for CCA (Correction Corporation of America) is visible, featuring the company logo and the slogan "EXCELLENCE IN CORRECTION".

**State of Louisiana  
Department of Public  
Safety and Corrections  
Corrections Services  
Request for  
Information (RFI) for  
Purchase of Prison and  
Management Services  
RFI # 400PUR028/337**

Due: February 11, 2011

Presented by



America's Leader in Partnership Corrections

10 Burton Hills Boulevard  
Nashville, Tennessee 37215

Phone: (615) 263-3000

Fax: (615) 263-3090

[www.cca.com](http://www.cca.com)



**CCA Response to**

**STATE OF LOUISIANA  
DEPARTMENT OF PUBLIC SAFETY AND CORRECTIONS  
CORRECTIONS SERVICES  
REQUEST FOR INFORMATION (RFI) FOR  
PURCHASE OF PRISON AND MANAGEMENT SERVICES  
RFI #400PUR028/337**

**Due Date: February 11, 2011, close of business**

**Cover Letter**

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America's Leader in Partnership Corrections

Lucibeth Mayberry

*Vice President and Deputy Chief Development Officer*

February 9, 2011

Mr. Ron Granier, Deputy Undersecretary  
Louisiana Department of Public Safety and Corrections  
504 Mayflower Street  
Baton Rouge, LA 70802

**RE: Request for Information (RFI) RFI #400PUR028/337  
Purchase of Prison and Management Services**

Dear Mr. Granier:

CCA is pleased to present our response to the Department of Public Safety and Corrections' Request for Information as part of the Department's ongoing planning for the delivery of correctional services within the State. As the State's preferred provider for the operation and management of the Winn Correctional Center in Winn Parish, CCA hopes to continue our longstanding partnership in corrections for many years to come.

We have provided our response in the format requested by the RFI to include an Executive Summary, Corporate Background and Experience, and a Cost Estimate. Please don't hesitate to contact me if further information is needed in this process or to clarify any information provided in our response.

Sincerely,

A handwritten signature in blue ink that reads 'Lucibeth Mayberry'.

Lucibeth Mayberry  
Vice President and Deputy Chief Development Officer

**APPENDIX 1**

**EXECUTIVE SUMMARY**

Responder Name:	Corrections Corporation of America (CCA)
Responder Representative's Name:	Lucibeth Mayberry, Vice President and Deputy Chief Development Officer
Street Address:	10 Burton Hills Boulevard
City, State and Zip Code:	Nashville, Tennessee 37215
Primary Email Address:	lucibeth.mayberry@cca.com
Secondary Email Address:	michelle.barker@cca.com
Primary Telephone:	(615) 263-3246
Secondary Telephone:	(615) 263-3076

**CORPORATE BACKGROUND AND EXPERIENCE**

The responder should attach a brief description of the company including a brief history, corporate structure/organization and number of years in business. Responders should also describe their experience with prison management of this type with other states or governmental agencies of comparable size and scope.

<b>Option 1 Cost Range (minimum to maximum)</b>	<b>Year 1-20</b>	\$40.01-\$42.01 - year 1 w/annual escalator TBD
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<b>Option 2 Cost Range (minimum to maximum)</b>	<b>Year 1-3</b>	\$31.35 - 1 negotiated annual escalator for year 2 and 3
	<b>Year 4-20</b>	\$42.71-\$44.71 w/annual escalator TBD for years 5-20



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**2.3.1 EXECUTIVE SUMMARY**

CCA is the nation’s largest, most experienced owner and operator of partnership prisons – correctional services provided in partnership with government agencies. CCA founded the partnership corrections industry and today manages 64 operating facilities with a total design capacity of nearly 89,000 inmate beds; only the federal government and three states (California, Texas, and Florida) operate larger systems. Our mission, in partnership with government, is to provide a meaningful public service by operating the highest quality adult corrections system in the United State. We support the Department's mission to enhance public safety through the safe and secure incarceration of offenders with proven rehabilitative strategies that successfully reintegrate offenders into society, as well as to assist individuals and communities victimized by crime.

For more than 20 years, CCA has partnered with the State of Louisiana providing complete correctional services at the Winn Correctional Center located in Winn Parish. In March 1990, Winn Correctional Center opened as the first partnership prison in Louisiana and the first partnership medium-security prison in the United States. ACA accreditation was achieved at the facility in June 1991, a status that has been maintained through its most recent reaccreditation in May 2009.

As a full-service provider, including design/build services and owned and managed-only facilities, CCA delivers value to our partners through complete correctional services management. Our strong financial status coupled with the company's experienced, respected management further positions CCA as a capable, reliable partner who is well-equipped to fulfill the requirements of the RFI.

CCA is headquartered in Nashville, Tennessee, where Lucibeth Mayberry serves as the principal contact for this project. Contact information and a brief biography for Ms. Mayberry are provided as follows:

**Principal Contact:** Lucibeth Mayberry, Vice President and Deputy Chief Development Officer  
**Address:** 10 Burton Hills Boulevard  
Nashville, Tennessee 37215  
**Telephone:** Direct (615) 263-3246; General (615) 263-3000 ext. 3246  
**Fax:** (615) 263-3090  
**E-Mail:** [lucibeth.mayberry@cca.com](mailto:lucibeth.mayberry@cca.com)



**Vice President and Deputy Chief Development Officer**  
*Lucibeth Mayberry* was named Vice President and Deputy Chief Development Officer in 2008. She began her career with CCA in 2003 as Senior Director, State Partnership Relations, where she managed relationships for CCA’s various state partners throughout the nation. In her present role, she provides continued oversight of the company's proposal development department and assists the Chief Development Officer in managing the Partnership Development division, including developing key strategies with other CCA departments. She holds a bachelor’s degree from the University of Tennessee, a Juris Doctor from Vanderbilt University, and a Master of Laws in Taxation from the University of Florida.



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## **2.3.2 CORPORATE BACKGROUND AND EXPERIENCE**

### **Description of the Company**

CCA specializes in owning, operating and managing prisons and other correctional facilities for governmental agencies. In addition to providing fundamental inmate residential services (health care, food service, security), our facilities offer a variety of rehabilitation and educational programs, including basic education, religious services, life skills and employment training, and substance abuse treatment. These services are intended to help reduce recidivism and to prepare inmates for their successful reentry into society upon their release. CCA facilities establish Community Relations Committees to encourage communication of activities conducted both inside the facility and the larger outside community.

CCA's facility management includes government partners from 15 states, the District of Columbia, the Federal Bureau of Prisons (BOP), the United States Marshals Service (USMS), Immigration and Customs Enforcement (ICE), and nine local government municipalities. The company maintains a varied client base nationwide housing adult male and female inmates; youthful offenders; detainees; pre-trial; pre-release; sentenced; and minimum, medium, close and maximum-security inmate classifications. Of the approximately 80,600 inmates under our care, over 25,600 are housed under contracts with the federal government; more than 52,700 are housed through our state government partners; with nearly 2,300 from local municipalities.

### **History of CCA**

CCA began offering inmate housing and correctional services alternatives to government agencies in 1983 upon securing a contract with the U.S. Department of Justice and former Immigration and Naturalization Service or INS (now "ICE") in Houston, Texas. This bold initiative launched a successful new industry in America, and many other firms have followed suit in offering partnership corrections.

From this one facility, CCA has grown to 64 facilities housing approximately 80,600 inmates.

CCA's history with the State of Louisiana began one of the company's earliest partnerships which has continued beyond 20 years. Through a competitive solicitation, the Department selected CCA to operate its then new prison in Winn Parish in 1989. Under CCA management, the facility has undergone several expansions since that time, bringing the facility to its current capacity of 1,538. Our relationships with the State and the Department were foundational for CCA and the industry, and we continue to place a high value on this partnership today.

### **Corporate Structure, Organization, Years in Business**

CCA is a publicly held Maryland corporation originally incorporated in Tennessee in January 1983, with headquarters located in Nashville, Tennessee. Accordingly, the company has been in the business of providing correctional services to our government partners for 28 years. Of our nearly 17,000 employees, over 360 are assigned to our central office, referred to within the organization as the Facility Support Center or "FSC." The FSC title highlights the fact that the primary function of our headquarters team is to serve and support our facilities nationwide.



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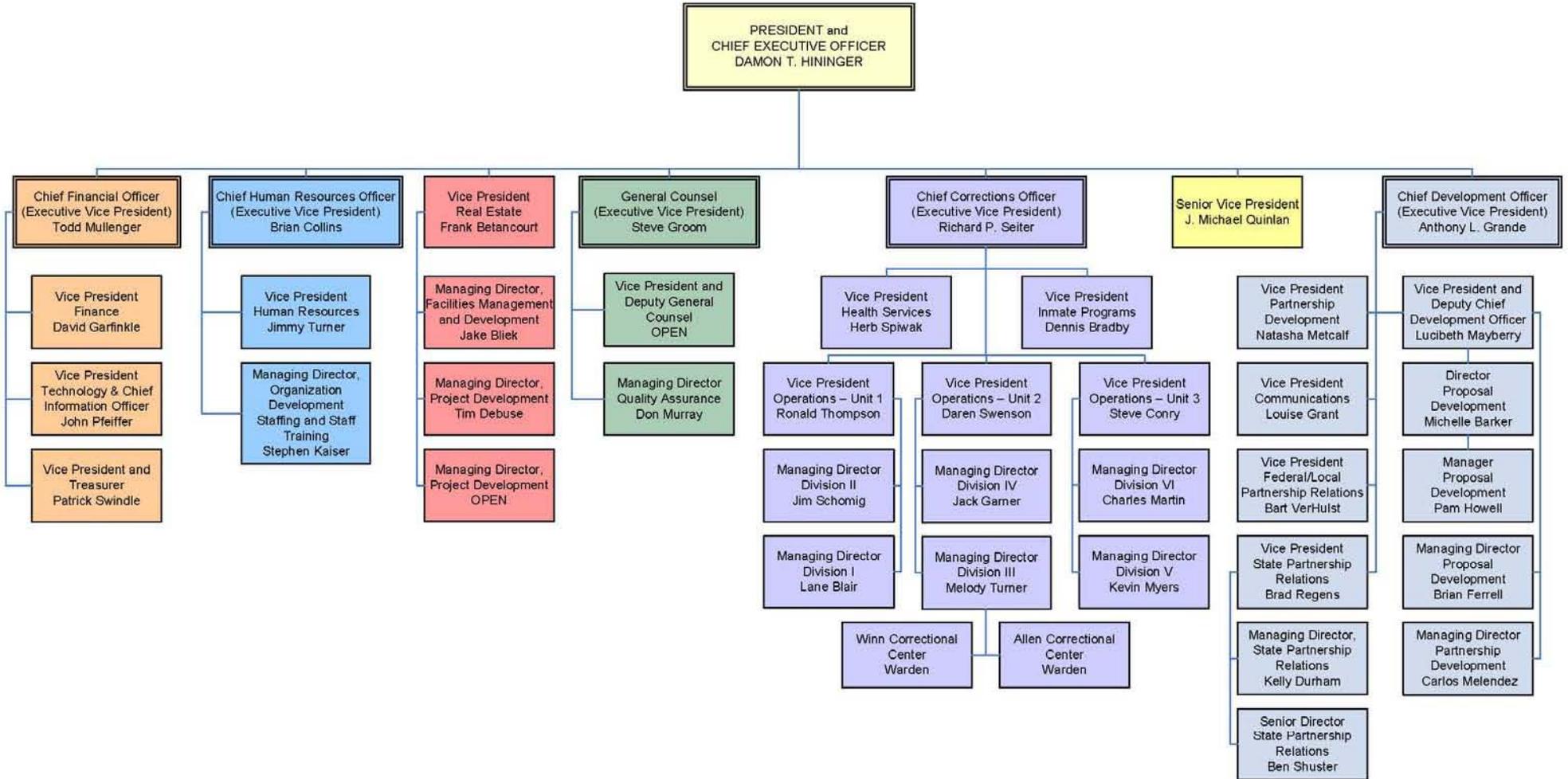
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The company is governed by a Board of Directors and managed by a six-member executive management team that includes the position of President/Chief Executive Officer, as well as five Executive Vice Presidents: Chief Operations Officer, Chief Development Officer, Chief Financial Officer, Chief Human Resources Officer and General Counsel. A total of 16 Vice Presidents report to the various members of the executive management team and provide oversight to the following departments: Facility Operations; Finance, Accounting and Inmate Trust; Legal Affairs and Quality Assurance; Partnership Development; Facility Contract Management; State Partnership Relations; Federal/Local Partnership Relations; Real Estate and Facility Maintenance; Inmate Programs; Health Services; Communications; Treasury; Human Resources; and Technology. Each of these central office disciplines designates appropriate personnel to work with facility staff to ensure that policies, government regulations, contract requirements and partner expectations are constantly met.

Oversight for CCA's 64 facilities is distributed among three operational business units, each headed by a Vice President, with each unit containing two divisions of approximately 11 facilities each. Facility Wardens report to a divisional Managing Director who reports directly to the Facility Operations Vice President of his/her business unit (see chain of command from the Vice President through Warden as illustrated for both the Winn and Allen facilities on the CCA Organizational Chart following this page).

We operate our facilities in accordance with both company and facility-specific policies and procedures. The policies and procedures reflect the high standards generated by a number of sources, including the American Correctional Association, the Joint Commission on Accreditation of Healthcare Organizations, the National Commission on Correctional Healthcare, the Occupational Safety and Health Administration, federal, state and local government guidelines, established correctional procedures, and company-wide policies and procedures that may exceed these guidelines. Outside agency standards, such as those established by ACA, provide us with the industry's most widely accepted operational guidelines in addition to individual contractual requirements. Our facilities not only operate under these established standards but are consistently challenged by management to exceed these standards.

CCA  
 Facility Support Center (Central Office)  
 Organizational Chart





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## Experience with Projects of this Type

CCA owns 47 correctional and detention facilities in 15 states and the District of Columbia; one of which we lease to a third-party operator, two which are idle, and one which is currently under construction in Georgia. We also own two corporate office buildings, one housing CCA's headquarters and the other serving as headquarters to TransCor, the nation's largest prisoner transportation company and a wholly-owned CCA subsidiary. Additionally, we currently manage 21 correctional and detention facilities owned by government agencies, including the State's Winn Correctional Center in Winnfield, Louisiana. CCA has proven, substantial experience and a long history in successfully owning and maintaining large correctional facilities across the United States.

During the past 28 years, CCA's experience includes acquisition and transition of numerous facilities to CCA ownership and management. A few examples where CCA purchased existing operating facilities include the following:

- *Bent County Correctional Facility, Las Animas, Colorado:* CCA assumed management and ownership of this facility in 1996. Open since April 1993, Bent was initially managed by the Bent County Board of Commissioners under a lease/purchase agreement with Dreyfus, a company that handled the sale of bonds for the first phase of the facility's construction. The facility, which originally housed 335 adult male felons, presently has a capacity of 1,420 and houses inmates for the State of Colorado.
- *Cibola County Correctional Center, Milan, New Mexico:* CCA assumed management and ownership of this 376-bed prison from Cibola County in 1998. Built in 1992 as a combined 48-bed jail to house local prisoners and a 328-bed correctional center for New Mexico state inmates, the facility also previously housed inmates for the United States Marshals Service and the State of Idaho. The facility presently has a capacity of 1,129 and houses inmates for the Federal Bureau of Prisons.
- *Correctional Treatment Facility, Washington, D.C.:* This 866-bed facility was constructed by the District of Columbia Department of Corrections and opened in May 1992 as a specialized medium-security institution housing both adult males and females. CCA assumed management in 1997 under a 20-year lease purchase and management agreement. The facility presently has a capacity of 1,500 and houses inmates for the District and the United States Marshals Service.
- *Crowley County Correctional Facility, Olney Springs, Colorado:* This facility was built and financed by Dominion Venture Group. Under a management contract with Dominion, the facility was managed by Correctional Services Corporation until late 2000 when Dominion assumed management. CCA purchased the 1,200-bed medium-security facility from an affiliate of Reckson Associates Realty Corporation in January 2003. The facility presently has a capacity of 1,794 and houses inmates for the State of Colorado.
- *Davis Correctional Facility, Holdenville, Oklahoma:* This medium-security correctional facility, originally consisting of 960 beds, was owned and developed by the Holdenville Industrial Authority. The facility opened in April 1996 under CCA management and was



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purchased by CCA in 1997. The facility presently has a capacity of 1,670 and houses inmates for the State of Oklahoma.

- *Eden Detention Center, Eden, Texas:* Originally built, owned and operated by independent operator Roy Burnes, the 1,000-bed facility began housing inmates for the Federal Bureau of Prisons in 1989. CCA began managing the facility in 1995 through a management contract with the Eden Correctional Facilities Corporation and the City of Eden which had purchased the facility. In 1999, CCA purchased the facility from the city and retained management through a Residential Services Agreement. The facility presently has a capacity of 1,422 and continues to house inmates for the BOP.

In addition to the examples cited above, CCA has purchased and assumed operation of many more existing correctional facilities through the acquisition of various other partnership provider companies. CCA has successfully activated 61 facilities and assumed operation of an additional 42 facilities from other partnership providers or agencies. We have extensive experience in successfully purchasing, acquiring and transitioning facilities while continuing safe, secure facility operations.

## **Summary of Qualifications, Ability and Willingness to Comply with State Requirements**

### Summary of Qualifications

As demonstrated throughout our response, CCA's broad management experience translates into a national correctional system with industry credibility and considerable resources. This allows us to adapt quickly to the needs of our government partners by implementing initiatives that ensure safety and security and the continuing application of best correctional practices. Further, CCA has a strong and stable financial status which, coupled with our extensive experience in facilities acquisition, makes for a sound choice for the State to transition ownership of Winn and Allen to CCA.

### Summary of Ability

In summary, the company's national recognition in recent years serves to highlight CCA's management skills and abilities as acknowledged by the following organizations:

- *Nashville Business Journal* magazine selected CCA as the Best in Business Award 2010 winner in the category of businesses with more than 500 employees. With Nashville being home to many distinguished large companies, such as Dollar General, Nissan, HCA and Tractor Supply, being recognized as the best is a tremendous honor.
- *Corporate Responsibility Officer (CRO)* magazine ranked CCA 6<sup>th</sup> on its 2008 list of the nation's 100 best citizens. Companies were compared based on business responsibility efforts in eight categories, such as employee relations, human rights, governance, financial and philanthropy.
- *Forbes* magazine named CCA the Best Managed Company of its kind in America among 21 companies within the "Business Services & Supplies" category in 2007. The "Best Managed" rating measured leadership, innovation and execution, as well as financial metrics and governance ratings.



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CCA's financial strength and stability is unequaled among our peers. Our current financial stability and our ability to remain financially stable in the future are demonstrated by the following:

- As of December 31, 2010, CCA had \$25.5 million in cash and cash equivalents, working capital of \$172.4 million, total assets of approximately \$3.0 billion and total stockholders' equity of \$1.5 billion.
- As of December 31, 2010, in addition to cash and cash equivalents of \$25.5 million, CCA had \$228.2 million available to borrow under its revolving credit facility. This provides CCA with a total of \$253.7 million available to fund operations and facility development without having to access the capital markets.
- CCA has access to the debt and equity capital markets to raise additional funds, if necessary, to fund short, intermediate and long-term cash needs for operations and for new facility development.

The company has demonstrated sustained financial strength over our 28-year history with consistent positive growth. The combination of cash-on-hand and amounts under our line-of-credit, and access to the debt and equity capital markets, puts CCA head and shoulders above our competitors with regard to fiscal management. More detailed information concerning CCA's financial status may be found on our website at <http://ir.correctionscorp.com/phoenix.zhtml?c=117983&p=irol-financialInfo>.

#### Willingness to Comply with State Requirements

We have reviewed the RFI and its attachments, including the sample contract (Attachment B), and the requirements cited therein. CCA is accustomed and comfortable with complying with the State's requirements under the current contract and would welcome the opportunity to suggest potential contract terms, such as a clause allowing CCA to return the asset to State ownership under certain circumstances, that would be supportive of a transaction of this kind. CCA would welcome an opportunity to further discuss the opportunity to pursue ownership and the continued operation of the Winn Correctional Center, and ownership, transition and CCA operation of the Allen Correctional Center located in Kinder, Louisiana.

As we have demonstrated in our response, CCA remains America's leader in partnership corrections. The company's senior management is grounded in principals that exhibit integrity and reliability in business, as well as in correctional services management. CCA has established verifiable experience in facility ownership/acquisition and facility management throughout our 28-year history, along with the financial credibility needed to achieve the State's desired outcomes with confidence and assurance. We look forward to further discussions with the Department as the State evaluates the opportunities presented through this process.



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### **2.3.3 COST ESTIMATE**

With regard to the financial implications of such an arrangement, our initial analysis indicates that the annual per diem increase resulting from the purchase of the facility would range from \$8.50 - \$10.50 per inmate per day in addition to the current operating per diem. For example, given today's base management per diem of \$31.51, the revised aggregate per diem resulting from the purchase of the facility would be in the range of \$40.01 – \$42.01. Our calculation is based on an assumed facility value of \$33.0 million. To formalize and increase the precision of a potential offer, key assumptions such as the value of the facility and an assessment of its useful life would have to be validated and confirmed.

Beyond this base analysis, we believe that certain contract provisions could allow the best value to be provided to the state by CCA including: 1) certainty around annual contract escalators, 2) a minimum occupancy guarantee, 3) property tax abatements and 4) a put provision requiring repurchase of the facility by the state in the event of material financial deterioration of the facility operations or the cancellation by the state of the management contract. CCA also believes that there are alternative financial structures that could allow potentially a meaningful reduction in the proposed per diem rate through maximization of available bed space within the existing facility. These efficiencies could help offset the magnitude of the per diem increase that would be required to support the purchase of one or both of the facilities by CCA.