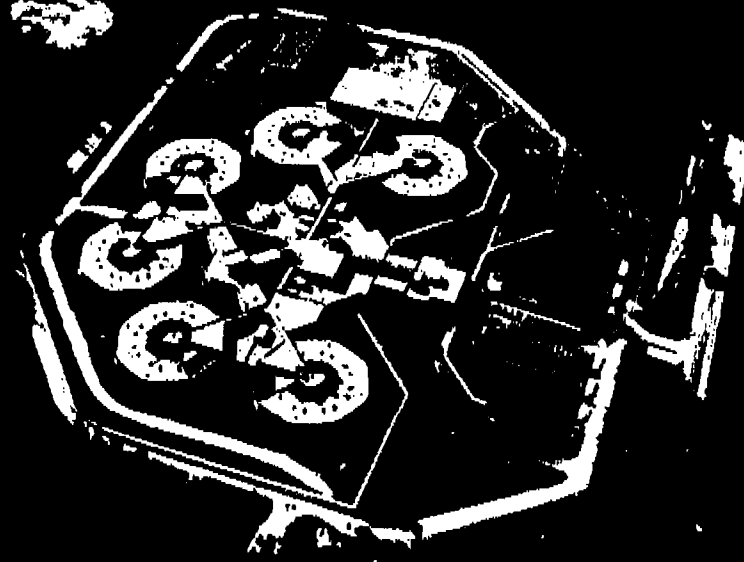


CENTRAL NORTH CORRECTIONAL CENTRE REVIEW AND COMPARISON TO CENTRAL EAST CORRECTIONAL CENTRE

April 18, 2006



**MINISTRY OF COMMUNITY SAFETY AND
CORRECTIONAL SERVICES**

Private and Confidential

Executive Summary

PricewaterhouseCoopers ("PwC") is pleased to present this report to the Ministry of Community Safety and Correctional Services (the "Ministry") concerning the performance of Management and Training Corporation Canada ("MTCC") in its management and operation of the Central North Correctional Centre ("CNCC") under an initial five-year ("Initial Term") contractual agreement ("Services Agreement"). The Initial Term expires in November 2006. This report has been developed to assist the Ministry in its decision-making process with respect to its options at the end of the Initial Term.

Project Background and Description

In the mid- to late-1990s, the Ministry embarked on a program of infrastructure renewal and service enhancements to improve the efficiency of its correctional institutions and, ultimately, to become more effective in lowering re-offending rates.

As part of this process, the Ministry decided to construct two identical correctional institutions: CNCC, operated by the private sector in an alternative service delivery partnership, and the Central East Correctional Centre ("CECC"), operated by the Ministry. Operations for both institutions were to commence at the same time.

The results—performance and cost—would be compared with a view to drawing conclusions concerning the advantages and/or disadvantages of including private corrections management in the Ontario system. The result measurement period would be over the Initial Term, split into a six- to eight-month transition period, where inmates are transferred from other correctional institutions in Ontario upon the commencement of operations ("Transition Period") and the remaining period of steady state operations ("Steady State").

Events did not unfold according to this plan. Notable events included:

- The Ministry entered into the Services Agreement with MTCC in May 2001. After a five-month period during which MTCC prepared for commencement of operations, CNCC opened in November 2001. After a six month Transition Period, the Steady State measurement period began in May 2002 and concluded in July 2003 for the purposes of the comparison period.
- Preparation for commencement of operations at CECC began in mid-2000 with the appointment of the Superintendent. However, due to a variety of factors including construction delays, CECC opened in February 2003. For the purposes of the comparison period, the Steady State period began 13 months later in March 2004 and concluded in June 2005. Further, due to continuing construction issues, the infirmary at CECC is not available for use. While CNCC operates a 24-hour infirmary as planned, CECC has not yet been able to do so.

- Delays in operations of the Cookchill Food Production Centre, the Ministry's food provider for these institutions, required CNCC to deliver food via conventional cooking methods on site with a temporary kitchen setup for a period of 14 months to January 2003. This delay did not affect CECC's later start date.
- Labour relations—both at CNCC and in Ministry operations—affected operations at CNCC and CECC:
 - The Ontario Public Service Employees Union ("OPSEU") members employed by the Ontario Government were on strike from March through May 2002. CNCC employees did not go on strike as they are not part of this bargaining unit. As a result, CNCC was called upon to assist the Ministry with maintaining its corrections operations by taking on additional work load.
 - Employees at CNCC began union certifications beginning shortly after operations commenced. The process of certification (for several classes of employees) and negotiation of initial agreements between CNCC employees and MTCC continued through 2005, including the period during which interviews were conducted for this report.
 - At CECC, operations commenced eight months after ratification of the centrally negotiated OPSEU/Government contract in May of 2002 (Contract for January 2002 to December 2004). Another centrally negotiated agreement was reached in June 2005 (Contract for January 2005 to December 2009). However, commencement of operations at CECC required significant staff transfers from closing Ministry institutions as was the case to a much lesser degree for CNCC. In CECC's case, management of staff transfers was significantly complicated by the fact that, for example, grievances outstanding at the time of transfer "followed" the transferred staff to CECC (in contrast to CNCC where operations commenced without collective agreements in place and transfers were made observing obligations for "reasonable efforts" under the Ministry's collective agreement with OPSEU).
- CECC has been called upon to accommodate significant numbers of Immigration Holds, a new requirement with no analog to the same degree at CNCC. CECC has also been called upon to deliver intermittent accommodation services (128 beds designated), again, a service for which there was no significant analog at CNCC during the comparison period.
- Commencement of industrial training operations at CECC (with Trilcor—motor vehicle licence plates) was complicated by the need for continuity of production combined with delays on construction of associated facilities at CECC. This resulted in delays in transfers of affected staff to CECC; the industries building at CNCC was not fully completed and transferred to MTCC by the Ministry for full use until the summer of 2004.
- The Ministry installed equipment at both CNCC and CECC to reduce the impact on the sewer and waste systems in their respective communities; CNCC did so first (having opened first and been the subject of local municipal complaints), followed by CECC.

The events noted above impacted the comparison assessment committed and undertaken by the Ministry at the time of the CNCC tendering process.

Ministry Options

The Ministry's options under the Services Agreement are:

1. **Extend the Services Agreement with MTCC for one year**, by giving notice to MTCC no later than six months prior to the expiry of the Initial Term, which occurs in November 2006. This one-year extension ("Second Term") would be on the same terms and conditions as the Initial Term with no change to the services charge.
2. **Extend the Services Agreement with MTCC for five years**, either
 - By giving notice to MTCC no later than six months prior to the expiry of the Initial Term; or
 - By giving notice no later than six months prior to the expiry of the Second Term.

A revised services charge would be agreed to in form and substance that is satisfactory to the Ministry in its sole and absolute discretion for the five-year extension period. The agreement on the revised services charge must be reached no later than six months before the expiry of the Initial Term or Second Term.

3. **Allow the Services Agreement with MTCC to Expire**, and either:
 - Bring the management and operations of CNCC into the Ministry; or
 - Re-tender the management and operations of CNCC to the market, thereby opening the opportunity to MTCC and other service providers.

Both of these options could be undertaken while using the one-year extension option to facilitate a smooth transition to Ministry operation, and/or a re-tendering transaction. If the Ministry were to consider bringing the management and operations of CNCC into the Ministry it would incur one-time transition costs, which would include, but are not limited to, the following:

- Costs of a transition team;
- Purchasing of vehicles and equipment;
- Staff clothing and training costs; and
- Refurbishment upgrades to building systems.

Contents of This Report

This report incorporates both information provided by Ministry staff, as well as research and analysis performed by PwC.

The reports produced by Ministry staff were directed at a comparison of performance between CNCC and CECC. These analyses were not directed at MTCC's performance related to its contractual obligations under the Services Agreement, but were conducted according to a comparative evaluation framework for corrections performance. The results of this analysis are presented in section titled *MTCC Performance: CECC Comparison*.

The research and analysis performed by PwC were directed at MTCC's performance against its contractual obligations, the expectations of the Ministry and other stakeholders related to these contractual obligations and the Ministry's intent to enter into this contractual relationship. The results of this analysis are presented in the section titled *MTCC Performance: Services Agreement Expectations*.

Economic analyses—comparing Ministry costs at CNCC versus CECC—have been performed by both Ministry staff and PwC, all based on data provided by the Ministry and MTCC. The data provided by the Ministry and MTCC have not been audited, examined or compiled by an independent auditor. The results of this analysis are presented in the section titled *Cost and Affordability*.

Summary of Findings

Overall, the data and analysis in this report indicate that MTCC is operating in material compliance with its contractual obligations under its Services Agreement with the Ministry, and that its performance is, on the whole, satisfactory in the context of the Ministry's overall system. A comparison of the performance of CNCC versus CECC (excluding cost) indicates that CECC is rated higher than CNCC.

Extending the Ministry's contractual relationship with MTCC for an additional five-year term appears to be economically advantageous. However, there have been specific performance concerns that will need to be addressed in negotiations with MTCC, should the Ministry choose to continue its contractual relationship with MTCC.

MTCC Performance: CECC Comparison

The Ministry analyses conclude that on balance, CECC's performance was rated higher than that of CNCC, as managed and operated by MTCC according to the Services Agreement for the identified comparison periods. The Ministry analyses address the comparative performance (other than cost, which is dealt with separately in this report) of CNCC, as managed and operated by MTCC, versus CECC. This conclusion is based on the comparative information available from the Ministry on comparative non-economic performance, those addressing security, programming, health and community impact for the specific comparison periods identified within the report.

- With respect to **security**, CECC scored higher than CNCC on static security, video monitoring, staffing levels, supervision levels, and search compliance. CNCC scored higher than CECC on preventative maintenance (of security-related equipment) and training compliance. Overall, CECC scored higher than CNCC on security.

- With respect to **programming**:
 - On **classification**, and on use of this classification for **client/risk need practices**, CECC rated higher than CNCC with the exception of the educational area in which CNCC's use of the Canadian Academic Achievement test was noted;
 - On **variety and volume of programming**, CNCC rated higher than CECC, particularly in the educational area;
 - On **programming quality and effectiveness**, CECC's closer alignment with the "what works" literature resulted in a higher rating than CNCC. Organizational culture was another factor in which CECC rated higher, although "both institutions struggle to effect cultural change to one that supports rehabilitation of offenders";
 - On the **continuum of services to offenders**, CECC's well-established inter-agency links, discharge planning and staffing levels were factors contributing to its higher rating versus CNCC; and
 - On **recidivism**, analyses were performed using data from the Offender Tracking Information System as of September 2005. For this analysis, "due to the short follow-up period, recidivism is defined as any re-entry into the provincial system, including offenders who re-entered the system due to parole violations or remand warrants". The analysis compared inmates at CNCC for the period of April 2002 to July 2003, and inmates at CECC for the period of March 2004 to June 2005. These analyses concluded that the recidivism rate of inmates released from CNCC was higher than those released from CECC by a statistically significant amount, allowing for differences in offender populations.
- With respect to **health**, CECC rated higher than CNCC overall in areas of infections, time to respond to requests, time to receive treatment or medication (by a small margin), issues of concern and health-related ombudsman complaints by inmates. CNCC rated higher on health care assessments. Overall, CECC rated significantly higher than CNCC on health. The Ministry authors note that "substantially more audits were performed at CNCC than CECC; this may have resulted in a greater number of critical incidents at CNCC than at CECC." A direct comparison between CNCC and CECC on health care is complicated. Although both institutions provide health care, CNCC operates a 24-hour infirmary, while at CECC, the facilities required to deliver comparable services are not available due to construction issues. The Ministry authors note that "this may have some impact on the inmates that may be transferred to this facility."
- With respect to **community impact**, "findings indicate that the impact of CECC appears to be somewhat more positive on the community than that of CNCC. This difference in impacts is minimized if one does not consider the data from the anti-privatization advocacy groups" in among the groups that rated both facilities.

MTCC Performance: Services Agreement Expectations

The research and analysis conducted by PwC addressing matters of performance versus contractual expectations (other than cost) indicate that MTCC has been in material compliance with its contractual obligations. It is also fulfilling the expectations of stakeholders interviewed by PwC for this analysis related to these obligations and the Ministry's intent in entering into the contractual relationship with MTCC.

- With respect to **performance**, data and interview results indicate that MTCC is operating in material compliance with its contractual obligations. There have been, over the course of the Initial Term, issues that have arisen related to these contractual obligations, notably in areas of health care and food services. In these cases, quantitative data and interview findings indicate that MTCC's performance trend has been favourable and that MTCC is currently operating in material compliance with its contractual obligations.
- With respect to **stakeholder satisfaction**, interview results indicate that stakeholders—Ministry and community—are satisfied with MTCC's performance against expectations. Internally to the Ministry, interviewees indicated that CNCC under MTCC management is operating as expected within the Ministry's corrections management structure. Relations with Adult Community Corrections have been strained at times, although interviewees indicate that this is a Ministry-wide challenge not unique to CNCC. Community stakeholders indicated that issues which arose from the opening of CNCC – the impact of CNCC on the local waste treatment system, and clear delineation of responsibility (between MTCC and the Ministry) for communication and action—have been resolved and that MTCC is operating according to expectations.
- With respect to the **impact on the Ontario correctional system**, interviewees on balance indicated that the management of CNCC by MTCC has had a positive impact in the areas of “competitive tension” and access to new corrections practices from other jurisdictions such as the “Success for Life” program. It is noted in comparison that CECC does not have the same opportunity to invest locally due to restrictions imposed by the government's procurement directives. Some interviewees were opposed to private management of correctional facilities and did not agree with this overall assessment.
- With respect to the **impact on the community**, the positive economic benefit of CNCC has proved, according to interviewees, to be greater than anticipated in part because of MTCC's policy of buying locally where possible. According to interviewees MTCC has also earned a reputation of being a good corporate citizen through its program of charitable giving. The opening of CNCC has placed a strain on the Huronia and District Hospital, possibly mitigated by the operation of a 24-hour infirmary (which is not operational at CECC for reasons described above) to the extent that this infirmary can provide services that would otherwise be provided at the hospital. However, in the view of hospital officials interviewed for this report, CNCC tends to attract inmates with health issues because of this capability, which in turn places a strain on the hospital. This perspective was not a criticism directed

by interviewees at MTCC, with whom they indicated they have a good relationship, nor at the Ministry or other Ministry institutions.

Cost and Affordability

The data and analysis in this report indicate that the Ministry has enjoyed a cost advantage at CNCC versus CECC over the life of the current contract with MTCC. Further, based on MTCC's initial pricing proposal for a contract extension, continuing the MTCC contract is economically advantageous.

- With respect to **historical cost efficiency**, CNCC and the CECC are the two most efficient adult correctional institutions when using per diem costs to evaluate the cost efficiency of correctional institutions in Ontario. Per diem cost analyses for the 2004/05 fiscal year (the one year for which comparable data are available) indicate that CNCC had a lower per-diem cost than CECC on a comparable basis. **For the Initial Term period, CNCC costs represented a savings of approximately \$22.5 to \$23.0 million compared to comparable costs at CECC.** Both CNCC and CECC were efficient in reducing overall Ministry costs and had per diem costs well below the Ministry average for adult correctional institutions of approximately \$162.32 in 2004/05; and
- With respect to **future affordability**, projected costs for CNCC are lower than for CECC at all utilization levels considered for contract renewal based on the initial proposal from MTCC.
 - **For the prospective Renewal Term period, MTCC's initial proposal indicates savings of approximately \$8.4 to \$10.3 million (\$9.6 to \$11.4 million including Cookchill savings) versus comparable costs at CECC.**

Decision Considerations

The Ministry's preferred course of action with respect to the Services Agreement will depend in large part on the definitive economic terms available in negotiation with MTCC and the cost indications of terminating a relationship with MTCC.

- One additional decision factor that the Ministry may consider is that a decision to transition of the operation and management of CNCC to the Ministry would be difficult to revisit (that is, to re-introduce private corrections management) at a later date due to, for example, labour relations reasons. A decision to continue external management of CNCC is easily reversed, as the Ministry is afforded a decision point (at a minimum) at every contract expiry; and
- Another decision factor that the Ministry may wish to consider is that, due to delays in commencing operations at CECC, the comparative study of CNCC and CECC is based on one year of real time experience for financials and a variety of different calendar periods for each facility in other areas. Completion of this analysis has been delayed. The Ministry may wish to make its decision on the long-term management of CNCC based on a greater experience base and real time comparison with the public sector over that time.

Scenario 1: Economic Advantage for Continuation of MTCC Relationship

Initial pricing from MTCC indicates an economic advantage of continuing the Services Agreement with MTCC, although the advantage may not be as great as it was for the Initial Term. Overall, performance of CNCC under MTCC management was satisfactory in the context of the Services Agreement. Based on this, the Ministry's preferred course of action may be to negotiate with MTCC with a view to achieving modified contractual performance obligations that reflect the Ministry's concerns regarding the performance issues highlighted in this report, as well as the best possible economic terms. Other issues for consideration include:

- The Ministry's evolving priorities for the overall management of the Ontario corrections system. These priorities may indicate further modifications of the relationship between the Ministry and MTCC;
- The Ministry may need to exercise its option to extend for all or part of one year in order to provide the time necessary to achieve its negotiating objectives (or to determine that they cannot be achieved);
- Alternatively, the Ministry may determine, for policy reasons outside the scope of this report, that managing CNCC should be internal to the Ministry, notwithstanding an economic advantage to continue the contract with MTCC;
- Finally, the Ministry may choose to re-tender if it determines, in the course of negotiations with MTCC, that improved terms may be available in the market and that these improved terms would offset the investment (financial and in operational disruption) involved in re-tendering.

Scenario 2: Economic Advantage for Internal Provision

If, in the course of the negotiations described above, the definitive pricing from MTCC indicates an economic advantage for internal provision by the Ministry (using CECC as the benchmark), or that the Ministry's performance objectives cannot be met, then the Ministry's preferred course of action may be to:

- Prepare for expiry of the MTCC contract and commencement of the internal provision;
- Re-tender the CNCC contract to achieve better terms from another provider; or
- Retain MTCC as a service provider as part of the overall Ministry portfolio at this time for policy reasons.

Scenario 3: No Apparent Economic Advantage for MTCC or Internal Provision

If the Ministry determines that there is neither a clear advantage to either internal provision nor to a continued contractual relationship with MTCC, then the Ministry's preferred course of action will be determined by policy considerations. Examples of such policy considerations include:

The desire to extend the comparative analysis of CNCC versus CECC as described above;

- The desire to have an external “benchmark” as part of the Ministry corrections portfolio to achieve competitive tension and a window on practices in other jurisdictions. This action would indicate to continue having the private sector be involved; or
- A policy decision that Ontario corrections services should be delivered by the public sector. This action would indicate the Ministry would terminate its involvement with the private sector.

COMPARISON SUMMARY			
Criteria	CNCC Rates Higher	CECC Rates Higher	Undeterminable
Security		X	
Programming			
Classification		X	
Variety and volume	X		
Programming quality			X
Programming effectiveness		X	
Continuum of services		X	
Recidivism		X	
Healthcare		X	
Community impact		X	

Source: Ministry of Community Safety and Correctional Services

Issue No. 2
April 27, 2006



CNCC TRANSFERRING TO PUBLIC SECTOR OPERATION

**This edition of
Straight Talk
announces that the
government is not
renewing its
contract with
Management and
Training
Corporation for the
operation of
Central North
Correctional
Centre.**

Ontario will transfer the operation of the Central North Correctional Centre (CNCC) in Penetanguishene to the public sector, Community Safety and Correctional Services Minister Monte Kwinter announced today.

"We carefully studied its overall performance compared with the publicly operated Central East Correctional Centre and concluded the CECC performed better in key areas such as security, health care and reducing re-offending rates," said Kwinter. As a result, the government will allow the contract with the private operator to expire.

Management and Training Corporation Canada (MTCC) was chosen to operate the CNCC in May 2001 as part of a five-year pilot project. As you know, during that period, the CECC – which is the same in design – opened as a publicly operated facility. The pilot project was to determine if there was any advantage to private operations of correctional services in Ontario.

The contract with MTCC ends on November 10, 2006. Over the next six months, the ministry will work with its partners, including MTCC and bargaining agents, to ensure a safe and smooth transition of CNCC's operations to the Ontario Public Services.

The ministry is commissioning a dedicated transition team that will include operational and human resources professionals to facilitate this transfer. Updates on the transition process will be provided over the next six months.



Straight Talk is produced
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and Correctional Services.



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Ministry of Community Safety and Correctional Services

Central North Correctional Centre Transferring To Public Sector Operation

Private Jail Operation Contract Not Renewed

QUEEN'S PARK, ON, April 27 /CNW/ - Ontario will transfer the operation of the Central North Correctional Centre in Penetanguishene to the public sector, Community Safety and Correctional Services Minister Monte Kwinter announced today.

"After five years, there has been no appreciable benefit from the private operation of the Central North Correctional Centre," said Kwinter. "We carefully studied its overall performance compared with the publicly operated Central East Correctional Centre in Kawartha Lakes, and concluded the CECC performed better in key areas such as security, health care and reducing re-offending rates. As a result, the government will allow the contract with the private operator to expire."

Management and Training Corporation Canada (MTCC) was chosen to operate the Central North Correctional Centre in May 2001 as part of a five-year pilot project. During that period, the Central East Correctional Centre - which is identical in design - opened as a publicly operated facility. The pilot project was to determine if there was any advantage to private operations of correctional services in Ontario.

"We acknowledge that MTCC was in material compliance with the contract," said Kwinter, "but the evidence clearly indicates that the public facility produced better results in key performance areas."

The contract with MTCC ends on November 10, 2006. Over the next six months, the ministry will work with its partners, including MTCC and bargaining agents, to ensure a safe and smooth transition of CNCC's operations to the Ontario Public Service.

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www.mpss.jus.gov.on.ca

Backgrounder

FACILITY OVERVIEW: CENTRAL EAST AND CENTRAL NORTH CORRECTIONAL CENTRES

The Central North Correctional Centre and Central East Correctional Centre are the same in size and design.

- 1,184-bed multi-purpose correctional facilities, each consisting of six pods of 192 beds each for male accommodations (1,152), and a separate 32-bed female unit.

- Institutions include areas for rehabilitation, programming, medical treatment, food preparation, administration, and separate buildings for industrial work programs.
- Both facilities are built to maximum security standards.
- Each facility has video court suites to reduce the need for offender transportation to and from court for very short court appearances.
- Design is unique in Canada and features six inter-connected octagonal "pods." Each pod contains six living units, an enclosed exercise yard, and dedicated program and visiting area. Meals and health care services are brought to the living units to reduce inmate movement throughout the facility.
- Living units have 16 cells, each accommodating two offenders. This design features clear and unobstructed sight lines between correctional officers and cells and a small number of inmates per housing unit. Each facility also has a 40-bed segregation unit.
- The separate female unit at each facility accommodates 32 inmates and is inaccessible to male offenders. Also included are separate programming areas, a recreation yard, medical and segregation units and their own admissions and discharge area.

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Harper, Sandra

From: OPSEU Communications Department
Sent: Thursday, April 27, 2006 3:07 PM
To: @All OPSEU Employees; @All OPSEU Executive Board
Subject: News Release for April, 27 2006: " Private jail to be repatriated into public hands: Proof that public services are better publicly-run: OPSEU"

For Immediate Release

April 27, 2006

Private jail to be repatriated into public hands: Proof that public services are better publicly-run: OPSEU

The Ontario government did the right thing by reversing a Mike Harris decision to privatize adult correctional facilities, the Ontario Public Service Employees Union said today.

The government announced that the contract with a Utah-based company to operate the Central North Correctional Centre in Penetanguishene, the first private adult jail in Canada, would not be renewed.

"The public service has outstripped the private sector when it comes to delivering public services. This is a very important lesson for this government," said OPSEU President Leah Casselman.

Casselmann challenged the government to extend this lesson to all other privatized services, in particular facilities for young offenders, road maintenance, water treatment and health care.

The Mike Harris government announced in May, 2001, that Management & Training Corporation would have a five-year pilot project to operate the 1,184-bed correctional centre. It would be compared to the operation of the new Central East Correctional Centre in Lindsay, which is publicly-run. According to the study, the publicly-run CECC performed better in key areas such as security, health care and reducing re-offending rates.

OPSEU represents employees of both facilities. OPSEU and its allies in the community have been campaigning for years to have the jail returned to the Ontario Public Service.

Casselmann said the union would be working closely with the government to make sure that all employees and services are returned to the public service where they belong.

"Our members are dedicated to public services, not making profits for private companies," she said.

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For further information:

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05/30/2006 11:27 AM

Attention News/Business Editors:**Decision not to renew CNCC operations Contract will hurt Ontario taxpayers**

Public-private partnership saved \$23 million over the first five years and would have saved \$11 million over the next five.

CENTERVILLE, UT, May 10 /CNW/ - Despite saving Ontario taxpayers millions of dollars each year - while providing quality programming, educational opportunities for inmates and innovative community partnerships - Management & Training Corporation Canada (MTCC) has learned its contract to operate the Central North Correctional Centre (CNCC) in Penetanguishene, Ontario will not be renewed.

"According to the Ministry's own report, MTCC and its parent company, Management & Training Corporation saved Ontario taxpayers \$23 million during the first five years of operation (see attached Fact Sheet). Another \$11 million in taxpayer funds would have been saved in the coming five years, while inmates were educated in a safe and secure facility. This conclusively demonstrates the benefits to taxpayers and inmates of public-private partnerships in correctional facilities. We are quite disappointed by this decision because the Ministry had not indicated it was concerned about our operation of CNCC," said MTCC President Scott Marquardt.

CNCC provides the same or better inmate care as CECC, and at a significant cost savings to Ontario taxpayers. CNCC created innovative partnerships with the Simcoe County District School Board for high school learning and it launched a very successful inmate bricklaying apprenticeship program in partnership with the School Board and Universal Workers Union Local 183. In the past two years CNCC graduated over 50 inmates with Grade 12 diplomas and 30 apprentice stone masons.

In addition, CNCC has had a fully functional medical unit capable of providing round-the-clock inmate health care since opening in November 2001. This unit has been so efficient, the Ministry has routinely transferred patients to CNCC from correctional facilities throughout Ontario, who required this level of care.

Central North Correctional Centre is also the only correctional facility in Ontario with prestigious accreditations from both the Correctional Education Association (2003) and the American Correctional Association (2004). These accreditations, from independent organizations, validate this facility as one of the best-run in Canada.

"I am proud of and grateful for the dedication and hard work of CNCC Facility Administrator Phill Clough and his tremendous staff," Marquardt added. "We know they will carry out this transition period with the same professionalism they have demonstrated in operating the facility.

"We appreciate the opportunity the Ministry has given us to introduce public-private partnerships in corrections into Ontario. But we do not agree there was any evidence to support a change that will cost Ontario taxpayers millions of dollars each year. We look forward to the opportunity to some day again serve the citizens of Canada," Marquardt concluded. MTCC will now assist the Ministry of Community Safety and Correctional Services in a six month transition, as CNCC becomes a publicly-operated facility.

For more information on Management & Training Corporation please visit

Correctional Centre (CECC) and to justify the loss of \$34 million in savings to taxpayers.

No Benefits

"No appreciable benefit from the private operation of the Central North Correctional Centre"

"When you do the analysis and you take a look at the comparison, there was a savings monetarily. But there was a cost in the outcomes."

"It's just that from our perspective, for the type of facilities we want to run, we have found that there is not any great benefit when you factor in not just the nominal costs."

\$34 million in savings for Ontario taxpayers

- Savings to taxpayers: \$23 million in first 5 years of CNCC contract (p. D-8). Additional \$11 million over the next five years if contract had been renewed.
- Total Potential Savings: \$34 million
- The government's own report acknowledges that CNCC was in material compliance with the contract and that its performance, on the whole, is satisfactory in the context of the Ministry's overall system (p. D-5).
- Other benefits not mentioned:
 - CNCC educational programs accredited by the international Correctional Education Association (CEA) making it the only correctional facility in Canada with this accreditation;
 - CNCC named large business of the year (2006) by local Chamber of Commerce;
 - In partnership with the local school board, CNCC developed a unique education and bricklaying apprenticeship program for inmates;
 - Most of CNCC staff are from the local community and CNCC purchases most of its supplies locally;
 - CNCC staff paid the same as Ministry staff;
 - CNCC went beyond its contract requirements and earned accreditation from the ACA, an internationally recognized corrections association. Requires meeting or exceeding 421 standards - 110 relating to safety and security. CNCC is the only facility in Canada

with this accreditation.

"Careful Comparison Study"

"We carefully studied its overall performance compared with the publicly operated Central East Correctional Centre in Kawartha Lakes and evidence clearly indicates that the public facility produced better results in key performance areas."

Comparing apples and oranges

MTCC has not had the opportunity to review the Government's report including the methodology used to compare the two facilities. The Government only released an Executive Summary of an alternate report prepared by PricewaterhouseCoopers:

- The Executive Summary clearly acknowledges that a direct comparison between the two facilities was "complicated" and noted several qualifying factors for each of the comparisons (p. D-6).
- The Executive Summary identifies seven "notable events" that impacted the ability to undertake the comparison assessment as originally committed to during the CNCC tendering process (pp. D-2, 3).
- The Executive Summary clearly finds that CNCC adhered to their terms of the contract. There are no qualifications around this finding (p. D-5).

"Public facility ranked higher on specific Performance areas"

"CECC performed better in key areas such as security, health care and reducing re-offending rates"

"Notable" events complicated a direct comparison between the two facilities

The Executive Summary notes that MTCC's performance trend has been favourable and that MTCC consistently met all the safety, security and health-care standards required by the contract. (p. D-7).

There is no indication that the Ministry framework took into account the several qualifying factors as outlined in the PWC Executive Summary.

Healthcare

The Executive Summary acknowledges that several factors make a direct comparison on health care

complicated. Some of the factors include:

- CNCC operates a 24-hour, 16-bed infirmary (p. D-6).
- CECC's infirmary has never been in operation even though government taxpayers have paid for the construction of the separate 16-bed infirmary and equipment within the facility.
- CECC and other correctional facilities across Ontario transfer their most acutely sick inmates to CNCC.
- Substantially more audits were performed at CNCC that may have resulted in a greater number of critical incidents (p. D-6).
- Existence of 24-hour infirmary at CNCC may also have impacted the type of inmates being transferred to CNCC and contributed to the higher incident rate (p. D-6).

The Ministry's conclusions on health care are questionable based on the facts.

Recidivism

There are fundamental flaws in how recidivism was measured:

- The time frame used for CNCC was 2 years earlier than that used for CECC, leaving a much longer period outside of prison. This fact distorts the Ministry's finding.
- All Immigration holds are sent to CECC. Immigration holds deported cannot be included in the re-offending rate analysis as they are no longer in Canada. This makes it difficult to rely on the Executive Summary's findings (p. D-3).

Security

- CNCC earned accreditation with top marks from the ACA, an internationally recognized professional corrections association. One hundred and ten of the 421 ACA standards relate

