

PROFESSIONAL SERVICES AGREEMENT

This Professional Services Agreement (Agreement) is entered into this 27th day of January, 2015, by and between the Board of Regents, State of Iowa (Board), whose address for the purposes of this Agreement is 11260 Aurora Avenue, Urbandale, Iowa 50322, and Chazey Partners Inc (Chazey), whose address for the purposes of this Agreement is 52 Chestnut Avenue, Los Gatos, CA 95030.

For the purposes of this Agreement, the terms "University" and "Universities" shall mean the University of Iowa, Iowa State University, and the University of Northern Iowa either individually or collectively.

For consideration of the mutual promises contained in this Agreement the Board and Chazey agree as follows:

1. Scope of Services

Key services to the three areas (Finance, Human Resources and Information Technology) will include an evaluation of baseline findings in the plans for each university, development of plans, "as-is" and "to-be" documentation, organizational/operational model assessment and change management plans.

- Assist in implementing Finance shared services. A detailed design would be required to establish staffing levels, and in-scope processes for each institution.
 - Baseline Sub-Phase – including review of proposed plans and assessing potential process transformation activities.
 - Future Design – including "To-Be" Workshops and development of to-be process transformation opportunities
 - Design Finalization – including final "To-Be" operating models and bottom-up operational capacity models
- Assist in implementing efforts to increase the strategic services Human Resources provides through the use of technology to automate processes, clarifying roles, redesigning governance structure, and establishing a comprehensive HR strategy that aligns short- and long-term HR initiatives and metrics to university strategic objectives.
 - Baseline Sub-Phase – including review of proposed plans, inventory of staff resources, leading practices and technology landscape
 - Future Design – including "To-Be" Workshops and "Top-Down" sizing of the new organization
 - Design Finalization – including final "To-Be" operating model and Conference Room Pilots
- Assist in implementing transformation of the Distributed IT landscape to strengthen collaboration between the distributed and central IT teams, streamline the delivery of commodity technology services, and plan for future technology innovations
 - Baseline Sub-Phase – including review of proposed plans, inventory of staff resources, leading practices and confirmed Server Room Inventory
 - Future Design – including "To-Be" Workshops and development of management framework
 - Design Finalization – including final "To-Be" operating model and Developing Server Room Migration Plan

2. Deliverables

a. Deliverables

- i. A communications plan detailing key messaging, internal change management message and engagement of campus constituencies.
- ii. A detailed action plan that includes intermediate actions that can be implemented to move towards the overall objectives.
- iii. An action plan that includes metrics to enable the measurement of improvement for each item proposed.
- iv. A recommendation of a methodology for defining, tracking and reporting on actual net savings.
- v. Confirmed Baseline data and Technology Landscape
- vi. Detailed To-Be Process Flows, Organization Model Design and Staff Resourcing Gap Analysis
- vii. Technology Roadmap and Job Impact Analysis
- viii. An established timeframe for regular activity reports relevant to the agreed upon scope of work.
- ix. Chazey will present their findings and progress on implementation and deliverables to the Board through weekly status reports and formal project read-outs as scheduled. Following the presentation, the Chazey will prepare a final report.
- x. The Deliverables will be provided in the most appropriate format, generally in MS Word or PowerPoint, with supporting documentation in MS Excel as required.
- xi. Deliverables and reporting will be presented on a workstream and university basis, but will also incorporate observations, comments and recommendations on possible cross-university synergies and opportunities.

b. Within fifteen (15) days of receipt of a Deliverable, the Board shall provide Chazey with written notice of one of the following:

- i. the Deliverable conforms in all aspects required by this Agreement and is approved and accepted by the Board,
- ii. the Deliverable does not conform with the requirements of this Agreement, but the Board waives the nonconformity and approves and accepts the Deliverable, or
- iii. the Deliverable does not conform with the requirements of this Agreement and the Board is rejecting the Deliverable.

c. Subject to section 21.a and Iowa Code Chapter 22, all Deliverables will become public record upon acceptance by the Board.

3. Term. The term of this Agreement shall commence on the date this Agreement has been executed by both parties and shall terminate upon satisfactory completion of the Services and acceptance of all Deliverables, unless earlier terminated by either party in accordance with Section 8.

4. Fees and Payment

- a. **Consulting Fees.** The Board shall compensate Chazey for the Services identified herein a fixed fee amount of \$550,548. Invoices will be raised monthly and approved invoices will be payable within Net30 terms with the final invoice being raised and payable upon satisfactory completion of the Services and the Board's acceptance of all Deliverables. Each invoice will be supported by detailed timesheets which include a detailed breakdown of work completed to confirm progress against deliverables.
 - b. Reimbursable expenses shall not exceed 20% of the Consulting Fee (\$110,000). Reimbursable expenses, identified further in Section 6, shall be invoiced on a monthly basis, with payment for properly documented expenses due thirty (30) days following the Board's receipt of an invoice.
5. **Change Orders** The Board, without invalidating this Agreement, may at any time direct changes in the Services (Change Order). All Change Orders shall be submitted to Chazey in writing. Chazey is responsible for reviewing a proposed Change Order and verifying the scope of Services impacted. A Change Order may result in an equitable increase or decrease in the Fees identified in Section 4. Once the parties have agreed to the applicable increase or decrease in Fees, the increase or decrease shall be documented in writing and signed by both parties.
6. **Reimbursable Expenses** The Board shall reimburse Chazey or pay directly, actual reasonable expenses incurred in the performance of the Services; including, but not limited to, travel, lodging, meals, and communication and reproduction expenses. The Board may reject a request for reimbursement of expenses, in whole or in part, that does not conform to the requirements of this section. The Board's obligation to reimburse expenses is subject to the following limitations:
- a. **Travel Expenses:**
 - i. Automobile Mileage – IRS allowable reimbursement rate for current year
 - ii. Air Fare – Actual cost of coach class fare. **Receipts required.**
 - iii. Rental Car – Actual cost of mid-size car or smaller. **Receipts required.**
 - iv. Taxi, Airport Shuttle – Actual cost including reasonable gratuity. **Receipts required**
 - v. Parking – Actual cost. **Receipts required.**
 - b. **Daily Expenses:**
 - i. Lodging – Actual cost for a standard single room. **Receipts required.**
 - ii. Meals – \$40 per diem for a full day of travel. For partial days of travel the following limits apply – B = \$8, L = \$12, D = \$20. Alcohol is not a reimbursable expense.
 - c. **Other Expenses:**
 - i. Telecommunications – Actual cost with proper supporting documentation
 - ii. Printing – Actual cost. **Receipts required.**
 - iii. Miscellaneous – Actual cost, receipts required for any single expense in excess of \$25

7. Ownership of Work Product

- a. Chazey agrees that any computer programs, software, documentation, discoveries, inventions, improvements, copyrightable work or other Deliverables (Work) developed by Chazey solely or with the assistance of others, or by any of Chazey's subcontractors, as a result of the performance of Chazey's responsibilities and obligations under this Agreement are the property of the Board. Chazey hereby assigns and transfers to the Board all rights, title and interest in and to the Work, including but not limited to, the exclusive rights to reproduce, distribute, prepare derivative works, display and perform the Work. Chazey agrees to assist the Board in taking whatever action reasonably necessary to preserve the Board's commercial interest in and to the Work; including, but not limited to, the filing of patent and copyright protections. To the extent that Services are provided by subcontractors who produce any portion of the Work, Chazey shall insure that its agreements with subcontractors include a full assignment of rights in the Work to the Board as is required herein of Chazey.
- b. To the extent that the Work incorporates any computer programs, software, documentation, discoveries, inventions, improvements, or other copyrightable work developed by Chazey prior to or independently of the Services (Chazey Technology), Chazey grants to the Board the right to use any Chazey Technology included in the Work in connection with the Board's use of the Work.
- c. To the extent that the Work incorporates any computer programs, software, documentation, discoveries, inventions, improvements, or other copyrightable work developed by others prior to or independently of the Services (Third Party Technology), Chazey shall secure, at no cost to the Board, a license for the Board to use any Third Party Technology included in the Work in connection with the Board's use of the Work. Chazey shall indemnify and hold harmless the Board from and against any suits, claims, damages, losses, and expenses, including reasonable attorney's fees, for infringement of any patent rights or copyrights arising out of the use or incorporation of Third Party Technology in the Work.
- d. Section 7 shall survive termination of the Agreement.

8. Termination

- a. For Convenience. Either party may terminate this Agreement for convenience by providing thirty (30) days advance written notice to the non-terminating party. In the event of a termination for convenience, Chazey shall follow any reasonable written directive of the Board to cease and/or conclude the Services. The Board shall only be responsible for payment for Services satisfactorily rendered and expenses incurred through the date of termination for convenience. Notwithstanding the forgoing, the Board shall not be responsible for payment for Services rendered or expenses incurred following delivery of a notice of termination for convenience if the Services rendered or expenses incurred are in direct contravention of any reasonable instructions provided by the Board in the notice to terminate.

- b. For Cause. In the event of a material breach, the non-breaching party may terminate this Agreement by providing the breaching party with written notice of the alleged breach and the intent to terminate. The breaching party shall have fourteen (14) days to cure the breach. In the event a breach is not or cannot be cured within fourteen (14) days from the date the breaching party is first put on notice, the nonbreaching party shall have the right to terminate this Agreement. In the event of termination for cause, the Board shall only be responsible for payment for Services satisfactorily rendered and expenses incurred through the date the notice of breach is first delivered to the breaching party.
- c. In the event of termination under either 8.a or 8.b, the fixed fee payment identified in Section 4 shall be prorated based on Services satisfactorily rendered through the date of termination. Chazey shall prepare an invoice detailing Services rendered, effort expended (hours/times/rates), and expenses incurred through the date of termination. At the reasonable request of the Board, Chazey shall provide additional document evidence supporting the final invoice. In no event shall the fees and expenses payable by the Board upon termination exceed the limits identified in section 4.

9. Insurance

- a. Chazey shall purchase and maintain, throughout the life of this Agreement, commercial general liability insurance and commercial automobile liability insurance to protect Chazey from claims for bodily injury, including accidental death, personal injury, and property damage arising from operations under this Agreement, whether such operations be by Chazey a subcontractor, or anyone else directly or indirectly employed by Chazey or a subcontractor. In addition, all statutory insurance requirements, including workers' compensation, shall be met. Limits of such insurance shall be as stated below:

<u>Type of Insurance</u>	<u>Limits of Liability</u>
Workers' Compensation	Statutory
Commercial General Liability	\$1 million per occurrence
Commercial Auto Liability	\$1 million combined single limit
Errors and Omissions	\$1 million per claim

- b. With the exception of Workers' Compensation and Errors and Omissions, the "State of Iowa" and the "Board of Regents" shall be included on such policies as additional insureds. Prior to providing services under the terms of this Agreement, Chazey shall provide a Certificate(s) of Insurance evidencing the required insurance coverage. Chazey shall maintain such insurance in effect throughout the duration of this Agreement consistent with all applicable laws and in the minimum amounts required above to cover claims arising from the performance of this Agreement. Should a policy be canceled or subject to adverse material change, Chazey shall provide the Board with written notice of the change at least thirty (30) days prior to the effective date of the cancellation or change. Failure to carry the required insurance coverage places Chazey in material breach of this Agreement.

- c. Certificate(s) of Insurance on current ACORD forms, which shall be acceptable to the Board, shall be addressed to:

The Board of Regents, State of Iowa
11260 Aurora Avenue
Urbandale, Iowa 50322

- d. Chazey shall either (1) require each subcontractor performing Services hereunder to procure and to maintain during the life of each associated subcontract liability insurance of the type and in the same amounts as specified herein, or (2) provide coverage for the activities of the subcontractor(s) in Chazey's own policies.
- e. Chazey shall automatically renew policies which expire during the term of this Agreement and provide the Board with certificates as evidence of such renewal.

10. Indemnification

- a. To the fullest extent permitted by law, Chazey shall defend, indemnify and hold harmless the Board, the Universities, and their agents and employees from and against all claims, damages, losses, and expenses, including reasonable attorney's fees, arising out of or resulting from the negligent or intentional acts or omissions of Chazey its officers, agents, or employees in the performance of this Agreement.
- b. To the extent permitted by Iowa Code Chapter 669, the Board shall defend, indemnify and hold harmless Chazey, its agents and employees from and against all claims, damages, losses, and expenses, including reasonable attorney's fees, arising out of or resulting from the negligent or intentional acts or omissions of the Board, its officers, agents, or employees in the performance of this Agreement.

11. Independent Contractor Status Chazey agrees that the relationship between Chazey and the Board is that of an independent contractor. Chazey shall be solely responsible for self-employment, income or any other taxes relating to payment under this agreement including those of any employees. Chazey shall be solely responsible for liability, disability and health insurance coverage.

12. Assignment The covenants, conditions, and obligations contained in this Agreement shall be binding on and inure to the benefit of the respective successors and assigns of the Board and Chazey to the same extent as if each successor and assign were named as a party to this Agreement. Notwithstanding the forgoing, neither party shall assign the Agreement, in whole or in part, without prior written consent of the other party, and any attempt to do so shall be void and ineffective.

13. Subcontracting Chazey shall not subcontract all or any portion of the Services to be provided under the terms of this Agreement to any other party or entity unless prior written consent is granted by the Board. It is recognized that Chazey uses a mixed resourcing model, comprised of full time Chazey employees, full time contractors and, on occasions, certain part time contractors. The names, details and profiles for all Chazey team members will be provided by Chazey to the Board in advance of starting them on the project. The Board shall notify Chazey in writing of any reasonable objection to a proposed Chazey team member. In the event the Board reasonably objects to any proposed Chazey

team member, Chazey shall propose an alternative. For the avoidance of any doubt, Chazey Partners is not sub-contracting any responsibilities under this contract to any third party.

14. Use of Marks Chazey shall not use the name or marks of the Board of Regents or the Universities in any commercial advertising, or as a business reference, without the express written consent of the Board or, when applicable, the University in question.
15. Non-Availability of Funds Notwithstanding any other provisions of this agreement, if funds anticipated for the continued fulfillment of this Agreement are at any time not forthcoming or insufficient, either through the failure of the Federal government or the State of Iowa to appropriate funds or through deappropriation, then the Board shall have the right to terminate this Agreement immediately without penalty by giving written notice documenting the lack of funding.
16. Choice of Law The terms of this Agreement, including all attachments and amendments, and all matters relating to this engagement, shall be governed by and construed in accordance with the laws of the State of Iowa. Any action based on or arising out of this Agreement shall be brought and maintained exclusively in state or federal court in Polk County, Iowa.
17. Severability In the event any term or provision of this Agreement, or the application thereof to either party, is held invalid, illegal, or unenforceable in any respect, the other provisions of this Agreement or the application thereof to either party shall continue to be valid and enforceable to the fullest extent permitted by law.
18. No Waiver of Rights No action or failure to act by the Board or Chazey shall constitute a waiver of a right or duty under this Agreement, nor shall such action or failure to act constitute approval or acquiescence in a breach of this Agreement except as expressly agreed to in writing.
19. Force Majeure If a party's ability to perform an obligation of this Agreement is delayed at any time by reason of acts of God, war, civil commotion, riots, inclement weather, strikes or other labor disputes by employees of a third party, inability to obtain required government permits, fire, epidemic, or similar causes beyond the reasonable control of the party (Permitted Delay), then the time for performance shall be appropriately extended by the time of delay actually caused by the circumstance or event. The party claiming a Permitted Delay shall promptly notify the other party in writing of the Permitted Delay and the event causing the delay.
20. Entire Agreement None of the covenants, provisions, terms or conditions of this Agreement shall be in any manner modified, waived or abandoned, except by a written instrument signed by both parties. This Agreement contains the entire agreement of the parties.
21. Iowa Open Records Act and Confidential Information
 - a. The parties recognize that as an agency of the State of Iowa the Board is subject to the requirements of Iowa Code Chapter 22, the Iowa Open Records Act. Chazey shall identify in writing any information provided to the Board pursuant to this Agreement which Chazey reasonably believes represents a trade secret or

other confidential information which may fall within one of the exceptions identified in Iowa Code section 22.7. Chazey's designation of information as confidential is for informational purposes only and is not binding on the Board. The Board will notify Chazey of a request for any information previously designated in writing by Chazey as confidential, unless prohibited by law.

- b. The Board may provide Chazey access to information that is considered confidential in accordance with State or Federal laws, including the Family Educational Rights and Privacy Act (FERPA), 20 U.S.C. § 1232g, or is otherwise exempt from public disclosure under Iowa Code section 22.7 (collectively, Board's Confidential Information). Chazey agrees to only use the Board's Confidential Information in connection with the Services. To the extent that Chazey is provided access to any of the Board's Confidential Information it shall protect against unauthorized redisclosures using at least the same degree of care it employs in maintaining the confidence of its own confidential information, and in any event, no less than a reasonable degree of care given the confidential nature of the information. The Board hereby consents to Chazey's disclosure of such confidential information (1) to subcontractors engaged by Chazey to perform Services who have been bound by confidentiality provisions similar to those contained in this Agreement, or (2) as may be required by law, regulation, or a lawfully issued judicial or administrative order.
- c. Notwithstanding anything contained in the foregoing, Chazey shall not be provided access to any personally identifiable student information subject to the protections of FERPA (FERPA Data) unless and until it enters into a FERPA Memorandum of Agreement (FERPA MOA) with each University and the Board. The FERPA MOA shall govern the exchange of FERPA Data, and shall be appended to and fully incorporated in this Agreement. To the extent that there is a conflict between a term or provision contained in this Agreement and a term or provision contained in the FERPA MOA, the FERPA MOA shall control.
- d. The requirements of Section 21 shall apply to any subcontractor that Chazey enters into agreement with to perform any portion of the Services. Chazey shall include in all subcontracts a provision that complies in all material aspects with Section 21. Subcontractors requesting access to FERPA Data will be required to execute a FERPA MOA in accordance with Section 21.c.


Robert Donley Date
Executive Director
Board of Regents


Robert Towle 1/27/15
Managing Director North America
Chazey Partners Inc