

B. Pinnacle Correctional Services Commissary Contract

Approve a resolution authorizing the City Manager to enter into an agreement with Pinnacle Correctional Services LLC for commissary inmate fulfillment and inmate accounting software.



## BUSINESS OF THE CITY COUNCIL CITY OF SUNNYSIDE, WA

March 24, 2025

**ITEM TITLE:**

Pinnacle Correctional Services Commissary  
Contract

**PROPOSED COUNCIL ACTION:**

Authorize Agreement

**SUBMITTED BY**

Rob Layman Police Chief

**EXHIBITS**

Contract

**APPROVED BY CITY MANAGER**

**AMOUNT OF EXPENDITURE**

\$

**AMOUNT BUDGETED**

\$

**BUDGET AMENDMENT**

\$

**SUMMARY**

This is a contract with Pinnacle Correctional Services to start handling our commissary. They will purchase all of our existing stock and use it to fulfill their orders. They will accept the orders from the inmates and ship the items to us. We will no longer have to have a corrections officer spending several days a week filling orders. The items will be shipped in packaged by order and will just need to be inspected and handed to the inmate. There is no cost to us to maintain this program.

**RECOMMENDATION**

Approval of contract



**Pinnacle Correctional Services LLC**  
**Commissary Inmate Fulfillment and Inmate Trust Accounting Software**

This Inmate Commissary Fulfillment and Trust Fund Software, ("Agreement") is made and entered into this \_\_\_\_ day of March 2025, by and between Sunnyside Police Department (hereinafter referred to as "Police Department") located at 401 Homer Street Spring Street, Sunnyside, Washington 98944 and Pinnacle Correctional Services LLC (hereinafter referred to as "Contractor") with its principal place of business located at 8917 West Dragonfly Drive, Sioux Falls, South Dakota 57107.

**WHEREAS**, Sunnyside Police Department operates and maintains the Sunnyside Police Department Jail and desires to contract with Contractor to provide commissary fulfillment and inmate trust fund accounting software.

**NOW THEREFORE**, Sunnyside Police Department and Contractor agree to the following terms and conditions:

**1. Operational Rights:**

- A. **Grant:** The Police Department hereby grants Contractor exclusive rights to provide commissary goods, inmate trust fund software for the Sunnyside jail. The Police Department shall not permit any other person or entity the right to deliver commissary fulfillment and inmate trust fund accounting software during the term of this Agreement.

**2. Operational Responsibilities:**

- A. **Grant:** The Contractor shall provide a selection of food products, snacks, candy, clothing, personal hygiene items, health and over-the-counter pharmacy items, and general merchandise (collectively, the "Products"), all of which shall be subject to the approval of the jail staff. The Contractor shall install/maintain Lockdown™ inmate banking software and all necessary hardware at no cost to the Police Department.
- B. **Distribution:** The Sunnyside jail shall deliver commissary items one (1) time per week to adult inmates at the jail. All orders will be picked and packed off-site at the Contractor's warehouse and shipped directly to the jail facility. All date sensitive commissary items must be sold before their "best by" or "sell by" or similar expiration date.
- C. **Delivery:** Inmate orders will be shipped to the jail by the Contractor in individual clear heat-sealed bags with the receipt that includes a detailed list

items and the inmate funds charged. This receipt is to be signed by the inmate with a copy given to the inmate and a copy retained by the Police Department (to be produced upon request of the Contractor). The length of retention of said receipts shall be determined by the Police Department but shall not be less than two (2) years. All such deliveries are to be coordinated with and supervised by Correctional Staff.

- D. **Ordering:** Contractor will integrate with the detention center inmate communication vendor which will allow inmates to place commissary orders on the video visitation units or tablets.
  - E. **Personnel:** The Contractor shall provide expert administrative support related to the commissary operations.
  - F. **Fill Rate:** The Contractor will maintain sufficient supplies and quality control of its delivery system so that at least 98% of the items are delivered consistently and correctly on the first attempt. This percentage is based upon the overall item count and not on the number of inmate orders. Errors or damaged items upon arrival will be promptly credited back to the inmate, by the Contractor or jail assigned personnel.
  - G. **Facilities and Equipment:** The Contractor will install any necessary hardware equipment during the duration of the contract. Equipment and products shall always remain the property of the Contractor. The Contractor shall remove equipment and software upon expiration or termination of the Contract but will grant the detention center access to the data server to close out books, access accounts, etc. up to sixty (60) days after termination or expiration. The data from the software will remain the property of the Police Department, but the Contractor shall be permitted to retain a copy of such data.
  - H. **Repair and Replacement:** The Contractor shall be responsible for repairs that arise due to normal wear and tear of equipment. The Contractor shall be responsible for any loss or damage to equipment resulting from vandalism, theft, or abuse by inmates.
3. **Billing and Prices:** The Contractor shall determine the retail prices at which products shall be sold to the Inmates. The prices shall be priced at which similar products are sold in local convenience stores in the surrounding Sunnyside communities. If the Contractor sustains increases in its product costs, the Contractor may, with jail staff approval, increase retail prices to recover such increased costs immediately. Additionally, the Contractor may, on an annual basis, increase such retail prices under the Agreement without Police Department approval. The Contractor will provide CPI or other cost increase letters from supply vendors or direct manufacturers for justification of price increases.

The following additional services will be offered at a fee to the inmate and/or friends/family members.

- The Contractor will charge \$1.00 per transaction for inmate phone pin debit transfers paid by the inmate.
- The Contractor will charge \$3.50 or 10% whichever is greater for online inmate deposits at our website [www.JailATM.com](http://www.JailATM.com). This fee is paid by the individual who deposited the funds to the inmate.
- All applicable fees will be charged to the inmate's account and withdrawn via ACH monthly from the jails bank account to reimburse the Contractor for such fees.

The contractor may supply indigent supplies, indigent starter kits, and indigent hygiene kits as requested by the jail staff at a mutually agreed upon cost.

The jail staff may place inmate spending dollar limitations on inmate purchases, which may be adjusted with mutual agreement between both parties.

The Contractor will electronically invoice the Police Department weekly for the retail price of all products delivered to inmates. All invoices will be due to the Contractor within 30 days of receipt of the invoice.

Payment Remittance Address: Pinnacle Correctional Services, LLC  
PO BOX 88023  
Sioux Falls, SD 57109

4. **TAXES:** The Contractor will be selling commissary products to the Police Department inmates at retail prices therefore, the Contractor will be responsible for the collection and remittance of any applicable sales tax to the state of Washington. The Contractor will be responsible for obtaining any required re-sale tax licenses/permits.
5. **COMMISSION:** The Contractor shall pay a monthly commission to the Sunnyside Police Department of twenty percent (20%) of net sales. Net sales are defined as total gross sales minus sales tax, postal products (postage stamps), credits and any other items sold at cost or no mark-up.
  - No commissions will be paid on any indigent items or kits.

- Commissions will be paid to the Police Department by the 15<sup>th</sup> of the following month.

**6. SPECIAL TERMS AND CONDITIONS:**

- A. **Excused Performances:** In case of riot, war, public emergency, fire, flood, earthquake, pandemic, public health emergency, act of God, government restriction, labor disturbance or strike, business operations at the Police Department are interrupted or stopped, performance of the Contract, except for monies already due and owing, shall be suspended and excused to the extent commensurate with such interfering occurrence. The expiration date of the contract may be extended for a period equal to the time that such default in performance is excused.
- B. **Confidential Information:** The City of Sunnyside and the Police Department are subject to Washington's Public Records Act, Ch. 42.56 RCW, and Washington record retention laws. To the extent possible consistent with these laws, the parties agree as follows: (1) all financial, operating, and personnel materials and information, including but not limited to, software, technical manuals, policy and procedure manuals and computer programs relative to or utilized in the Contractor's business (collectively the "Contractor Proprietary Information") are and shall remain confidential and sole property of the Contractor and constitute trade secrets of the Contractor; (2) the Police Department shall keep all Contractor proprietary information confidential and shall use the Contractor information only for the purpose of fulfilling the terms of this Contract; (3) the Police Department shall not photocopy or otherwise duplicate any materials, whether in hardcopy or electronic, containing Contractor proprietary information without the prior written consent of the Contractor, nor disclose any such information to individuals who do not have a legitimate need to access the information to carry out the terms of this contract; and (4) upon expiration or any termination of this Contract, all materials, data files or other items in any form containing any Contractor proprietary information shall be returned to the Contractor or destroyed.
- C. **Insurance:** The Contractor assumes responsibility arising from the administration or delivery of commissary services for which it is responsible. The Contractor will handle all lawsuits and pay all associated legal costs and settlements related to the administration or delivery of commissary services (excluding distribution of the items once delivered to the jail) or as otherwise excluded in this agreement. The Police Department and Contractor will provide their respective employees workers' compensation and employer's liability coverage, and any other required or desired coverages as may be applicable to the execution of this Agreement.

**7. INDEMNIFICATION:** Contractor shall indemnify Sunnyside Police Department against any claim, actions, suit, demand, damage, liability, loss, or judgment,

including reasonable attorney's fees and costs, which arise out of, relate to or result from Contractor's negligent performance of its obligations under this Agreement, except to the extent such claims, actions, suits, demands, damages, liabilities, losses or judgments are due to the negligent or unlawful conduct, or the willful misconduct of Police Department, its agents or employees. Police Department shall indemnify Contractor against any claim, action, suit, demand, damage, liability, loss or judgment, including reasonable attorney's fees and costs, which arise out of, relate to or result from Police Department negligent, intentional or willful acts or omissions, except to the extent such claims, actions, suits, demands, damages, liabilities, losses or judgments are due to the negligent or unlawful conduct, or the willful misconduct of Contractor. Each party agrees to provide the other party with reasonable and timely notice of any claim, action, suit demand, damage, liability, loss or judgment made or brought against the other party arising out of or relating to the Agreement and for which the notifying party is seeking indemnification hereunder. The indemnifying party shall have the right to defend any such claim at its sole cost and expense. Each party will promptly advise the other party of any proposed agreement to compromise or settle any claims and the other party will have ten (10) days to respond to such proposal. These indemnities and remedies shall survive the expiration or other termination of this Agreement.

8. **PERMITS/LICENSES/SECURITY:** The Contractor shall be financially responsible for obtaining all required permits and licenses to comply with pertinent municipal, county, state, and federal laws and regulations as it pertains to a wholesaler.
  - A. **Common Areas:** The Contractor may utilize all space assigned by the jail for commissary operations, and the jail agrees to assign specific space sufficient to house the equipment to be placed at the jail in this Agreement.
  - B. **Employees:** The Contractor will not be providing any on-site employees or subcontractors for the distribution of the commissary products and therefore will not be maintaining any employees or subcontractors in the jail facility on a regular basis. If the jail requests the Contractor's employees or subcontractors to perform duties at the Police Department's facility on a regular basis, such request will be complied with only after both parties have reached a mutual agreement as to their duties and associated costs.
  - C. **Security:** The jail staff shall provide the Contractor's employees and subcontractors with safety and security services inside the jails secured area or when inmates are nearby.
9. **STANDARD TERMS AND CONDITIONS:**
  - A. **Deviations and Exceptions:** Requested deviations and exceptions from terms, conditions, or specifications of this contract shall be submitted in writing to the Sunnyside Police Department which may accept or reject such submission at Police Departments sole discretion. Any submission accepted by the Police Department shall be made by a formal amendment to this contract. All amendments to the Agreement shall be in writing and become effective upon

signature by the Contractor and the authorized representative for the Police Department. A delay or omission in exercising any right, power or remedy under this Agreement shall not impair a party to exercise such right, power or remedy for any incident or breach that subsequently occurs.

- B. **Applicable Law:** This Contract shall be governed under the laws of the State of Washington. The Contractor shall always comply with and observe all federal, state, and local laws, ordinances, and regulations that are in effect during the period of the Contract and which in any manner affect the work or its conduct.
- C. **Severability:** If any provision of the Contract, or the application of any provision hereof to a particular entity or circumstance, shall be held to be invalid or unenforceable by a court or competent jurisdiction, the remaining provisions of this Contract shall not be affected, and all other terms and conditions of the Contract shall be valid and enforceable to the fullest extent permitted by law.
- D. **Contract Assignment:** No right or duty in whole or in part of the Contractor under the contract may be assigned or delegated without prior written consent of the Police Department.
- E. **Contract Term and Termination:** This Agreement shall become effective as of the \_\_\_\_ day of March, 2025, and shall continue in effect for a period of one (24) months (the "Base Term"). The agreement will automatically renew for successive one-year terms thereafter, unless either party to the Agreement gives notice in writing to the other party no less than sixty (60) days prior to the expiration of any term or extended term that the party so giving notices does not wish to extend this agreement. If either party shall materially breach any of the terms or conditions of this agreement for any reason other than Excused Performances reasons defined herein, the party claiming such material breach shall give the other party a written notice of such breach. If within thirty (30) days from such notice the material breach has not been cured, or the material breach is such that it may not be cured within thirty (30) days and the party in breach has not commenced the cure within thirty (30) days and continuously pursued the cure, then the injured party may cancel the Agreement. All monies due the Parties at the time of termination shall be paid to the respective party within thirty (30) days after the effective date of the termination of services.
- F. **Binding Effect.** This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, legal representatives, executors, administrators, successors and assigns.



- G. **Survival of Representations, Warranties and Agreements.** The representations, warranties, covenants and agreements of the parties which are contained herein shall survive termination of the Agreement.

**Sunnyside Police Department:**

---

**Print Name, Title**

---

**Signature**

---

**Date**

**PINNACLE CORRECTIONAL SERVICES LLC:**

---

**Print Name, Title**

---

**Signature**

---

**Date**

## RESOLUTION 2025 - \_\_\_\_\_

### **A RESOLUTION OF THE CITY COUNCIL OF SUNNYSIDE, WASHINGTON, DECLARING PINNACLE CORRECTIONAL SERVICES OUR COMMISSARY INMATE FULFILLMENT COMPANY.**

**WHEREAS**, the city of Sunnyside has received a contract from Pinnacle Correctional Services to provide commissary to inmates.

**WHEREAS**, Pinnacle Correctional Services will receive orders and send them directly to the jail prepackaged. Corrections staff will need to verify the contents match the packing slip and then just hand them to the inmate.

**WHEREAS**, Pinnacle Correctional Services will purchase all our inventory of our current city sponsored commissary.

### **NOW THEREFORE, IT IS HEREBY RESOLVED BY THE CITY COUNCIL OF THE CITY OF SUNNYSIDE, WASHINGTON:**

**SECTION 1.** Pinnacle Commissary will be the sole source of inmate commissary.

**SECTION 2.** Pinnacle Commissary will provide any computer equipment needed for the interaction with inmates.

**SECTION 3.** The City Manager is hereby authorized to execute and administer all documents and contracts necessary to retain Pinnacle Correctional Services in accordance with applicable procedures and law.

**Section 4.** The City Clerk is authorized to make the correction of scrivener's/clerical errors, references, Resolution numbering, section/subsection numbering and any references thereto.

**SECTION 5. Effective Date.** This Resolution shall be effective upon passage, approval and signatures heron in accordance with law.

**PASSED** this 24th day of March 2025.

---

DEAN BROERSMA, MAYOR

**ATTEST:**

---

JACQUELINE RENTERIA, CITY CLERK

**APPROVED AS TO FORM:**  
**SAXTON RILEY & RILEY, PLLC:**

---

BY: Quinn Plant  
CITY ATTORNEYS FOR THE CITY OF SUNNYSIDE



## Office of the Chief of Police

City of Sunnyside  
401 Homer Street  
Sunnyside, Washington 98944  
Office: (509) 836-6200 Fax: (509) 837-5873  
[www.sunnyside-wa.gov](http://www.sunnyside-wa.gov)

Mayor and Councilors,

Re: Pinnacle Commissary Contract

2024 #'s

Commissary Brought in	\$100,778
Costs for items	\$56,764
Profit	\$44,014

Labor Costs

Officer 30% of time 657 hours

Sgt. 20% of time 416 hours

Total hours	1,073
Average rate	\$50.92
Wage costs	\$54,637.16

Total loss to run the program	\$10,623.16
-------------------------------	-------------

\$3.50 or 10% per transaction is already there, this cost will not change.

The \$1 charge is new but this is only if they take funds off their phone account and move them to their commissary account, this is currently not available.

If we sell at the current rate profit would be roughly \$20,000, making this a \$30,000 difference from current. There are several factors that could influence this though. Different items available, possibly different price points etc.